

PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS' MEETING
MINUTES

Thursday, June 17, 2021

Presiding: Kevin H. Smith, Chairman
Present: Neil Levesque; Erik Anderson; Thomas G. Ferrini; Steve Fournier; Margaret F. Lamson; and Susan B. Parker
Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Anthony I. Blenkinsop, Deputy Director /General Counsel; Maria Stowell Engineering Manager; Irv Canner, Finance Director; Suzy Anzalone, Assistant Finance Director; Geno Marconi, Division of Ports and Harbors ("DPH") Director; Scott DeVito, Pease Golf Course General Manager; Greg Siegenthaler PDA, IT Director and Raeline A. O'Neil, Legal Executive Assistant.

AGENDA

I. Call to Order:

Vice Chairman Levesque ("Levesque") called the meeting to order at **8:31 a.m.**

Chairman Smith ("Smith") and Director Fournier ("Fournier") were not in attendance at the time the meeting was called to order.

II. Non-public Session:

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

1. Sale or Lease of Real or Personal Property [RSA 91-A:3, II (d)]; and
2. Consideration of Legal Advice provided by Legal Counsel [NH RSA 91-A:3, II (l)].

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

The non-public discussions commenced at **8:32 a.m.**

Director Fournier arrived to the meeting at 8:36 a.m.; Chairman Smith arrived to the meeting at 8:44 a.m.

Director Fournier **moved** the **motion** and Director Parker **seconded** that the Board of Directors return to public session at **9:16 a.m.**

III. Vote of Confidentiality:

Director Lamson moved the motion and Director Levesque seconded that be it **resolved**, pursuant to NH RSA 91-A:3, 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 June 17, 2021, meeting related to the sale or lease of property and the consideration of legal advice from legal counsel are matters which, if disclosed publically, would 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: None. Disposition: Resolved by unanimous vote for; motion carried.

IV. Acceptance of Meeting Minutes: Board of Directors' Meeting of May 20, 2021

Director Levesque moved the motion and Director Anderson seconded a motion to approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, May 20, 2021.

Discussion: Director Lamson ("Lamson") stated she was impressed with the comments made by Mr. Bald who had been the Executive Director and his statement regarding the mid-90s, \$25 million had been invested into the Tradeport as the start up for this project and the \$25 million has been paid back to the State.

Disposition: Resolved by unanimous vote for; motion carried.

V. Public Comment:

There were no public comments.

Chairman Smith ("Smith") asked the Board about moving item 2 under leases up in the agenda prior to going onto old business. Smith indicated in the interest of the group of individuals who were present for item IX. A. 2. 68 New Hampshire Avenue – Consent to Lease Assignment and Approval of Lease Amendment; all Directors concurred.

68 New Hampshire Avenue – Consent to Lease Assignment and Approval of Lease Amendment

Director Fournier moved the motion and Director Levesque seconded that the Pease Development Authority ("PDA") Board of Directors hereby:

- a. **approves and authorizes the Executive Director to execute a Consent of Sublessor and Agreement Concerning Assignment of Sublease ("Consent") by and between PDA, Cinthesys Real Estate Management, LLC, and Gather, a New Hampshire non-profit corporation, for the premises located at 68 New Hampshire Avenue on substantially similar terms and conditions contained in the draft Consent attached hereto;**

- b. **approves and authorizes the Executive Director to enter into Lease Amendment No. 5 (“Amendment”) on substantially similar terms and conditions contained in the draft lease Amendment attached hereto, contingent on the Assignment of the Sublease to Gather; and**
- c. **approves and authorizes such other action(s) and the execution of such other document(s) as shall be necessary or advisable to implement the transaction;**

all as more fully described in the memorandums of Maria Stowell, Engineering Manager dated June 8, 2021 and Paul E. Brean, Executive Director dated June 9, 2021, attached hereto, and incorporated herein.

Discussion: Lamson asked of raised gardens; Blenkinsop indicated this was something that Gather indicated it would like to do with the premises. However, based on review by the PDA staff, raised beds would not be a permitted use as zoning does not authorize agricultural uses. Along with zoning, there are practical reasons this would not be allowed which is contained within Stowell’s memorandum within the packet.

Director Parker (“Parker”) asked how many people Gather had served in its last fiscal year. Deb Anthony (“Anthony”), Executive Director of Gather, spoke on behalf of the attendees to indicate it would be hard to determine, but did state it served 10,000 per month through a variety of programs. Many of the individuals served are in mobile programs. Anthony indicated that the pantry market at the site may average of 75 / 80 people a day.

Disposition: Resolved by **unanimous** vote for; motion **carried**.

VI. Old Business:

A. Approval:

1. Lonza Biologics, Inc. – Emergency Generator

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby approves the request for a variance from Part 308.02 (c) of the PDA Zoning Ordinance to allow the installation of an emergency generator with a diesel fuel tank capacity of 3,312 gallons, submitted by Lonza Biologics, Inc. (“Lonza”) and attached hereto, as part of the work to construct a new production suite inside the premises located at 101 International Drive; contingent upon Lonza securing the requisite variance from the City of Portsmouth’s Board of Adjustment for the additional fuel storage associated with the installation of the emergency generator; all in accordance with the memorandum from Maria J. Stowell, P.E., Manager - Engineering dated June 9, 2021.**

Discussion: Lamson asked the location of the generator; Stowell indicated that it would be on the south side / far side of the building as they are fitting up that side of the building.

Director Anderson (“Anderson”) stated the memorandum referenced additional variances in 2015 and 2019 for the storage of diesel fuel; asked how much fuel is stored on the property now. Stowell indicated the

last page of her memorandum shows a spreadsheet which indicates a breakdown of storage tanks and the new request being highlighted. Brean indicated that there is approximately 21,000 gallon capacity at this time on its campus. Anderson asked if Lonza would have to go to DES or would it just be PDA approval; Stowell indicated the variance is needed because PDA's land use controls references a capacity of 2,000 gallons; but there are no wetlands that would require approval. The units are self-contained units and the tank is integral to the unit (it is typically a double walled tank and has containment for the tanks). The greatest risk of spill would be when the tanks are being refilled; there are procedures in place to protect from spills. Anderson asked if an explanation was received as to why Lonza wanted to exceed the 2,000 gallon limitation; Stowell indicated it is due to the size of the generator and the larger tank is necessary. Stowell indicated that Patrick Crimmins was present for Lonza and could answer any additional questions. Stowell stated the production suites take a great deal of power and they need to be able to continue to operate during outages.

Disposition: Resolved by unanimous vote for; motion carried.

VII. Finance:

Smith indicated this would be Finance Director Irv Canner's ("Canner") last meeting as he would be retiring. Canner indicated that PDA has done a good job in succession planning as the Board has met Suzy Anzalone ("Anzalone") who is ready to take the torch and move forward in the position.

A. Executive Summary

Canner indicated he would be speaking to the two financial reports and Anzalone would be speaking to the O & M Budget and the Revolving Loan Fund ("RLF") requests which require approvals.

B. Reports:

1. FY2021 Financial Report for the Ten Month Period Ending April 30, 2021

Canner stated that the operating revenues are slightly higher than budgeted and the operating expenses are below budget (either COVID related or as a result of timing differences) leaving an end result of PDA's operating income being \$1.5 million greater than anticipated; minimizing the need to go to the RLF (sic Revolving Line of Credit – "RLOC"). Canner also spoke to fee revenues being greater than budgeted due to rounds of golf played. Conversely, Canner spoke to additional impacts such as the decrease in fuel sales primarily due to the closure of the Portsmouth Fish Pier ("PFP"), reduction of the pay-for-parking at PSM and fuel flowage fees as a result of COVID.

Lastly, Canner spoke to operating expenses being below budget; some drivers are open positions within PDA and a lighter winter than anticipated. Canner indicated at this time there are 62 filled positions and there continues to be four open positions. Lamson asked of the two positions open at the airport (security specialist and operations specialist); Executive Director Brean ("Brean") indicated this was due to the impact of COVID. Brean stated that PDA has been able to multitask some positions and would like to keep these airport positions open at this time; PDA has backfilled the maintenance positions.

Vice Chair Levesque ("Levesque") asked of the open position for the Deputy Chief Harbor Master; Brean indicated that position is being actively recruited.

Director Ferrini (“Ferrini”) asked if it was possible to see a line-by-line of salaries of personnel; Brean indicated this could be provided. Ferrini indicated he does not know what would be competitive / non-competitive; Brean indicated it is a competitive hiring market at this time.

Canner spoke to over \$22 million in capital expenditures with offset monies from state or grants from the FAA; while PDA has an available RLOC of \$15 million, it has a current drawdown of \$250,000 and anticipates being able to bring the RLOC down to zero during the next nine months. Canner indicated that PDA is awaiting the pension information from the state and would like to get that booked into FY21.

Canner indicated the external audit has commenced this week which is being performed partially onsite and virtual; there will be a physical inventory performed on June 30th; it is anticipated that the auditors will be present. The physical inspection will commence with the fuel and maintenance items; Canner indicated last year, due to COVID, this was performed with a cell phone and the auditors remained virtual while this was performed.

Canner briefly spoke to the various business units and indicated that Skyhaven is operating within budget primarily due to higher fuel sales due to increased fuel consumption.

Ferrini asked of the operating expenses listed on page 14 and asked why Skyhaven is projected out to \$810,000; Canner indicated the \$810,000 is the budget for FY21. Canner further indicated that it probably won’t reach that number due to the open positions and milder winter, so anticipate an underrun of the budget.

Anderson asked if at Skyhaven, PDA acted as the FBO for that facility; Brean indicated that there is no FBO at Skyhaven. Further, Brean indicated that PDA has a self-fueling program at that location and the fuel is bought at wholesale and sold at retail. Brean indicated that aside from fueling, only other services provided by PDA at Skyhaven are tie-down and anchoring.

Canner briefly spoke to golf operations and how Pease Golf Course (“PGC”) is above golf budget in terms of golf fees due to rounds of golf played. Canner indicated that YTD golf rounds, this season since the March 26th opening, is at 6,000 and this time last year due to COVID PGC was approximately 400 rounds of golf played. Canner indicated that for this year PGC is up by 10.5% due to golf fees; and that Grill 28 sales are starting to turn around and are up by approximately 6%. Further, the simulator fees are well above budget from the prior year by 25%.

Canner spoke of the Division of Ports and Harbors (“DPH”) unrestricted funds and its underruns being driven by the loss of fuel sales at the PFP; indicated it is anticipated that fuel sales will return late summer / early fall.

2. Cash Flow Projections for the Nine Month Period Ending February 28, 2022

The cash flow projections take into account the finishing up of the airport / terminal projects and anticipate no outstanding debt in the fall. During the next nine months it can be seen under use of funds just over \$8 million and grant awards as a source of funds of \$7.2 million.

Ferrini asked if PDA will get to the projected debt of zero; Canner affirmed. Ferrini indicated that while that it is a good thing he asked if PDA was doing enough and if PDA is utilizing its debt capacity or is

there not opportunity (investment / infrastructure) for that. Canner spoke to the May meeting when Anzalone shared the Capital Improvement Program (CIP) which included over \$70 million including grant funding and available projects. The projects were graded (A, B & C) so there would be room to look at infrastructure (i.e.; loop road) while this is not a high priority it is something that the Board might consider given the debt levels and the favorable investment environment. Canner indicated that there are plenty of projects contained in the CIP which could raise to the surface.

Canner spoke to PDA's goal of keeping \$1.5 million available in working capital and interest rates being flat at this time for the RLOC through Provident Bank.

Canner indicated DPH's unrestricted funds will begin to whittle down and collection of fees will commence again during the January/February/March timeframe. Canner indicated that Anzalone will provide more information regarding the RLF, but did state that this helped to save hundreds of jobs and kept the local fishing industry afloat. The demand for loan monies is low and the cash balances are starting to get close to \$300,000, the overall fund balance being \$1.2 million with approximately \$800,000 in outstanding loans.

Director Levesque left the room at 9:54 a.m. and returned at 9:56 a.m.

Smith indicated that Canner has been a steady hand at the tiller for quite some time; Canner indicated he has been at PDA for 11.7 years.

C. Approvals:

Anzalone provided background on how the budget is put together prior to delving into the presentation. Initially, Finance meets with the Executive Director to review some of the key assumptions for incorporation into the budget (i.e.; pricing / staffing changes, flights, financial targets etc.). After this discussion, Finance brings the budget and forecast together, starting with an initial forecast for the remaining year. Once a draft is prepared, this information is forwarded to each department / management teams; then individual meetings were held to discuss cost drivers to the business units. Finance then makes appropriate changes to the budget model and looks at several factors (i.e.; reasonableness; significant changes in revenues / expenses and the understanding thereof; financial targets etc.). The draft budget is presented to the Executive Director for a final review prior to presentation to the Board.

Speaking directly to the proposed budget, Anzalone indicated that on the revenue side, PDA budgeted for approximately \$17 million in operating revenue which represents a 4.7% increase over the prior year's budget. Anzalone indicated the revenues are driven by many factors such as golf revenue, fuel flowage increase at Portsmouth International Airport at Pease (PSM), DPH increase in fee structures and anticipation of fuel sales at the PFP; the facility rental was flat this year due to different revenue streams and cash flow adjustments. The operating expense is indicated at \$14 million which is a decrease of just under 2% of the previous year budget with some factors driving this being interest expense, environmental testing (this is an educated guess); and LEO (driven by enplanements). Anzalone also spoke of an anticipated increase in insurance (liability, aviation, property insurance etc.) between 10 to 20%.

Anderson asked if there were a process PDA goes through for insurance: Blenkinsop indicated there is and that the last time PDA went out for a proposal was in approximately 2018 and the Board authorized the use of three different agents for different lines of coverage with a one year agreement with four additional year

options. Blenkinsop indicated in 2022 PDA will be going out to bid again for coverage by insurance agency(ies). Anderson indicated there could be variability by going out to bid; Blenkinsop affirmed and further indicated PDA has seen that the cost of coverage go up and have been advised by current agents of anticipated increase due to COVID.

Parker asked Blenkinsop if he inquired as to the drivers of the increase in rates; Blenkinsop indicated detailed reports had been received. Brean indicated the reference to northeast storms and the rising sea levels being driving factors of the rate increase. Blenkinsop indicated prior to the August meeting he will reach out to PDA's agents and ask what they are seeing in the market; may be able to provide an update to the Board at either the August or September meeting.

Anderson spoke of the 4.7% increase in revenue and a factor being golf course operations; Anzalone indicated it was over the prior budget being COVID driven with individuals wanting to golf which played a role in that increase. Anderson also asked of the percentage average of the rental increase for the 125 leases; Anzalone indicated this would be under the facilities rentals which is where PDA is staying flat. Although an average 2% inflation increase has been calculated, some of PDA's bigger leases will result in a change to some of the cash flows in 2022. Anzalone indicated it is a \$27,000 decrease over the prior year budget. Brean indicated the difficulty in seeing this due to the lease rentals (it comes down to the CPI index).

Anderson asked if there were a projection regarding the fuel flowage increase; Brean indicated it is determined on the amount of fuel pumped but what has been forecasted is \$126,000 for the \$.01 increase.

Anzalone spoke of some key operational items PDA plans to undertake in 2022 and moving forward (being more efficient and control of expenses). Also there are no incremental staffing increases from the current levels and salaries are capped at 3.5% total (COLA of 1.5% and a merit increase of 2%).

Anzalone spoke of the various revenues of the business units:

1. Airport (PSM) – Pay-for-Parking, fuel flowage increase and other incremental fees from concessions. Anderson asked if it were possible to break down the fuel flowage further to indicate charter, commercial, civilian and troop flights to see the development. Brean indicated he thought PSM had the ability to obtain this information in order to categorize the fuel flowage in this manner. Anderson thought it would be interesting to see the developing trends and how it is broken down. Brean indicated he could have this prepared for the next Board meeting.
2. Skyhaven - no changes to the rental rates, but it is 100% occupied with a waitlist.
3. Tradeport - inflation has been budgeted by 2% but that there may be revenue streams that show the Tradeport flat in FY2022.
4. Golf – driven by the rounds of golf played and anticipate 61,000 rounds of golf played for the FY2021 season which goes into FY2022. It is anticipate in the out years it does drop down a little.
5. Grill 28 – agreement for concession and as they get back up to speed after COVID (this will have a direct impact on the concession revenue paid).
6. DPH – increase in pay rate of seasonal employees to \$12.16/hr. to be consistent with other state agencies; however, but there will be an increase to storage fees from \$9/ft. to \$18/ft. which will help to offset the increase to wages. Also, it is anticipated that the PFP will be complete and the fuel will be back online.

Anzalone stated regarding operating income (on a cash basis) and what this means is PDA is excluded non-cash expenses like depreciation (i.e.; in FY22, PDA anticipates a \$3.3 million cash margin and an increase can be seen in the out years). This would be reinvested in capital / Tradeport infrastructure, which will vary from year-to-year depending on projects (either internally funded or by meeting PDA share of a grant).

Parker asked if the CARES Act funding had been built into the budget base; Anzalone indicated it is a onetime event (it is anticipated PDA will receive funds by end of FY21; the grant has been submitted).

Anzalone indicated that the proposed budget is a tight budget and does not contain a lot of fluff. Further she indicated she appreciated the team effort provided by all; the business units are committed to managing and controlling expenses in each of their respective cost centers.

Brean thanked the Board for allowing the succession planning in the Finance Department as it has allowed Anzalone to be brought on early to work with Canner who has a tremendous amount of institutional knowledge. Brean indicated Canner has been critical in some of the large lease deals at the Tradeport and in forecasting of some of the models (i.e.; reset with PCA a couple years ago; Lonza deal). Brean indicated that Canner will be missed, but has left PDA on a good path.

Ferrini stated the operational management and recordkeeping of this complex endeavor is very solid and he looks at it as being high level complex management which is well done. When he looked at marketing, which was not mentioned, he did not see a marketing / business development position in the organizational chart. Ferrini indicated he assumed Brean and others performed this and while it is a lot about managing, he doesn't know where or to what extent \$500,000 (or less) spent on business development/acquisition is reasonable / not reasonable. He does not see a muscular business development section in the organizational chart (i.e.; business planning; growth planning; how to expand etc.). Brean indicated that the unit managers are very skilled in what they do and in the past there had been a critical components of marketing the Tradeport. Brean also spoke to very skilled developers at the Tradeport who have taken on this and the majority of the budget now is more airport service development. Brean affirmed that this budget does not have the marketing aspect included and it is more or less the team that takes on the initiatives (i.e.; potential for a large aviation space to be developed). Ferrini spoke to an Economic Developer and the potential to add more people (jobs / businesses) is there strategic planning (i.e.; is there enough, are more resources needed). Where PDA has the income, is something to think about going forward. Brean completely agrees and values the comments by stating it has been a challenging year due to the pandemic and indicated that the Tradeport would benefit if it were to bring on a role to assist in marketing/development.

Lamson spoke of the early years at the Tradeport and there was forward thinking to long term planning and marketing between the Board and staff (i.e.; informed that marketing golf was done through flyers), but there hasn't been anything put in regarding development.

Parker stated we are in a post COVID 19 world and things regarding global economy are going to be different (i.e.; communication pathways and ceding of positions to other people who can handle the economy and social development) which can be challenging. Further, we should be on the lookout for ways to think about economic and social development planning in ways we have not understood, but it will equal growth.

1. **Proposed FY 2022 Operating Budget and FY 2023-FY2025 Forecast**

Director Ferrini moved the motion and Director Levesque seconded that the Pease Development Authority Board of Directors hereby accepts the recommendation of the Finance Committee and accepts and approves the proposed FY 2022 Operations and Maintenance (O&M) Budget and FY 2023 – FY 2025 O&M Forecast; all in accordance with the documentation submitted by Suzy Anzalone, Assistant Director of Finance, attached hereto and incorporated herein.

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

2. **Release of the Economic Development Administration’s (“EDA”) Federal Interest in the EDA Revolving Loan Fund**

Director Anderson moved the motion and Director Lamson seconded that in accordance with the recommendation of the Revolving Loan Fund (“RLF”) Committee the Pease Development Authority (“PDA”) Board of Directors recommends and approves of a Request for Release of the Economic Development Administration’s (“EDA”) Federal interest in the EDA RLF Award consistent with the requirements of the “Reinvigorating Lending for the Future Act,” contingent upon:

1. The continued use of the funds in offering financial and related assistance to members of the local fishing industry along the New Hampshire Seacoast, and to aid in the creation of economic opportunities in support thereof;
2. The continued role of the RLF Committee with the use of these funds pursuant to the provisions of RSA 12-G:54, as may be amended; and
3. The continued use of the Five Year Revolving Loan Fund Plan as a guide for future strategies, policies, operating rules, and administrative procedures for operating the RLF, as may be periodically updated at the discretion of the RLF Committee and the PDA Board of Directors.

All in accordance with the memorandum of Suzy Anzalone, Assistant Director of Finance dated June 7, 2021.

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

Anderson indicated this program has been around for a considerable amount of time and when it was offered, it was conditionally proposed by EDA with it requiring a 25% contribution from the State. Anderson further indicated New Hampshire is the only state that has a program of this nature that has a relationship with a financial institution in existence.

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

A. Report:

1. **Pease Aviation Partners, LLC (d/b/a Million Air) – Right of Entry, 53 Exeter Street**

In accordance with the “Delegation to Executive Director: Consent, Approval and Execution of License Agreements,” PDA entered into a Right-of-Entry with Pease Aviation Partners, LLC (d/b/a Million Air), west of Hangar 229 (aka 53 Exeter Street) for the purpose of conducting site inspection and survey work on the Premises from June 21, 2021 through December 21, 2021. Director Fournier was consulted and granted his consent.

IX. Leases:

A. Approvals:

1. **Port City Air – 44 Durham Street Building Addition (Request for Bump Out)**

Director Parker **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and execute an Amendment to the Port City Air lease for the construction of a 24' x 26' addition to the existing hangar located at 44 Durham Street; all in accordance with the terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated June 2, 2021.**

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

X. Contract:

A. Approval:

1. **LeaseQuery – Property Management Software**

Director Anderson **moved** the **motion** and Director Lamson **seconded** that **the PDA Board of Directors approves of and authorizes the Executive Director to complete negotiations and to enter into a contract with LeaseQuery for Property Management Leasing Accounting Software; all in accordance with the memorandum of Suzy Anzalone, Assistant Director of Finance, dated June 8, 2021.**

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

XI. Signs:

A. Approval:

1. **Temporary Banner Signs – 14 Manchester Square**

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to institute a temporary application process for the short-term display of banner flag signs for the purpose of assisting small retail business impacted by the COVID-19 pandemic as they reopen, all in accordance with the Memorandum from Maria J. Stowell, P.E., Manager – Engineering, dated June 9, 2021.**

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

XII. Executive Director:

A. Reports:

1. **Golf Course Operations**

Chairman Smith left the room at 10:19 a.m. and returned at 10:21 a.m.

Scott DeVito (“DeVito”) Pease Golf Course (“PGC”) General Manager stated golf rounds to date are a little over 23,000 for the calendar year, for the FY closing out end of June putting PGC around 72,000 and at this time on pace to pass that figure in FY22.

PGC had purchased new LED ballards for the facility which have been installed by PDA electrician Al Bishop and Todd Kneeland; they also updated all of the parking lot lights.

DeVito also spoke to working with Fishnet regarding the PGC website to update with the inclusion of drone footage that was obtained last year (these improvements went live today).

DeVito indicated that PGC’s superintendent has been working with the City of Portsmouth Deputy Public Works Director Brian Goetz regarding the voluntary water restrictions. PGC is looking at areas where it can turn off water to some areas, looking at growing natural areas going forward. Also, due to the recent weather over Memorial Day weekend and the past couple of days, have turned off the system off for a few days.

Director Fournier (“Fournier”) asked what COVID guidelines are still in place at the golf course (timing difference; distancing in restaurant); DeVito indicated for a comfort level there are some guidelines PGC is still adhering to (i.e.; barriers still set up in the dining room) but there is full capacity outside in the tent and patio. DeVito stated the restaurant association has indicated to continue doing what businesses can (PGC also continued the use of hand sanitizer stations around the facility, sanitizing golf carts and occasionally fogging the building).

Anderson asked if the rough mower had been received yet; DeVito indicated the mower is heading from Minnesota to the dealer in Connecticut.

Director Anderson left the room at 10:24 a.m. and returned at 10:25 a.m.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated PSM is out of survival mode and things are starting to trend strongly upward. There have been about 5,000 enplanements for the month of May (split down the middle between charter and Allegiant travel); this equates to about 10,000 people utilizing the terminal facility. Brean reminded the Board that due to COVID last year PSM did not break 40,000 enplanements last year. Also, air traffic is up 35% over 2020 and 20% increase over the last full year prior to the pandemic. This is due to an uptick in corporate travel, PlaneSense’s operation is extremely busy; and advertising technical stops for corporate and military aircraft.

Brean indicated for the month of May the following:

1. Revenue parking had about 650 transactions; and
2. 1.1 million gallons of fuel was pumped.

Brean spoke of a motion before the Board to raise the fuel flowage fee to \$.04/gallon. Brean

indicated this increase will assist with increase to insurance premiums previous discussions as well as the need to assume all expenses (i.e.; IT and Cyber Security) of the US Customs Board & Patrol (exception being labor costs), and custodial operation at the airport to keep it COVID safe.

Also, there are 147 based aircraft at Pease which is solely commercial / private aircraft, plus the 12 KC-46s the ANG has, for a total of 159 based aircraft at PSM (anticipate an increase in the short-term).

Brean spoke of Allegiant's new flights being Nashville, TN and Tampa/St. Pete which have been well received by the local community (weekend flights doing well, working on Sunday enplanements).

The major runway reconstruction is nearing completion (down to the final coat of paint) and Bravo and Charlie taxiways have been repaved. Brean indicated that there is a grant in for additional work but it hasn't been received as of yet.

Lamson indicated residents who have taken the Nashville flight have very positive feedback.

Smith asked whether these flights will continue into the fall; Brean indicated they have been advertised as a seasonal route (out to Labor Day or week thereafter) but that all routes started as seasonal and if the ridership is there it may continue; PSM is trying to make it happen.

Brean indicated it is official that ANG Air Show will be held September 9th through 12th and PDA is working with the ANG to assist them in putting on a great show; it should be noted that the ANG will be dedicating 10 of the KC-46s during that time period.

b) Skyhaven Airport (DAW)

Brean stated return of the summer activity (i.e.; skydiving and the continued uptick of fuel flow) and we have invited flight schools from other airports to use the Skyhaven facility as a transient learning stop where an instructor can work with a student pilot.

**c) Noise Line Report
(i) May 2021**

Brean informed the Board of four noise inquiries received in May, 2021. Three pertained to fixed wing aircraft and the forth pertained to a rotor wing aircraft. The fixed wing inquiries originated from Durham, Rye and Portsmouth. The Durham resident's concern was about noise and duration of six F-18's and two support tankers departing in succession to the North heading overseas. The Rye resident's concern was about a Military C-17 cargo aircraft departing to the south at 11:00 PM. The last fixed wing inquiry was from a Rochester resident about continuous noise of aircraft overhead. The noise was from aircraft taking passengers up to Skydive departing from the Lebanon Airport in Maine. The rotor-wing aircraft inquiry was from a Portsmouth resident who lives adjacent to the southeast end of the airfield. The helicopter arrived and departed to the southeast putting the helicopter over the neighborhood. It was a normal take-off and landing but a courtesy phone call was made to Maine Helicopters to ask them to fly the runway heading to avoid the noise sensitive area if possible.

Anderson asked of the discussion held in May for additional parking; Brean indicated Anderson

would be referring to Bottomline Technologies and there was nothing to bring before the Board at this time.

Anderson also asked if there were any additional information to provide the Board concerning the Lonza expansion; Blenkinsop indicated a draft lease was provided to Lonza in May to include the entire parcel (original leased area, the Iron Parcel as well as the recent request for 2.5 acres for additional parking). Anticipate hearing back from them anytime now regarding the negotiations as it is important to get the new lease in place by October 1st. Those negotiations will also include discussions regarding the purchase by Lonza of the portion of the building that is still owned by PDA. A fair market value appraisal has commenced on that portion of the building owned by PDA; the appraiser hopes to have the report to PDA by early to mid-July. If Lonza decides to purchase the building it will be necessary to seek a release to purchase that portion of the building. Anticipates there will be additional information provided to the Board at either the August and/or September meetings.

B. Approvals:

1. Bills for Legal Services

Director Ferrini **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$11,832.00 for legal services rendered to the Pease Development Authority from Sheehan Phinney Bass & Green for April 1, 2021 – April 30, 2021 in the amount of \$3,944.00 (for Tradeport General Representation); for April 1, 2021 – April 30, 2021 in the amount of \$7,888.00 (in support of MS4 and CLF settlement implementation) for a total of \$11,832.00 AND to expend funds in the amount of \$10,656.00 for legal services rendered to the Pease Development Authority from Anderson Kreiger as outside counsel for Federal Regulatory Advice from April 1, 2021 through April 30, 2021; for a total amount of \$22,488.00 in legal services.**

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

2. 75 NH, LLC – Request for Tree Removal at 85 New Hampshire Avenue

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby approves of the request made by 75 NH, LLC for the removal of ten (10) to twelve (12) trees near the building located at 85 New Hampshire Avenue, provided that any and all requisite permits are obtained and all tree removal work is done with reasonable prior notice to the PDA Engineering Department; all in accordance with the memorandum from Maria J. Stowell, P.E. – Manager - Engineering dated June 2, 2021**

Discussion: Lamson indicated she wasn’t going to support this motion, but went over and looked at the trees and the shallow root system, so she understands the need for the work.

Disposition: Resolved by **unanimous** vote for; motion **carried**.

3. Fuel Flowage Fee

Director Lamson **moved** the **motion** and Director Parker **seconded** that **the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to take all such action**

as may be required or appropriate to increase the current aviation fuel flowage fee rate by \$.01, from \$.03 to \$.04 per gallon on 100 low lead fuel and Jet A fuel, commencing July 1, 2021; all in accordance with the memorandum of Andrew Pomeroy, Manager, Aviation Planning & Regulatory Compliance, dated June 8, 2021.

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

Executive Director Brean left the room at 10:36 and returned at 10:38 a.m.

XIII. Division of Ports and Harbors:

A. Reports:

Director Geno Marconi (“Marconi”) DPH indicated as has been his practice for some time, he has provided the Port Advisory Council approved the minutes for the Board’s review.

1. **Port Advisory Council Meeting Minutes of April 14, 2021**
2. **Port Advisory Council Meeting Minutes of May 12, 2021**

Marconi reported that in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers”, there were two commercial mooring transfers (Flanders to Martell being in Hampton and the Flanigan to Methot being in Sagamore Creek). According to the Code of Administrative Rules commercial moorings are allowed to be transferred; once a mooring is designated as a commercial mooring it has to stay that way and needs to show commercial activity going forward. Marconi informed the Board that a general use mooring cannot be converted to commercial and then revert back to general use; this was put into place in 2002 during the merge of DPH with Pease. The reason was done was there was a decline in commercial activity and this was a way to flat line the loss of commercial activities in the harbors.

3. **Commercial Mooring Transfer – Flanders to Martell**
4. **Commercial Mooring Transfer – Flanigan to Methot**

Marconi informed the Board that the first pour of concrete was done on June 16th at the Portsmouth Fish Pier. Marconi further indicated that the sheet pile wall is in, the rebar is in, and what they do is pour a footing for the pads where the jib cranes will be. This needs to be done before they can close in the forms for the wall cap; the wall cap will be poured today and on the inside on the 18th. Also, some of the fuel system has been roughed in but waiting for the final DES review of the plumbing; hoping to have the permit by the end of the week in order to complete the final installation.

Marconi indicated that DPH has been working on the rehabilitation of existing pier at the main port terminal and working with DOT on the functional replacement part. Marconi informed the Board that DPH is getting ready to go out to bid in July for the rehabilitation of the pier. DPH wanted to see what was going on in the industry so had an industry day where DPH had a virtual presentation overview of projects (40+ attendees) on Tuesday (6/15) regarding the rehabilitation and functional replacement projects and on Wednesday invited marine contractors to walk the facility (30+ attendees). Marconi indicated there were big named contractors as well as local subcontractors; the show of interest in the projects provided DPH with a comfort level of confidence that these projects are getting some attention. Marconi indicated that the final

designs have been received and are being reviewed; Legal is reviewing the bid documents.

B. Approval:

In preparation of the upcoming motion, Marconi displayed photos taken from the Sarah Long Bridge showing the types of activities that Cianbro has conducted at the Market Street Terminal. DPH is doing this in support of Cianbro's contract with the United States Navy on the super flood basin project. Marconi indicated that this project is in a high security area at the shipyard and in order to get equipment and materials to the construction site, Cianbro would have to go through the town of Kittery, the security check point at front gate and then the higher security check point (is not very efficient). Marconi indicated this project was for 80,000 cubic yards of concrete, crushed stone, sand and fly ash and dry cement which came across the dock. Also, all of the steel sheet piles and some kasons came in on trucks while some of the long ones arrived via rail, which were offloaded under the Sarah Long Bridge. Marconi spoke to a good working relationship with Cianbro who was onsite when the Sarah Long Bridge was built. DPH has been supporting the current project and looks forward to the next phase of the Super Flood Basin project which will be for \$700 to \$900 million.

Parker asked Marconi of the turning basin / dredging project and the bidding by the Army Corp of Engineers which was supposed to have happened at the end of May; wondered if a schedule had been planned and when the job would be done. Marconi indicated that the plan is to commence in November; the environmental dredge window is November 15th through March 15th (750,000 cubic yards of material to be moved). Marconi indicated that the bids have not been opened yet (this is always a controlling factor).

Anderson asked what the climate for funding was regarding the rehabilitation of the pier project, Marconi indicated the funding DPH has is roughly \$12.5 million (\$5 million appropriated by the legislature and a BUILD grant was received for the additional funds). Marconi indicated escalating construction costs is a concern for all parties. Marconi indicated when DPH puts bids together priorities are set out so if bids come in over what is appropriated, there are items that can be removed. However, where this is a partially / federally funded (BUILD grant) project those permissions would need to be received from MIRAD.

Levesque asked the difference in dredging between the Rye project and the turning basin project; Marconi indicated that the Rye dredging was approximately 38,000 to 39,000 cubic yards, versus the turning basin being 750,000.

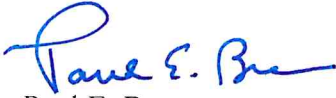
Anderson indicated there has been a tremendous interest in the material from the turning basin project as it is a glacial sand material; there are towns in Massachusetts who have expressed an interest in obtaining the material for beach rehabilitation purposes.

Parker asked if it were more sand than mud; Marconi indicated it is more sand than ledge which was determined when the geotechnical borings were performed. It has been determined it is over 80% of hard glacial sand. Marconi indicated it has been there for a very long time and there are no pollutants in the sand. Further, the Army Corp has developed a grant program to help subsidize municipalities who want the sand. The difference in the cost between transportation of the sand to the base plant (disposal site located outside the Isles of Shoals) to an alternative site would need to be picked up the State / Municipality. Marconi provided the example of the base plant being 12 miles to the Isles of Shoals, two alternative sites are Salisbury, MA, Newburyport, MA which are on the cusp of the 12 miles, and a third site is one of the

XIX. Press Questions:

No members of the press were at the meeting.

Respectfully submitted,



Paul E. Brean
Executive Director

