

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

Thursday, November 18, 2021

Presiding: Kevin H. Smith, Chairman
Present: Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Erik Anderson; 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; Suzy Anzalone, Finance Director; Geno Marconi, Division of Ports and Harbors ("DPH") Director; Scott DeVito, Pease Golf Course General Manager; Andrew Pomeroy, Manager, Aviation Planning & Regulatory Compliance and Raeline A. O'Neil, Legal Executive Assistant

AGENDA

I. Call to Order:

Vice Chair Levesque ("Levesque") indicated Chairman Smith would be a few minutes late to the meeting so Levesque called the meeting to order at 8:32 a.m.

II. Non-public Session / Consultation with Counsel:

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 roll call vote for; motion carried.

The non-public discussions commenced at 8:33 a.m.

Chairman Smith arrived to the meeting at 8:47 a.m.

Director Fournier moved the motion and Director Ferrini seconded that the Board of Directors return to public session at 9:32 a.m. and the meeting commenced at 9:39 a.m.

III. Vote of Confidentiality:

Director Lamson moved the motion and Director Fournier seconded that 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 November 18, 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 October 21, 2021

Director Anderson moved the motion and Director Parker seconded to approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, October 21, 2021.

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

V. Public Comment:

Margaret O'Brien of Bow Street Commercial, indicated she represented the owner of 68 NH Avenue concerning the item on the Board's agenda.

VI. Committees:

A. Reports:

1. Finance Committee

Chairman Ferrini indicated the meeting was held and the Committee went through the financials which are in the Board's packet.

VII. Finance:

A. Executive Summary: *

B. Reports:

1. FY2022 Financial Report for the Three Month Period Ending September 30, 2021

Finance Director Suzy Anzalone ("Anzalone") indicated operating revenues is favorable to budget by just under 9.5% with some revenue line items trending in PDA's favor (golf course public play and facility rentals). There are a couple of line items trending under budget such as airport revenue parking, registration fees and fuel sales at the harbors. Operating expenses are trending favorably by 8.8% year-to-date ("YTD") with cost underruns being located at facilities and maintenance; legal and marketing expenses. Anzalone spoke to PDA's retirement expense and indicated the contribution rate was higher than budgeted which will probably continue to trend over budget. Benefited salaries and wages were over budget in September largely related to the additional preparation for the Air Show. There have been cost overruns in fees and licenses as have had some annual software license fees that were paid earlier in the year but is anticipating will trend out over the year. Anzalone indicated information has been provided to the Board for each of the business units.

2. Cash Flow Projections for the Nine Month Period Ending July 31, 2022

Anzalone informed the Board that during the first three months of the year, unrestricted cash balances decreased slightly. Also, PDA has been able to fund just under a \$1million in capital expenditures for both grant and non-grant related projects without incurring additional debt.

Anzalone spoke to restricted assets which consists primarily of the Revolving Loan Fund (“RLF”) with current assets of \$1.2 million; 21 loans outstanding and current principal balance of \$980,000 outstanding.

Anzalone indicated that the Board could view the various capital projects she spoke of earlier as they are outlined in the report. Anzalone also informed the Board that a portion of the current liabilities she spoke of were as a result of retainage from the large projects ongoing at the airport and once all of the boxes have been checked off and inspections completed the retainage will be disbursed out to the appropriate entities.

Anzalone indicated that the dips in the cash flow in January and June represent payments made to the City of Portsmouth for the Municipal Services Fees. PDA is maintaining a strong cash balance and use of the Revolving Line of Credit (“RLOC”) is not anticipated over the next nine months for funding.

C. Approvals:

1. Berry Dunn Contract Extension Request

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 enter into a one (1) year extension of its engagement agreement with Berry Dunn McNeil & Parker, LLC (“Berry Dunn”), for PDA’s external FY2022 audit and technical guidance related to compliance with accounting standard GASB 87, in a total amount not to exceed \$76,800; all in accordance with the memorandum of Suzy Anzalone, Director of Finance, dated November 1, 2021.

In accordance with the provisions of NH RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement based on the following reasons:

1. **Berry Dunn has served as PDA’s independent external auditors for the past seven (7) fiscal years and has an intimate knowledge of PDA’s information technology environment, as well as its business systems and associated internal controls;**
2. **Accounting standard GASB 87 takes effect for fiscal year ending June 30, 2022, and Berry Dunn has knowledge of GASB 87 compliance requirements and is uniquely positioned to provide guidance to the PDA over the coming months;**
3. **Berry Dunn is able to provide technical assistance to the PDA as it uploads PDA lease information into its recently purchased lease management software in order to comply with GASB 87 requirements;**
4. **Berry Dunn will provide Engagement Principal rotation for this one (1) year extension.**

Discussion: Anderson is impressed with Berry Dunn; the only thing he questioned is if this is acceptable / responsible accounting due to the number of years Berry Dunn has contracted with PDA. Brean stated the intent is to go out to RFP next year and are asking for the extension due to the transition in the Director of Finance role and the institutional knowledge of compliance with new GASB requirements.

Smith had the same thought but further stated sometimes accounting firms are limited when working with different agencies. Smith stated that even though PDA will go out for RFP, Berry Dunn may be the entity that PDA ends up with for certain reasons but at least it will go out to bid to see what is out there.

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

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

A. Approvals:

1. NH Department of Transportation – Park and Ride

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into an Extension of the Right-of-Entry with the New Hampshire Department of Transportation for the Portsmouth Transportation Center and associated parking facility located at Pease International Tradeport for a period of four (4) years; all in accordance with the draft Extension of Right of Entry**

Discussion: Anderson asked if this creates any revenue for Pease; Brean indicated it does not. However, it allows Pease to respect its navigational easements in that area and allows the NHDOT to utilize it as a Park and Ride.

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

2. Great Circle Catering - Food and Beverage Management Service Concession at Portsmouth International Airport at Pease (PSM)

Director Parker **moved** the **motion** and Director Anderson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to finalize negotiations and enter into a Food and Beverage Management Service Concession with Great Circle Catering, LLC, for the purpose of operating food and beverage services at the Portsmouth International Airport at Pease for a period of seven (7) years, with three (3) one (1) year options to extend the agreement exercisable at the Executive Director’s discretion; substantially in accordance with the terms and conditions contained within the draft Concession Agreement and memorandum of Chasen Congreves, Manager Airport Administration, dated November 10, 2021.**

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

3. C&J Bus Lines – 47 Durham Street Overflow Valet Parking

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to finalize and execute a Right of Entry (“ROE”) for 47 Durham Street with Jalbert Leasing, Inc. d/b/a C & J Bus Lines (“C & J”) of Portsmouth, NH, for the purpose of valet parking of C & J customer vehicles, effective from December 1, 2021 through June 30, 2022, with one six-month extension option subject to the approval of the Executive Director; substantially in accordance with the draft Right of Entry dated November 8, 2021.**

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

IX. Leases:

A. Reports*:

1. Sublease between One New Hampshire Avenue, LLC and David Wendall Associates, Inc.

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

Tenant: David Wendell Associates, Inc.
 Space: 8,716 square feet at One New Hampshire Avenue (Suite #300)
 Use: General office use
 Term: Ten (10) Years Commencing July 1, 2022

B. Approvals:

1. Executive AirDock, LLC – Letter of Intent

Director Lamson moved the motion and Director Anderson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves the terms of the Letter of Intent from Paul E. Brean, Executive Director, to Executive AirDock, LLC, dated October 29, 2021, regarding hangar development at the premises located at 5, 7, 19 and 21 Hampton Street (the “Premises”), and authorizes the Executive Director to complete negotiations with Executive AirDock, LLC and to execute a Lease for the Premises on terms and conditions substantially similar to those set forth in said Letter of Intent.

Discussion: Lamson indicated it should be stated this entity used to be called Clear Air; Brean stated the previous LLC was named Clear Air and it is now Executive AirDock, LLC, for the intent of marketing of the additional hangars.

Anderson asked if the reference to the \$0.35/sq. ft. rate was standard; Brean indicated it is the standard aeronautical rate per square foot.

Parker asked the potential length of the lease; Brean indicated PDA would be seeking the maximum term which would be 45 years. Parker indicated she looked up the LLC and stated she was surprised the new name came into being on September 26, 2021. Parker indicated this would be an extensive lease for many years and asked Brean if he knew the reason for name change (i.e.; people haven’t changed). Brean stated the principal developer has not changed there was just a change to the LLC name.

Disposition: Resolved by unanimous vote for; motion carried.

2. T-Aviation – Skyhaven Airport – Exercise its First Option Extension of One year

Director Anderson moved the motion and Director Parker seconded that the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to consent to T-Aviation, L.L.C.’s request to exercise the first one year lease extension option for the premises known as Hangar 5, including certain surrounding apron area, located at Skyhaven Airport (DAW), through October 31, 2022; substantially in accordance with the memorandum from Andrew Pomeroy, Manager, Aviation Planning and Regulatory Compliance, dated November 4, 2021.

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

3. 68 New Hampshire Avenue – Consent to Lease Assignment

Director Ferrini moved the motion and Director Fournier 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 68 New Hampshire Ave LLC, a New Hampshire Limited Liability Company, for the premises located at 68 New Hampshire Avenue on substantially similar terms and conditions contained in the draft Consent attached hereto; and
- b. 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 memorandum of Paul E. Brean, Executive Director dated November 12, 2021.

Discussion: Anderson indicated that 68 New Hampshire was the facility that Gather had an agreement to purchase and now it is changing hands. Brean indicated the Gather deal fell through and this is a new deal. Anderson indicated that 68 NH is Kane; Brean affirmed the new deal would be between Kane (through the LLC it formed) and the existing tenant.

Disposition: Resolved by unanimous vote for; motion carried.

X. Contracts:

A. Reports:

1. Voltrek – Electric Vehicle Charging Station – Golf Course
2. Vortex Services – Exploratory Scanning of Failing Culvert on Airfield
3. Line X of Lee – Fisher Snow Plow Attachment
4. Builder’s Risk Insurance – Policy Extension to October 31, 2021 for PSM Terminal Project

In accordance with Article 3.9.1.1 of the PDA Bylaws, I am pleased to report the following:

1. Project Name: Voltrek
Board Authority: Treasurer, Director Ferrini provided his approval to the expenditure.
PDA Obligation: \$7,953.20
Summary: This expense is for the Electric Vehicle Charging Station at the Golf Course.
2. Project Name: Vortex Services
Board Authority: Treasurer, Director Ferrini provided his approval to the expenditure as long as insurance certificates were in place.
PDA Obligation: \$3,250.00
Summary: This expense is for exploratory scanning of a failing culvert on the airfield.

3. Project Name: Line X of Lee
 Board Authority: Treasurer, Director Ferrini was contacted and reviewed the estimates provided.
 PDA Obligation: \$6,401.96
 Summary: This expense is for the purchase and installation of a Fisher Snow Plow attachment on an existing Pease Maintenance vehicle.
4. Project Name: Terminal Project - USI Insurance Services, LLC
 PDA Obligation: \$3,443.00
 Board Authority: Prior authorization to obtain Builders Risk coverage for terminal project.
 Summary: Extension of Builders Risk Insurance Policy through December 31, 2021 due to project not yet being complete

Levesque inquired as to the charging station; Brean indicated the patron would need to insert their credit card into the charging station in order to utilize the service.

Fournier indicated the Town of Newmarket looked at charging for the charging stations and found the credit card fees to be more expensive than the electricity and from an economic development perspective with patrons eating at restaurants and visiting the area, decided to forego a charge to utilize the stations.

Anderson asked if the extension for the insurance for the terminal project means the project will be completed by December 31st; Brean stated it is anticipated before that and commended the Engineering team for its planning on this project.

XI. Signs:

A. Approval:

1. 20 International Drive – St. Mary’s Bank

Director Parker **moved** the **motion** and Director Anderson **seconded** that **the Pease Development Authority Board of Directors hereby approves of the proposed sign requested by 30 International Drive, LLC for 20 International Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Engineering Manager dated November 10, 2021.**

Discussion: Parker indicated a scrivener’s error in the date of referencing memo and should read 2021.

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

XII. Executive Director:

Smith left the meeting at 10:07 a.m. and returned at 10:10 a.m.

Levesque left the meeting at 10:11 a.m. and returned at 10:13 a.m.

A. Reports:

1. Golf Course Operations

Scott DeVito (“DeVito”) Pease Golf Course (“PGC”) General Manager, spoke to golf information provided to the Board in the packet; the rounds played are up again this year and anticipate ending the season at over 66,000 rounds played. DeVito indicated Grill 28 sales are up as there is more traffic and there are ten (10) functions book between December 1st and January 1st.

DeVito indicated that the season pass applications have been finalized and sent out; there is a waitlist so are requiring members notify PGC by January 1st of intent by payment.

DeVito indicated the simulators are active with 62 player teams and four player events trending each month.

Anderson asked of the mower; DeVito indicated the mower has not been received but PGC will be the first to receive it when in area. Further, DeVito stated he is thankful PGC locked in on the Toro mower when it did as the same piece of equipment will be selling for \$82,000 next season (the mower was purchased for just under \$70,000). DeVito stated it is the how the current market is operating and further indicated that Ping just announced it will be launching a new line, but that it will not be available until August of 2022.

Fournier stated that his town too has had issues obtaining purchased items and it is all due to the supply chain which makes it very frustrating.

Anderson indicated the Grill 28 sales being a considerable increase from 2020 and asked if the difference was due to COVID. DeVito affirmed and further indicated due to COVID PGC was closed for six to 8 weeks in 2020, capacity was diminished and many people were hesitant to eat inside.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated it was an eclectic month as there was a variety of activity (commercial, charter and transient cargo) flights. Brean commended both PSM and Port City Air (“PCA”) for their handling of transient Afghan refugee flights received as they showed compassion and care to those who arrived which is an indicator on how the airport supports issues that occur globally.

Brean indicated that there were just over 6,100 enplanements for October and Allegiant activity outpaced charter enplanements for the month of October; this will bring PSM to just about 61,000 annual enplanements for the year. Brean put into perspective the enplanements being on course with numbers reached in 2017 (pre-COVID); further the load factors the last couple of weeks on Allegiant have been incredibly high. Brean spoke to higher load factors, parking revenue increased and activity at the airport in October with approximately 1.5 million gallons of fuel (77% is the CRAFT reserve air / DOD contracts; 8% is commercial activity and 15% is general aviation / corporate activity) sold.

Brean indicated Allegiant will start its new service to Tampa Bay / Clearwater FL (PIE) on February 16th; will see increased capacity coming in the next couple of weeks through to April to the two destinations (Punta Gorda and Sanford / Orlando) and starting in February anticipate almost daily flights to each destination.

Brean stated that the Defense Logistics Agency (“DLA”) has awarded the contract for military transient fueling at PSM to PCA; this will run from November 3, 2021 through March 31, 2025.

Brean spoke to the terminal expansion and welcoming the Board to a holiday luncheon at the terminal in December after the Board meeting.

Anderson asked of the cash back credit card that was referenced at the meeting last month; Brean deferred to Finance Director Anzalone regarding this. Anzalone indicated PDA will be looking into making more of its account payable purchases through the use of a credit card with a cash back incentive. Anzalone indicated she will be reaching out to Provident and will be reviewing the various options to see which program would be best suited for PDA.

b) Skyhaven Airport (DAW)

The T-Aviation lease extension has been approved and have a solid footing on the general aviation repairs at Skyhaven and are happy to have that amenity offered at Skyhaven. Brean indicated that the fuel numbers were down at Skyhaven which is anticipated being due to the heavy rains this summer.

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

There were no noise inquires for the month of October.

B. Approvals:

1. Bills for Legal Services

Director Fournier 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 \$5,162.00 for legal services rendered to the Pease Development Authority from Sheehan Phinney Bass & Green for October 1, 2021 – October 31, 2021 in the amount of \$2,755.00 (for Tradeport General Representation); October 1, 2021 – October 31, 2021 in the amount of \$1,711.00 (in support of MS4 and CLF settlement implementation); October 1, 2021 – October 31, 2021 in the amount of \$406.00 (for Division of Ports and Harbors) and October 1, 2021 – October 31, 2021 in the amount of \$290.00 (for Division of Ports and Harbors - Portsmouth Fish Pier) for a total of \$5,162.00.

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

XIII. Division of Ports and Harbors:

A. Reports:

Geno Marconi (“Marconi”), Division of Ports and Harbors Director, reported that generally included in the Board packet are the minutes of the Port Advisory Council, but the timing between meetings did not allow for the minutes to be included this month so they will be provided to the Board at the December meeting.

. Commercial Mooring Transfer – Devine to Moore

Marconi indicated this Commercial Mooring Transfer is down in Hampton and is allowable per the Delegation of Authority. The request is reviewed by the local Harbormaster who makes a recommendation to the Chief Harbor Master, who makes a recommendation to Marconi who reviews to make sure it is consistent with the Code of Administrative Rules. Marconi passes the request along to Brean to be signed

off through the Delegation of Authority.

2. Portsmouth Fish Pier – Change Order 8A

Marconi indicated the Change Order is in the amount of \$71,500; as they were putting in the last five or six toe pins and due to the fracture of the rock, the holes being made were so big they were not holding the pins in place. Therefore, the alternative was to get a larger drill steel which met the sheer strength of the toe pin and would pump grout ultimately getting into the cracks in the ledge forming its own footprint (the drill steel stays in and becomes the toe pin). While the change order was considerably higher, DPH worked with the contractor to come to an agreement on the current pricing. Therefore, through the Delegation of Authority, Marconi went to Treasurer Ferrini and Brean for approval and all the toe pins are now in and are in the process of pouring the concrete over the top of the wall. Anderson asked of the pricing discussed and a figure on the paperwork dated October 15th of \$82,917.90; Marconi indicated this was a figure that the contractor provided but Marconi would not accept it. Therefore it was negotiated down to the \$71,500. Marconi indicated the Piscataqua River is known to be over fractured ledge.

Levesque indicate the original contract came in at \$1.7 million and currently is at \$2.7 million; asked when this project would be done. Marconi indicated it is close as there are only two outstanding items which goes back to earlier discussions of supply chain. Marconi indicated the electrician is having difficulty obtaining a stainless steel component; so for it to be functional, and for the meantime, he has utilized regular grade instead of the stainless steel as called for in the design. Therefore, when the stainless steel component is available the electrician will switch out the components. Lastly, Pike Industries indicated it would be closing the batching plant down so they won't be putting the final coat of pavement down until Spring. The binder coat will be trucked in from a batch plant in Massachusetts so there will be a couple of inch difference until next Spring.

Levesque asked Marconi if there were any further anticipated change orders as concerned with the \$1 million difference in taxpayer monies. Marconi reminded the Board that DPH budgeted \$3.25 million for its projected cost of the project and even though the contractor provided a low bid; DPH is still within its appropriated budget for this project.

Anderson indicated one of the major differences in the bids received was HL Patton mobilizing from land and the others to mobilize utilizing marine equipment (from the water). Anderson also mentioned the engineering issue for an \$800,000 change order. Marconi indicated DPH had done its due diligence in the design phase and had put the capital request into the state for \$3.25 million for this project.

Lamson stated this has been a tough project and with all of the considerations that have occurred with supplies etc., she commended Marconi for bringing this to the finish point. Marconi indicated that it has been a team effort.

Smith asked if it is a requirement that the low bidder is chosen; Brean indicated that PDA statute does not require the low bidder is chosen but he cannot speak for the DPH group. Marconi indicated when the bid was received DPH went through the bid with engineers and contractor to make sure they had the experience and qualifications for the project. Marconi indicated it has occurred in the past when a low ball bid was received and found out there were no references or experience in performing the necessary type of work, it was determined they were not qualified to perform the work and DPH went to the next bid.

Parker asked Marconi if the Turning Basin project had commenced; Marconi stated due to the

weather the dredge equipment was stopped from coming up river. Marconi further stated barges with cranes / excavators on them are restricted due to insurance / stability certificate on the barge if there are more than 2 foot seas (limitations to movement).

Levesque asked of the recent mooring and winter storage increases; Marconi indicated only increase has been to the winter storage in Rye & Hampton; the mooring increase was done a couple of years ago.

Levesque asked if there would be a price increase to the vendors at the different ports / property; Marconi indicated it is being reviewed. Further, Marconi indicated that each of the vendors have a different footprint and they are paying a flat fee and some are occupying more square footage than others. Looking at proposing for consideration by the Board a proposed ground rental fee to make it more equitable.

Levesque asked if there were anything of importance to advise the Board concerning the recent Port Advisory Committee meeting; Anderson indicated that on the Market Street project DPH was short out of the gate; it had to go to Concord in the amount of \$1.4 million (construction and mitigation). Marconi indicated DPH went out to bid on the BUILD project and the whole project was approximately \$930,000 short due to the price of steel. The grant was received in December of 2018 and it took over a year between DPH and the Maritime Administration to work through things in order to get the document approved (approved in early 2020). With the outbreak of COVID the Governor put a freeze on all capital projects and by the time design and permitting of the project was completed it took over a year (approval was received from the Governor's office to utilize the capital funds). DPH went out to bid in October 2021, from 2018 to 2021, the costs within the budget went up dramatically (especially the cost of steel). There had been an alternate delete item included in the bid which was the amount of money the contractor would remove from the base bid to remove part of the construction. That alt delete would have left a hole in the middle of the pier. Marconi was urged, where the delay in the project was COVID related, to request additional funding through GOFERS program. Marconi wrote letters to both the Governor and the Fiscal Committee explaining the importance of the project and part of the \$930,000 request was to fill the hole. Marconi also spoke of a DES mitigation component that was being considered to be inserted into the permit. This project has been in the wheelhouse for years and during that period, permits needed to be in hand for consideration. However, funding was not received but the permit was good for five years. At the end of the term Marconi asked for an extension so in 2018 when grant was awarded DPH had a valid / active permit but then it expired. The two previous permits referenced the compensatory mitigation in accordance with the ENV Administrative Rule being waived due to prior mitigation DPH had performed for a project that was never built which exceed what this project was. Therefore, after working with DES who stated if DPH did a mitigation project it would cover all of the construction started until the completion of the Functional Replacement project. So a second part of the request was for \$500,000 of wetlands mitigation to move the project ahead.

Anderson asked Marconi if he was comfortable that the \$500,000 would take care of the mitigation issues being required or will that have to be bid out. Marconi indicated the \$500,000 was information provided by DES and based on the work that was done by UNH prior to this on the Sarah Long Bridge. DES was going to reach out to UNH who did the mitigation and will work with UNH to have them complete its project (Marsh Grass Project); this information was received from Rene Pellitier at DES.

B. Approvals:

1. Site Lighting Upgrade – 555 Market Street Marine Terminal

Director Ferrini moved the motion and Director Fournier seconded that **the Pease Development Authority Board of Directors authorizes the Executive Director to accept the lowest qualified bid for Pease Development Authority**

the Site Lighting Improvement Project funded by a Port Security Grant from the U.S. Department of Homeland Security, and award the contract for the project to Yates Electric Service Inc. in an amount not to exceed \$37,900; all in accordance with a memorandum from Geno J. Marconi, Division of Ports and Harbors Director, dated November 5, 2021.

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

2. Granite State Minerals – License & Operating Agreement

Director Levesque moved the motion and Director Lamson seconded that **the Pease Development Authority Board of Directors authorizes the Executive Director to complete negotiations with Granite State Minerals, Inc. and to execute a License and Operating Agreement for use of a portion of the Market Street Terminal on terms and conditions substantially similar to those set forth in the memorandum of Division Director Geno J. Marconi, dated November 3, 2021.**

Discussion: Ferrini indicated he assumed this was for salt storage on the pier, and asked if there is any environmental mitigation in place for this or does it not constitute a risk for environmental hazard. Also, Ferrini asked how is it handled. Marconi indicated it goes back many years and the EPA told DPH salt was covered under its general stormwater plan but scrap metal when located on the property had to have its own stormwater plan.

Disposition: Resolved by unanimous vote for; motion carried.

3. Appledore Marine Engineers - Proposal for Rye Harbor Parking Study

Director Fournier moved the motion and Director Lamson seconded that **the Pease Development Authority Board of Directors authorizes the Division of Ports and Harbors' ("DPH") to accept the Proposal dated October 12, 2021, submitted by DPH's on-call marine engineers, Appledore Marine Engineering, LLC ("AME") of Portsmouth, New Hampshire, for engineering services related to a Parking/Traffic Study of the Rye Harbor Marine Facility, in an amount not to exceed \$12,000; all in accordance with the Memorandum of Geno J. Marconi, Division Director, dated November 5, 2021.**

Discussion: Levesque asked when it is anticipated the study would be completed; Marconi does not have a specific timeframe at this time. Once the approval is received, Marconi will sit down with Appledore and set up a schedule.

Anderson asked Marconi to explain that Appledore would be subcontracting with another engineering company; Marconi indicated they work with other entities and would be working with Altus in Portsmouth in this instance.

Parker indicated with data collection typically there is a labor cost associated with the collection and is assuming the data may already be collected; Marconi indicated that Judy Dubois ("Dubois") manages things in Rye Harbor. Dubois is detail oriented and has already collected numbers which have been provided to Appledore and which were utilized in the creation of the proposal.

Anderson indicated he would not support this motion as he believes it is beyond the scope of Appledore. It may be that Appledore suggests for \$100,000 in construction work to remedy the situation; however, he

believes there is a lot of in-house remedy that could take place in order to avoid this cost. Anderson is not convinced it is a good expenditure.

Lamson asked Anderson what he was referring to when he was speaking to in-house; Anderson indicated the in-house is the historic information DPH currently has. First this is just a study and they may come back and say for \$X the situation can be remedied with a change to the entrance and exit. Lamson asked if the Board did not agree with the results from the study and wanted a second opinion, Lamson asked if Appledore needed to be used all the time. Marconi indicated he went through Appledore to expedite the process as he knew they had a consultant that does parking lots etc. Marconi indicated it could be that the study makes a wide variety of recommendations such as tear down for X amount of money; leave it alone; or various items to improve the situation. Marconi indicated one of the items it was having addressed would be whether or not the entrance / exit is up to code (anticipated it is not). Marconi indicated it is up to the Board to decide what to do once the study is complete and delivered for consideration and DPH recommendations.

Parker asked if the \$12,000 were for staff and compilation of reports and data; Marconi affirmed.

Disposition: Resolved by (6-1) (Anderson opposed) vote for; motion **carried**.

4. Right of Entry – F/V Ocean Venture

Director Anderson **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors authorizes the Executive Director to execute a Right of Entry with B.M. Matthews, Inc. F/V Ocean Venture for three (3) years effective January 1, 2022 through December 31, 2024, for the use of the Market Street Terminal pier to unload its catch of fish from the vessel F/V Ocean Venture; all in accordance with the memorandum from Geno J. Marconi, Division Director, dated November 4, 2021.**

Discussion: Anderson indicated this was a good proposal which this has occurred for the past two or three years. Further, the State of New Hampshire has been allocated a catch of 1.1 million pounds of menhaden and every year that catch limitation has been exceeded. Therefore, New Hampshire has received allocations from other states increasing the pounds caught. Anderson stated this entity fishes the New England waters down to NJ and brings the catch back to NH to unload it. Marconi indicated if they are in state waters there is a need for a state permit but if in federal waters they don't need a permit. A photo of the area at the pier showing the vessel was displayed so the Board could view the boat as Marconi explained how the fish are moved to from the vessel to large trucks and hauled away.

Anderson indicated that fishermen are dependent on herring but it has declined; the herring allocation for all of New England was caught in one day due to the limited allocation which is why menhaden has become an important source of bait.

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

XIV. New Business:

XV. Special Event:

A. Report:

1. Jingle all the Way 5K Road Race to be held on December 4, 2021 in support the Greg Hill Foundation

XVI. Upcoming Meetings:

Board of Directors

December 16, 2021 @ 8:30 a.m.

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

Brean informed the Board that the December meeting could start an hour later as the PDA holiday luncheon would follow the meeting over to the terminal

XVII. Directors' Comments:

Lamson thanked the Executive Director for getting the City of Portsmouth to fill in the potholes and make additional repairs to the roadway on Arboretum Drive.

Smith indicated that the PFAS health study is still open for individuals to register and see if they are eligible for the study and contact can be made by calling 846-6192 or by e-mailing: peasestudy@cdc.gov.

Brean indicated the Board has the ability to push back the December Board meeting by an hour in an effort to create a buffer behind the Allegiant flight so we can hold the Holiday Luncheon at the finished terminal; Blenkinsop indicated the meeting could start 9:30 a.m. and could head over to the luncheon afterward.

XVIII. Adjournment:

Director Ferrini **moved** the **motion** and Director Fournier **seconded to adjourn the Board meeting**. Meeting adjourned at **11:04 a.m.**

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

XIX. Press Questions:

No questions from the press.

Respectfully submitted,



Paul E. Brean
Executive Director

PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
NON-PUBLIC SESSION (Per NH RSA 91-A:3)
MINUTES

Thursday, November 18, 2021

Presiding: Kevin H. Smith, Chairman
Present: Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Erik Anderson; 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 J. Stowell Engineering Manager; Andrew Pomeroy, Manager Aviation Planning & Regulatory Compliance and Raeline A. O'Neil, Legal Executive Assistant.



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

- 1. Sale / Lease of Property [NH RSA 91-A:3, II (d)]; and
- 2. Consideration of Legal Advice [NH RSA 91-A:3, II (I)].

Non-public Session:

Anthony Blenkinsop ("Blenkinsop"), Deputy Director / General Counsel, provided updates on legal matters and potential leases / development projects and indicated PDA had invited the Kane and PROCON group to speak to the Board regarding two potential projects.

Chairman Smith arrived to the meeting at 8:47 a.m.

1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2. PlaneSense

Blenkinsop referenced PlaneSense’s desire to lease additional land and expand. PlaneSense and PDA have been working towards obtaining more information regarding potential cost of moving a drainage pipe which is in the way of potential expansion, need to figure out who would pay for the movement of the pipe. Blenkinsop indicated the expansion would be north of the existing building for hangar capability and a flight simulator.

Anderson asked of the reference in the Board packet of culvert work; Stowell indicated that while the description of the work references “failing culvert”, that has not been confirmed as of yet and that is why the work is being performed.

Lamson inquired about the simulator; Blenkinsop indicated the simulator could be utilized for training purposes for both PlaneSense pilots as well as pilots of outside entities.

Blenkinsop informed the Board that if the pipe were not an issue in PlaneSense’s expansion, the Board would probably be seeing conceptual plans so they could move ahead, but the pipe is an impediment at this time.

Anderson asked if the previously provided Right of Entry (“RoE”) provided for the Jet Engine facility would be considered to be part of the expansion as well; Blenkinsop indicated originally PlaneSense had looked to the area referenced in the RoE for the flight simulator but now they are focused on an expansion off the original building.

3. 2-Way Communications

2-Way Communications is a tenant at 19 Durham Street and PDA has been working with them to finalize a RoE for property located at 360 Corporate Drive for a potentially larger building for its facility.

4. Northeast Rehab

Blenkinsop indicated over the last year there has been negotiations with NE Rehab regarding its desire to extend its lease out to 74 years per FAA authorization; however, they are not interested in resetting lease back to year zero. NE Rehab does intend to expand its facility but they would not be tying the two together. Currently are 11 years into its 50 year term so they are looking at adding an additional 24 years to the original term.

Blenkinsop informed the Board that this original lease deal is different due to the fact that the underlying lease was financed through HUD. The lease indicates a flat rate for the 50 year period, but PDA has a separate side agreement with a related entity who pays the escalations of the lease, this is secured by a Promissory Note. Therefore, due to the complexity of the agreements it has been taking a little longer to complete. Blenkinsop informed the Board that it is anticipated a lease amendment may be completed for consideration at either the December or January Board meeting.

Ferrini asked of the side agreement; Blenkinsop indicated that while the two entities are related they are distinct from each other.

Director Parker ("Parker") indicated the Board should know more about the agreement NE Rehab has with HUD. Brean asked Blenkinsop if this were the only lease that has HUD funding; Blenkinsop affirmed.

Blenkinsop indicated the financing with HUD would terminate approximately in year 40 and at that time the lease and side agreement would be converted to a single lease agreement with the escalation included. Blenkinsop indicated he could ask NE Rehab's attorney to attend the December or January meeting so that he could speak to the involvement between NE Rehab with HUD and the separate side agreement.

5. 68 New Hampshire

The current tenant, IPSUMM, had been trying to sell the building and assign its lease. It is under agreement with 68 New Hampshire, LLC (Kane Group). Blenkinsop spoke to the difference in acreage and how it is billed due to PDA's rezoning of the property, a number of years ago.

Anderson asked if there were any other deals set up like this where the total acres and amount billed do not equal each other; Brean spoke to the various agreements at the airport and how those are structured with ramp and apron areas.

6. PROCON / KANE Development - Development of Hangar 227 and the North Apron for E-Commerce Distribution Development

PROCON / Kane representatives entered the meeting room. Blenkinsop spoke to the members of PROCON and Kane in attendance to discuss the two potential developments being Hangar 227 and the North Apron. This will provide the Board with an opportunity to listen to the PROCON/KANE presentation and ask questions after. John Stebbins indicated that PROCON is the largest architecture / construction company in New Hampshire and PROCON has been in discussions with PDA regarding these two parcels (also in attendance for PROCON was Paul Roy ("Roy") Director of Business Development) and asked the Kane Company to join in the venture.

Michael Kane ("Kane") spoke to the collaboration of PROCON and Kane to build an E-Commerce Facility and that the timing might be right. Kane indicated they are working with an entity out of Boston that deals with potential tenants. John Stebbins ("Stebbins") spoke of the needs for air cargo distribution for companies as they are looking for space due to the current shipping issues.

Lamson spoke of her concerns regarding the impact air cargo (i.e.; delivery times, flights over residential areas etc.) would have to the surrounding communities; Roy indicated the aircraft that would be utilized are modern (similar to aircraft currently utilizing the airport at this time). Kane indicated that flight schedules may be something that could be worked out with prospective tenants.

Anderson indicated he was under the impression that the Air National Guard was also looking at the area on the North 40 for air maintenance facility. However, he also indicated his concern as well to noise and traffic impact from a distribution center. Stebbins and Kane spoke to discussions they too have had with the ANG in an effort to structure a facility that would be compatible with the ANG operations (i.e.; building height; security concerns etc.). Kane indicated the ability to work with the Board regarding traffic on and off the facility.

Parker spoke to the need to be tough on traffic increases and the need for a feasibility study.

Ferrini asked what the market was like for this type of facility; how competitive is it and whether or not there would be the potential for outlying areas who may benefit by economic development. Kane indicated interest coming from the Boston area due to the fact that Logan is crowded.

Fournier asked of the anticipated traffic flow; Kane indicated it would be speculation until a traffic study. Stebbins indicated his thoughts would be traffic would utilize Route 4, 16 and 95 and head south.

Kane stated traffic, whether with this development or another, will need to be addressed. Therefore, as a community it is necessary to make things known with the State of NH so they pay attention and they respond to the growth potential.

Levesque spoke to the risk of building a 300,000 square foot facility; Kane indicated a build-out could potentially be in phases.

Anderson asked if from the RoEs any issues have arisen with either of these properties. Regarding the North 40, Stebbins indicated the need to run in conjunction with the ANG, but Hangar 227 is more complicated.

Brean indicated that the second location is Hangar 227; Roy indicated the cost to rehab the building exceeds the cost from tear down. Air Force would need to do some environmental mitigation to this location as well. They could utilize the sale of the steel from the tear down to offset the demolition costs.

Maria Stowell ("Stowell") Engineering Manager spoke to drainage from the facility and around the building and environmental protections which would need to be put into place for a development.

Stebbins indicated the location in the vicinity of Hangar 227 also considered is the Pease maintenance facility. Part of a proposal would be to build a new maintenance facility for Pease. Roy spoke of meetings that have been held to discuss the scope of a new 60,000 sq. ft. facility and the need to

house PDA equipment.

Blenkinsop spoke to the next steps potentially including option agreements, developer due diligence, letters of intent, conceptual plans and leases down the road. Option agreements would state the need for traffic studies and obtaining information concerning noise to be brought before the Board for consideration.

Parker asked of the timing of the project; Kane indicated a desire to move quickly, once due diligence is done.

Stebbins indicated the possibility of a new building in the location of Hangar 227.

Brean informed the Board that carriers utilizing an airport facility are familiar with paying landing fees; ground handling fees etc.; a project like this could put the airport on a good path.

Director Fournier moved the motion and Director Ferrini seconded that the Board come out of Non-Public at 9:32 a.m.

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

Sincerely,



Paul E. Brean
Executive Director/Secretary

NOTE: *The Board of Directors at its meeting held on May 19, 2022, voted to unseal the minutes of the November 18, 2021, non-public meeting of the PDA Board of Directors with the exception of the material in item #1 which will remain sealed per the Board's vote of November 18, 2021.*