PEASE DEVELOPMENT AUTHORITY

BOARD AGENDA

Thursday, March 10, 2016 **Special Meeting**

Time:

8:00 a.m.

Place:

55 International Drive, Pease International Tradeport

Portsmouth, New Hampshire

AGENDA

I. Call to Order

II. **Public Comment**

III. Old Business

IV. Leases

> A. Approvals

> > Lonza Biologics, Inc. – 70/80 Corporate Drive Preliminary Approval* (Bohenko)

V. **New Business**

VI. **Upcoming Meetings**

> Port Committee March 17 **Audit Committee** April 18 Board of Directors

April 21

555 Market Street

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

VII. Directors' Comments

VIII. Adjournment

IX. **Press Questions**

Related Materials Attached

** Related Materials Previously Sent

*** Related Materials will be provided under separate cover

+ Materials to be distributed at Committee Meeting

Confidential Materials



MOTION

Director Bohenko:

Upon consideration of the preliminary plans presented by Lonza Biologics, Inc., The Pease Development Authority Board of Directors hereby approves:

- 1. The proposal to privatize a portion of Goose Bay Drive for the purpose of utilizing the lot at 101 International Drive and the lots at 70 and 80 Corporate Drive as contiguous lots;
- 2. The application to NH DES Wetlands Bureau for a permit to fill approximately 50,308 square feet of wetlands. Mitigation shall include daylighting of the existing drainage culvert;

all in accordance with the memorandum from Maria J. Stowell, P.E., Engineering Manager, dated March 4, 2016 and attached hereto.

Note: Roll Call Vote required.

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MEMORANDUM

To:

David R. Mullen, Executive Director

From:

Maria J. Stowell, P.E., Engineering Manager

Date:

March 4, 2016

Subject:

Lonza Site Plan Preliminary Approval, 70/80 Corporate Drive

Lonza Biologics anticipates the need to expand its Pease facilities. As you know, Lonza is currently fitting up the shell space built in 2007. When the fit up is complete, the availability of manufacturing space on its current leasehold will be exhausted. As a consequence, Lonza has engaged its Engineer, Tighe & Bond, to develop plans for expanding onto the parcel at 70/80 Corporate Drive, also known as "the iron parcel".

The attached plans show a concept for constructing: 1,046,000 ± square feet of office, manufacturing and warehouse space; two four-story parking garages; utility yards; and, traffic circulation areas. In terms of lot and building size, this is the largest development ever to be proposed at Pease, a doubling of Lonza's current building and infrastructure, and it will require time for thoughtful consideration. At this time, I suggest we bring the project to the PDA Board for a preliminary review of the lot consolidation and wetland impact proposals and to seek approval for the submission of a wetland application.

Lot Consolidation

Lonza may elect to annex the iron parcel lot, currently consisting of two lots totaling 24.05 acres, with its current leasehold of 17.1 acres at 101 International Drive. The total parcel size would be 43.5 ± acres. However, the expansion could be accomplished by maintaining Lonza's current rear lot line and developing the adjacent parcels. In either scenario, Lonza would be privatizing a portion of Goose Bay Drive. The City and other utility providers will need to carefully review the impact that the abandonment of Goose Bay will have on their services. The road section under consideration, which is approximately 1800 feet long, is primarily used by Lonza employees and contractors. Converting it to a private road would not negatively impact traffic circulation on the Tradeport.

Although specific approval is not being requested at this time, it is apparent from even a cursory review of Lonza's concept plan that a number of variances and/or waivers may be required. We have listed below some anticipated by our initial review, but note that others may be added, especially if Lonza determines not to merge 70/80 Corporate Drive with 101 International Drive.

Cul-de-sac waivers: Part 506 of the PDA Land Use Controls requires that "Cul-de-sac streets shall not in general exceed 500 feet in length unless otherwise approved by the Board." The proposed cul-de-sac, created by privatizing a portion of Goose Bay Drive, is 690 feet in length. The same section states that "cul-de-sac streets shall be provided at the closed end with a drive-around roadway with a minimum radius of 80 feet". The proposal shows a 60 foot radius.

Signage variance: Lonza currently has three signs on its 17.1 acre lot - one drive way sign and two building signs. Lonza will undoubtedly need signs to identify its new buildings. If the parcels are combined into a single lot, the 200 square feet maximum may be exceeded.

Setbacks: If it is determined that the current 17.1 acre lot should remain a stand-alone parcel, variances will be needed for pavement and building encroachments.

Wetland Impacts

The proposed development would fill 50,308± square feet of wetlands on the iron parcel. Recognizing the significance of this impact, staff carefully considered whether such action was avoidable. Again, in recognizing the value of this development adjacent to the current manufacturing facility and for the additional reasons outlined below, we support this fill proposal and ask your further consideration of this unique request.

- Lonza's expansion needs to be located adjacent to its existing facility. Lonza has incorporated this
 parcel in its long term planning for the last 13 years and has paid PDA for an Option on the
 premises during that time. PDA has long anticipated that Lonza's growth would occur on this
 parcel and has amended its Site Review Agreement multiple times to avoid having Lonza complete
 site work which would be rendered obsolete by the planned expansion. There is no alternative
 location suitable for Lonza's growth needs.
- The iron parcel wetlands are not of high value. The PDA/Gove Study, which is the basis of PDA's
 wetland buffer ordinance, shows two wetland areas on the parcel. They are designated 40 and 53
 out of 58 wetlands ranked.
- Lonza has proposed mitigation to include daylighting of the large drainage culvert that runs through the parcel. This measure has long been a goal of the Hodgson Brook Advisory Board and will improve water quality and provide a habitat for wildlife.

Although this development is still in the early stages of design, Lonza must have certain commitments from PDA to support further advancement. Specifically, Lonza needs an approval on the lot consolidation with the privatization of a portion of Goose Bay Drive and the wetland impacts. If the Board grants these approvals, Lonza will immediately file an application with NHDES who will make a final determination on the granting of a wetlands permit and any additional required mitigation. Additionally, Tighe & Bond will bring a more complete plan to PDA staff and the City of Portsmouth for informal meetings prior to finalizing its concept, subdivision and site plans, which will be brought back to the PDA Board in April.

If ultimately approved, Lonza would carry out this development in several phases. The timing will depend on the market demands of Lonza's customers. PDA staff expects to have ongoing discussions with Lonza regarding project phasing requirements - for instance, construction of a parking garage at the earliest phase; traffic and access/egress; utility easements; and, business terms and construction schedules.

Following a more thorough agreement on these decision points, Lonza would come back to the Board for additional approvals, to include required lease amendments, and will proceed to the City with Subdivision (Lot Line Adjustment) and Site Review applications.

It is important to note that Lonza's recent successes have been the result of its being able to react quickly to customer needs by utilizing its planned expansion space in the shell building. Lonza needs to be in a position to react quickly when new business opportunities become available. Securing the approvals to

begin construction on the iron parcel will accomplish this. At the same time, the Board should recognize that the construction start date is unknown.

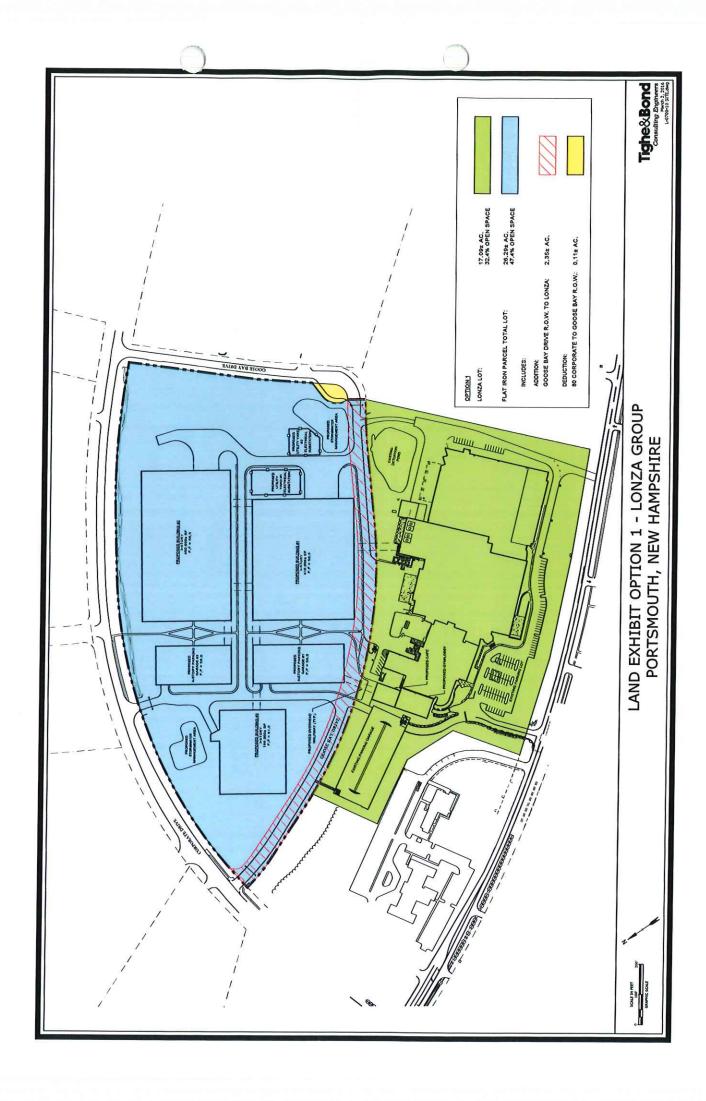
Ideally, Lonza would like to make a submittal to TAC on April 18th for its workshop on April 26th, as they would hope to be permitted by fall. PDA staff will be cooperating with Lonza but cannot guarantee that these aspirational deadlines can be met.

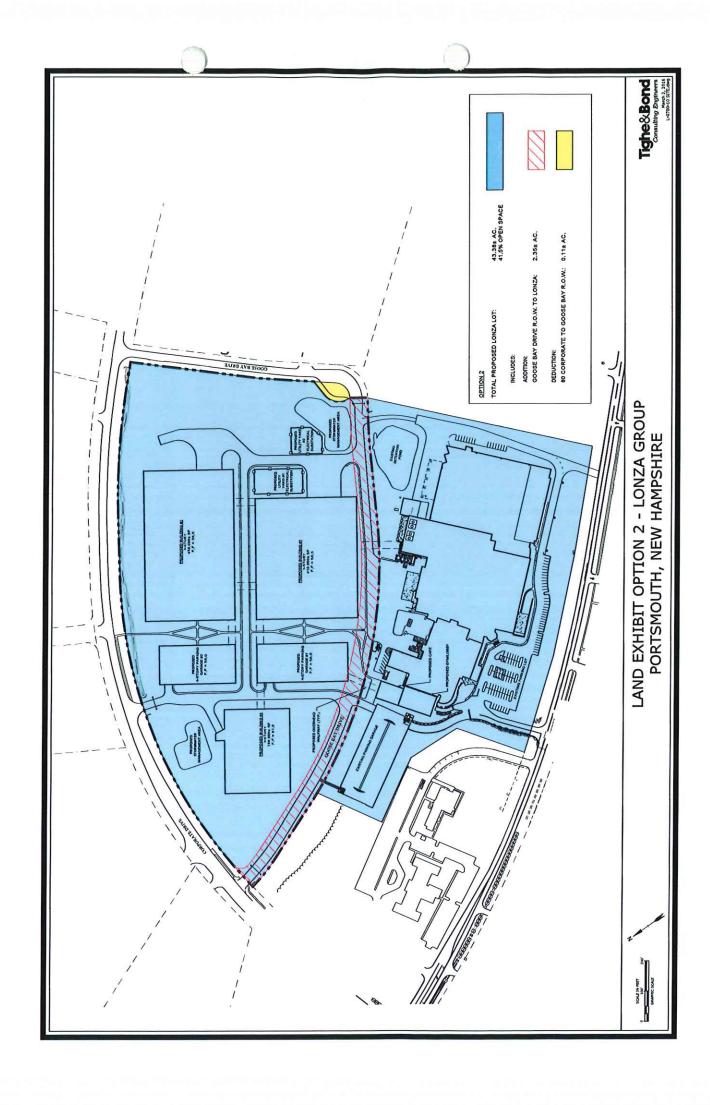
Lonza has provided the attached plans to show the contemplated development. They consist of:

- 1. Land Exhibit Option 1 -Two Parcel Concept
- 2. Land Exhibit Option 2 Single Parcel Concept
- 3. Proposed Expansion Building Layout and Hodgson Brook Daylighting
- 4. Wetland Location Map
- 5. Site Section
- 6. Rendering (Building #2 and second parking garage not shown)

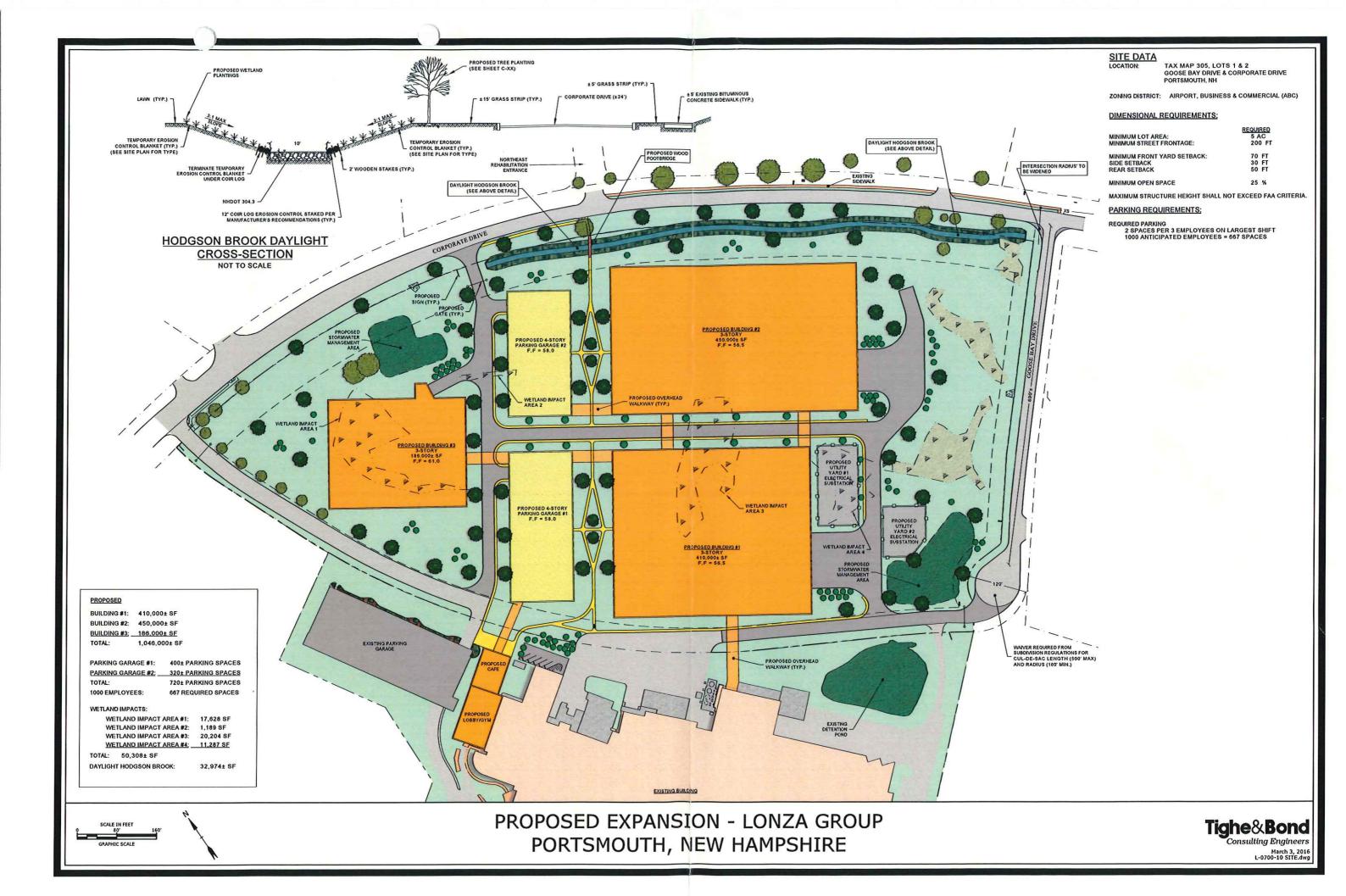
Representatives from Lonza and Tighe & Bond will present the plans and answer questions at the Board meeting next week.

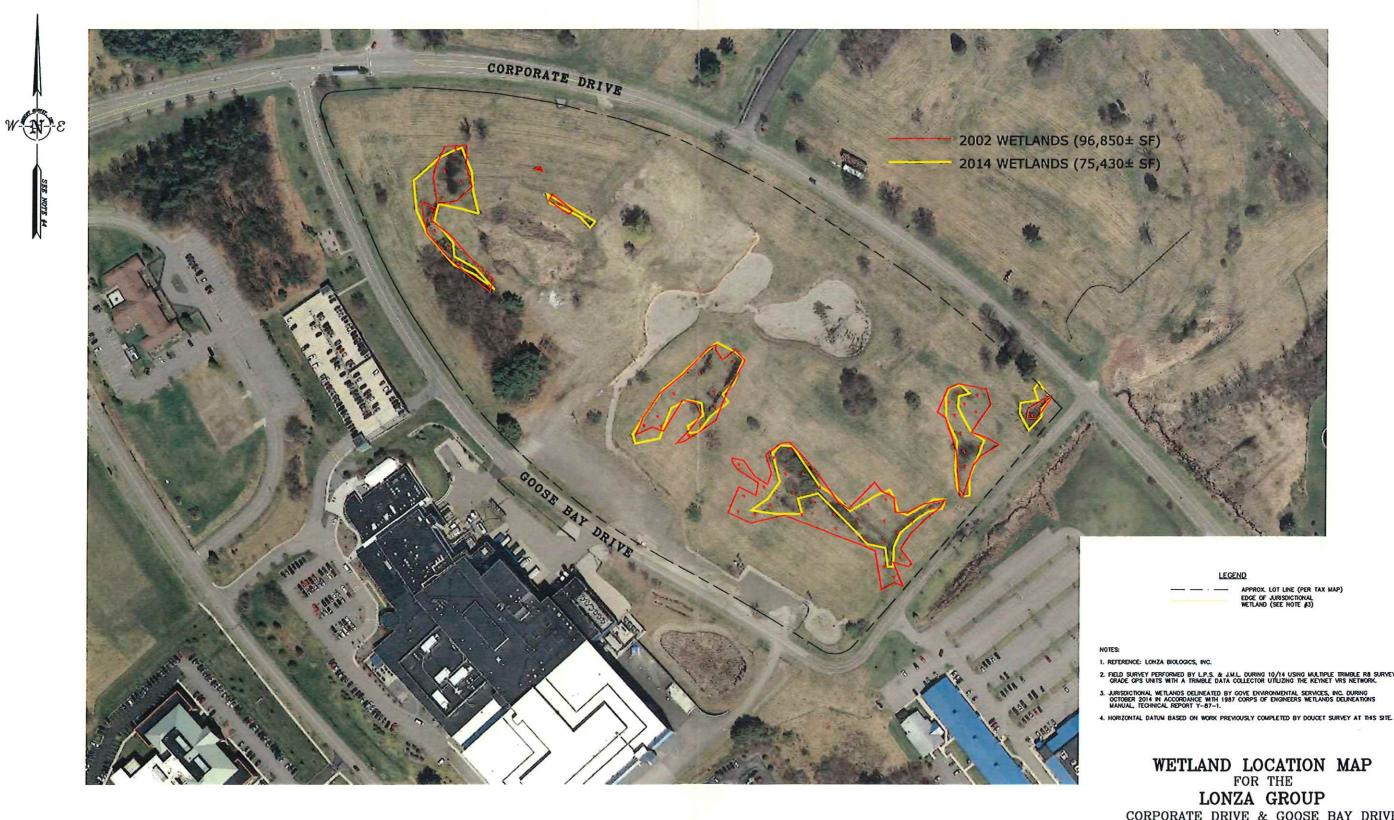
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GRAPHIC SCALE

WETLAND LOCATION MAP FOR THE

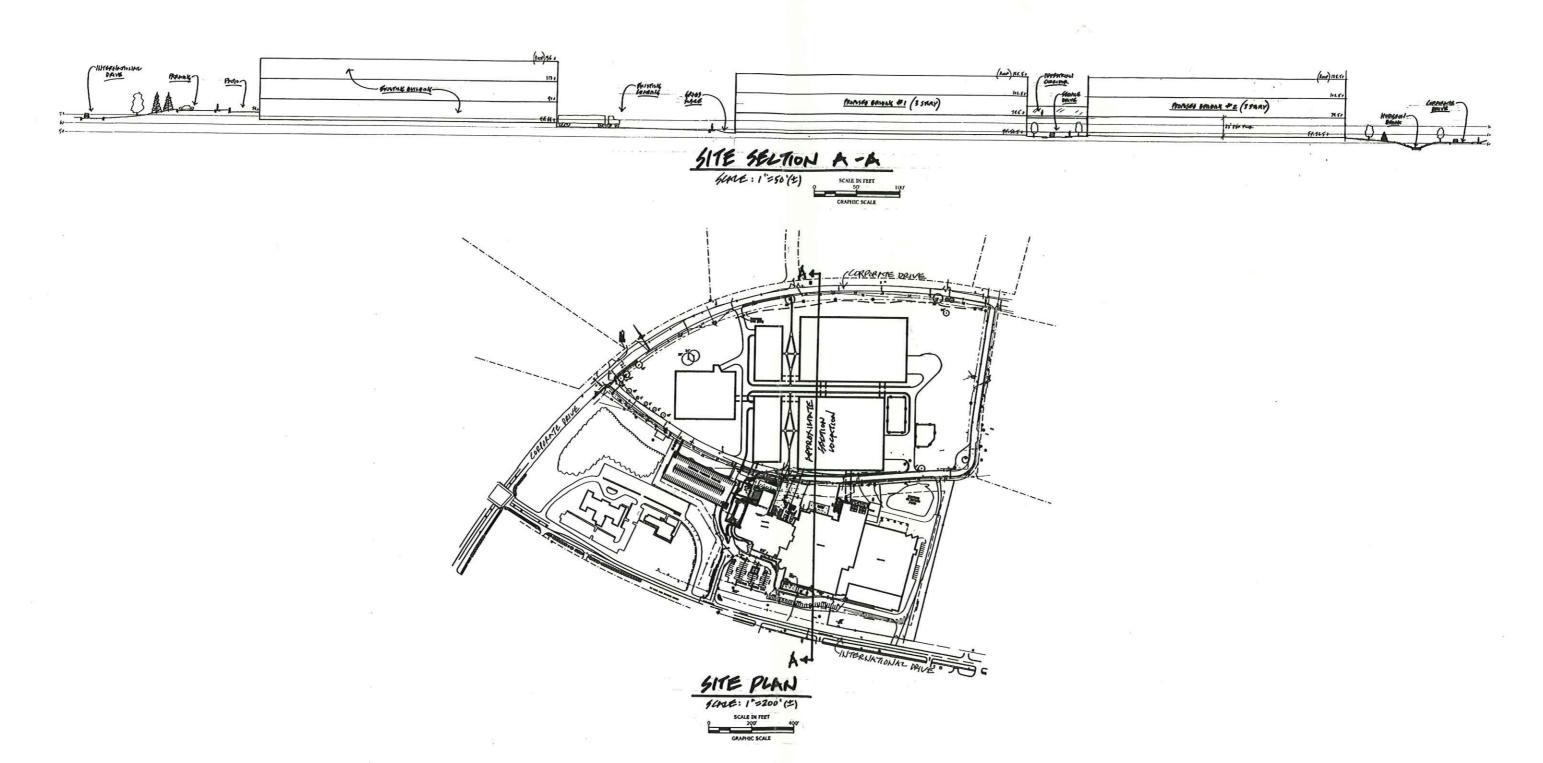
LEGEND

LONZA GROUP

CORPORATE DRIVE & GOOSE BAY DRIVE
PEASE INTERNATIONAL TRADEPORT
PORTSMOUTH, NEW HAMPSHIRE

DRAWN BY:	J.A.G.	DATE OCTOBER 16, 2014
OFOED ST	W.J.D.	DRAWING HO: 3945A
JOB NO.:	3495	9427 1 or 1





SITE SECTION A-A
LONZA/PORTSMOUTH, N.H.

SUME: VARIOS

DATE: 3/2/16