

Place: 55 International Drive – Board Conference Room

Watch Meeting Via Live Stream: https://townhallstreams.com/towns/pease_dev_nh

BOARD OF DIRECTORS' MEETING

AGENDA

- I. Call to Order:**
- II. Acceptance of Meeting Minutes: Board of Directors' Meeting of September 12, 2024 * (Levesque)**
- III. Public Comment:**
- IV. Board Recognition – Public Safety and Security**
 - 1. Division of Ports and Harbors – Hampton Harbor
- V. Committees:**
 - A. Report:**
 - 1. Audit Committee *
- VI. Old Business:**
 - A. Approval:**

No items to report
- VII. Consent Agenda Items:**
 - A. Consent Agenda Approvals * (Fournier):**
 - 1. Legal Services * (Ferrini)
 - 2. Pease Development Authority On-Call Emergency Spill Response and Waste Disposal Services * (Conard)
 - 3. Harriman Associates Inc. – Airport Parking Lot Design * (Fournier)
 - 4. Lonza Biologics, Inc. – Parking License at 55 International Drive * (Parker)
 - 5. Jalbert Leasing, Inc. d/b/a C&J Bus Lines– Right of Entry – 42 Durham Street; 47 Durham Street, Hampton Street (North and South lots) and 14 Aviation Avenue for Valet Parking * (Semprini)
 - 6. Discovery Child Enrichment Center – Lease Amendment No. 3 Term Extension * (Levesque)
 - 7. Lonza Biologics Inc. – 34 Harvest Way and 18 Technology Way - Site Plan Amendment Approval * (Ferrini)
 - 8. Port City Air - 62 Durham Street – Revised Concept Approval * (Conard)
- VIII. Finance:**
 - A. Executive Summary ***

B. Reports:

1. FY2024 Financial Report for the Two-Month Period Ending August 31, 2024 *
2. Cash Flow Projections for the Nine Month Period Ending June 30, 2025 *

C. Approval:

1. Certified Annual Financial Statements and the Uniform Guidance Audit of Federal Awards Update * (**Ferrini**)

IX. Licenses/Rights of Entry/Easements/Rights of Way:

A. Report *:

1. Lonza Biologics, Inc. –55 International Drive - Right of Entry
2. IB ABEL, Inc. – 119 Arboretum Drive – Right of Entry

X. Leases:

A. Report *:

1. Sublease between 130 International Drive, LLC and Trigger House – 130 International Drive
2. 1635 Realty, LLC (aka Rochester Electronics) - 20 Durham Street - Exercise of Second Renewal Option -
3. Sublease between 200 International, LP and SubCom, LLC – 200 International Drive
4. 30 International Drive, LLC - 30 International Drive - Exercise Fourth Renewal Option
5. KOALD Design, LLC – 47 Durham Street - Exercise First of Two One-Year Options

XI. Contracts:

A. Report *:

1. Sunbelt Rentals – Portsmouth International Airport at Pease - Two Light Carts
2. Republic Services (f/k/a NRC East Environmental Services, Inc.) – Division of Ports and Harbors – Catch Basin and Down Stream Defender Cleaning and Disposal of Solids
3. Republic Services (f/k/a NRC East Environmental Services, Inc.) – 7 Lee Street – Pump out and cleaning of Oil Water Separator
4. Ransom Consulting – Granulated Active Carbon Treatment Sampling – Eversource Dewatering Project
5. Sunbelt Rentals – Portsmouth International Airport at Pease – Excavator
6. OAG Aviation Worldwide, LLC – Portsmouth International Airport – Gap Service

XII. Signs:

A. Report:

No items to report

XIII. Executive Director:

A. Reports:

1. Golf Course Operations *
2. Airport Operations *
 - a) Portsmouth International Airport at Pease (PSM)
 - b) Skyhaven Airport (DAW)
 - c) Noise Line Report
 - (i) September 2024 *

XIV. Division of Ports and Harbors:

A. Reports:

1. Division of Ports and Harbors Facilities Report *
2. Appledore Marine Engineering, Inc. – Project Closeout Report – Rye Harbor Retail Platform Project *
3. Port Advisory Council Meeting Minutes of September 4, 2024 *

B. DPH Consent Agenda Approvals * (Parker):

1. On-Call Snow Plowing Service Agreement * (**Semprini**)
2. DiTucci dba Lawrence Tank - Right of Entry - Hampton Harbor * (**Conard**)
3. Coastal Conservation Organization of NH – Right of Entry – Market Street Terminal * (**Levesque**)

XV. New Business:

A. Reports:

1. Letter from the Air National Guard regarding the “Thunder Over New Hampshire” Air Show scheduled for September 6th and 7th, 2025 *

B. Grant Applications Filed in September:

No items to report

XVI. Special Event:

A. Report *:

1. New England Seacoast Region Chapter 225 of the Experimental Aircraft Association – Skyhaven – Annual Breakfast

XVII. Upcoming Meetings:

Noise Compatibility Committee October 17, 2024 @ 6:30 p.m.
Board of Directors November 14, 2024 @ 8:30 a.m.
All Meetings begin at 8:30 a.m. unless otherwise posted.

XVIII. Directors' Comments:

XIX. Adjournment:

XX. Press Questions:

XXI. Consultation with Counsel:

- * Related Materials Attached
- ** Related Materials Previously Sent
- *** Related Materials will be provided under separate cover
- + Materials to be distributed at Board Meeting
- Confidential Materials

MOTION

Director Levesque:

I make a motion to accept the meeting minutes of the Board of Directors' meeting held on September 12, 2024.

N:\RESOLVES\2024\Approve Minutes 9-12-24 (10-17-2024).docx

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

Thursday, September 12, 2024

Presiding: Steve Duprey, Chairman
 Present: Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Steve Fournier; Susan B. Parker, Karen Conard, and Brian Semprini
 Attending: Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Anthony I. Blenkinsop, Deputy Director / General Counsel; Suzy Anzalone, Director of Finance; Michael R. Mates, Director of Engineering; Myles Greenway, Interim Director of Division of Ports and Harbors; Jared Sheehan, Environmental Compliance Manager; Chasen Congreves; Director of Operations; Andrew Pomeroy, Director of Aviation Planning & Regulatory Compliance; Greg Siegenthaler, IT Director; and Raeline A. O'Neil, Executive Administrative Assistant

BOARD OF DIRECTORS' MEETING

AGENDA

I. Call to Order:

Chairman Steve Duprey ("Duprey") called the meeting to order; the meeting commenced at **8:32 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of August 8, 2024

Director Ferrini **moved** the **motion** and Director Parker **seconded** to **accept the meeting minutes of the Board of Directors' meeting held on August 8, 2024.**

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

III. Public Comment:

Sylvia Cheever ("Cheever") – Spoke to her request at the August 8th meeting to have emails incorporated in the minutes; Duprey indicated emails have been retained. Fournier stated minutes reflect the actual meeting. Duprey stated Cheever could request copies of the emails. Cheever spoke to need for transparency, indicated the current system is discriminatory / misuse of authority and a need for consideration of businesses at the harbor.

Duprey asked Cheever if she agreed with the goals of open, fair and clear rules, the availability of all harbors to all citizens and business of NH; Cheever affirmed. Duprey spoke to improving the environmental sustainability without degrading the water quality; Cheever spoke of proper consideration and investigation of the current businesses. Duprey also spoke to the need to make all harbors financially sustainable; Cheever indicated that was not voted upon and spoke to each harbor being different. Duprey asked if current shacks were kept and more facilities added, there would be no objection; Cheever affirmed. Duprey spoke to the Concession Fees ("CF"), both at PDA and DPH, which [Rye Harbor Lobster Pound] has incorporated on its sales receipts as "tax" and charging the consumer - not a tax; Cheever views as a tax.

Nate Hanscom (“Hanscom”) –Shack owners not asked for input; most businesses need to be on ground level. The design shows a reduction in available parking (parking on weekends and holidays from 9 a.m. to 3 p.m. is maxed out); spoke to winter boat storage. Stated different areas money could be used (i.e., seawall, flood gates, office, restrooms; and septic system).

Duprey spoke of Director Marconi’s commissioning of a parking study of Rye Harbor (“RH”) in 2022.

Brad Cook (“Cook”) – Port Advisory Council (“PAC”) Chairman stated at its recent meeting PAC voted, “to recommend to the Pease Development Authority (“PDA”) that the Portsmouth Fish Pier replacement building project with ARPA and other funding available be made a priority of the Division of Ports and Harbors and the PDA”, to ensure ARPA funds are not lost. The PFP project needs funding; suggested requesting to Governor & Council (“G&C”) reallocation and utilization of remaining ARPA funds from RH project for use on PFP project.

Duprey asked with most recent work at PFP and the proposed building replacement project, will the PFP facility be adequate to serve the commercial fishermen; Cook spoke to need for yearly maintenance so big projects not required. Duprey spoke of capital projects, from Port Committee’s view, the commercial fishing community would be satisfied if the reallocation from the RH project is approved. Cook stated attendance at the meeting was to speak to a building in need of replacement.

Beth Tuttle (“Tuttle”) – Spoke to review of financial statements of RH and it being sustainable through 3rd quarter; showed loss in 4th quarter. Tuttle spoke to the recommendations in Grant Nichols report / study of RH facility. Tuttle indicated a need for a feasibility study to support projections, fiscal responsibility of the state harbors, and to allow potential surplus. Tuttle made suggestions which could increase profitability at RH (i.e., parking rates; fuel fees; labor costs; storage rates, etc.). Fournier suggested submission in writing of Tuttle’s comments / suggestions. RH needs to be maintained and treated as an asset.

Duprey spoke to the feasibility study, goals; and availability / time requirements of ARPA funds which prompted the Boards’ actions. Further, spoke of Tradeport revenue not to be used offsite; however, have latitude regarding unrestricted revenue resources (i.e., legal, engineering etc.) not shown in financials. Need to generate funds for financial sustainability.

Tuttle was afforded additional time as she was provided time allotment of Dwight Tuttle and Adam Baker who signed up for public comment but deferred their time to Tuttle.

Director Conard (“Conard”) *departed the room at 8:54 a.m. and returned at 8:56 a.m.*

Erik Anderson (“Anderson”) – Anderson inquired into the recent G&C meeting where both projects tabled. Duprey stated Councilor Stevens (“Stevens”) indicated Councilor Wheeler (“Wheeler”) (District 5) tabled the items. Myles Greenway (“Greenway”), Interim Director of Ports and Harbors, stated Wheeler had comments and Councilor Kenney (“Kenney”) (District 1) brought up tabling items. Stevens voted against; tabled until the October 25, 2024, G&C meeting. Greenway was in attendance at the G&C meeting to request extension from September 30, 2024, to June 30, 2025.

Anderson spoke to the concerns of both projects with engineering costs. Duprey inquired whether the proposed building(s) (\$1.3 million or \$1.9 million) would be adequate in Anderson’s

opinion. Anderson stated the larger of the two would replace the current size of building, the \$1.3 million is smaller and removed an office area; would be adequate in relation to the current state of the building.

David Delorey (“Delorey”) – Duprey noted Delorey had requested and would be provided five (5) minutes to speak. Delorey provided a handout to the Board; spoke to the treatment of businesses at RH. Delorey stated rules / procedures of the states are to: 1.) keep the public informed; 2.) due process (hearings / commentary); 3.) establish uniform standards of rulemaking; and 4.) define scope of judicial review by courts. PDA Board must comply with RSAs 12-G and 541 and spoke to the collection of monies by DPH; finds no rules regarding collection of the monies for ROEs or CF, or due process for parties. Delorey referenced a need to standardize agreements / fees and proposed the creation of Chapter 800; asked for Director of DPH to work with him in perfecting rules for consideration. Delorey spoke of the parking study and spoke to the CF being a “tax”. Duprey suggested providing the DRA with the information; Delorey indicated he provided information to DRA, Governor and Attorney General. Delorey stated a “fee” has a beneficiary and a “tax” has an indirect benefit. Duprey inquired if removing ROE fee and ROE costs be a percentage of sales; Delorey responded potentially, but not fair.

Duprey indicated challenges to the draft 800 rules, specifically 804.01; Delorey’s approach to grandfather all current tenants and potential tenants placed on waitlist. Delorey said review of all rules provides a transitional process. Duprey spoke to opening facility to bidding process.

Jaci Grote (“Grote”) – State Representative for Rye spoke to information received from PDA and her follow-up questions; Duprey stated questions received and PDA is working to provide responses. Grote spoke to concerns of the financial viability of Portsmouth and Rye Harbors and offered her services to help with the State process.

Chairman Duprey moved item VI. Old Business up in the meeting.

VI. Old Business:

A. Rye Harbor Marine Facility – Retail Platform – Cessation of Appledore Marine Engineering Services

Director Levesque moved the motion and Director Parker seconded that **the Pease Development Authority Board of Directors directs the Executive Director to cease additional work under the amended contract with the Division of Ports and Harbors contracted on-call marine engineering service provider, Appledore Marine Engineering, LLC, for any further engineering services specifically related to the Rye Harbor Marine Facility Retail Platform, as had been authorized at the Board of Directors’ June 13, 2024, meeting, so that a further review of Facility needs can be conducted.**

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

Duprey stated will not be using ARPA funds for RH and will request an expedited master study, meetings will be conducted to allow public and stakeholders input. Will request G&C free up RH ARPA funding to be moved over for utilization on the PFP project; ultimate determination will be that of the G&C.

IV. Board Recognition - Public Safety and Security:
1. Division of Ports and Harbors – Hampton Harbor

No discussion.

V. Committees:

A. Report:

1. Golf Committee

Director Fournier (“Fournier”) stated the Committee held discussions with Pease Golf Course (“PGC”) staff regarding elimination of the season pass for couples and an update on the event center.

VII. Consent Agenda Items:

A. Consent Agenda Approvals:

Director Semprini **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby moves that item numbers 1, 2, and 4 from the consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.**

- 1. Approval of On-Call Environmental and Civil Engineer – Vanasse Hangen Brustlin and Fuss & O’Neil**
- 2. Legal Services**
- 4. Skyhaven Flying Club – Flight Simulator – Right of Entry**

Discussion: Director Ferrini asked that item 3 be removed from the consent agenda for further discussion.

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

3. 100 New Hampshire Avenue – Revised Concept Approval

Director Fournier **moved** the **motion** and Director Conard **seconded** that **the Pease Development Authority Board of Directors hereby approves of Aviation Avenue Group LLC’s revised concept for 100 New Hampshire Avenue; all in accordance with the terms and conditions set forth in the memorandum of Michael R. Mates, P.E., Director of Engineering, dated September 4, 2024.**

Discussion: Director Ferrini asked the square footage to be utilized by the unnamed entity and why; Michael Mates (“Mates”), Director of Engineering stated between 50,000/60,000 sq. ft.

Brean stated it is a local company and anticipates being able to disclose the name shortly; the entity is looking for a distribution center for its business.

Ferrini doesn’t understand the public policy behind approving a blind deal to the community and asked how it benefits PDA by not informing the public; Duprey stated it is a way to attract a tenant to the location and this request is not uncommon until it has been finalized.

Ferrini asked Brean to provide additional information; Brean stated the entity's production facility is maximized. Further, it is anticipated the entity would be utilizing the area to store its finished product; allow for distribution from the facility.

Semprini stated from the information it does not appear as though its current facility would be affected.

Ferrini expressed concern not being informed of the entity where it does not appear as though it would affect the entity any. Anthony I. Blenkinsop ("Blenkinsop"), Deputy Director / General Counsel stated PDA's tenant is Aviation Avenue, LLC which is looking to accommodate potential subtenant. PDA generally does not know identity of subtenants until a sublease is reviewed.

Duprey stated upon review of the sublease, the name would be provided; Blenkinsop affirmed.

Fournier spoke to this being a fit up and the sublease could end up being a different entity; Blenkinsop affirmed. Further stating potential subtenants at this location have changed over the years because of the market.

Parker asked if any military connection; Brean stated, not that he is aware of.

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

B. Consent Agenda with Waivers Approvals:

Director Conard **moved** the **motion** and Director Parker **seconded** that **the Pease Development Authority Board of Directors hereby moves that item numbers 1 and 2 from the consent agenda with waivers list below be approved as a single consent agenda item and that the proposed motions included for each be incorporated into such approval of the operative motion for each item.**

1. **Mobile Smart City – Monthly Service Charges**
2. **McGovern Toyota of Portsmouth - 2024 Toyota Highlander Hybrid XLE**

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

Director Levesque ("Levesque") departed the room at 9:34 a.m. and returned at 9:35 a.m.

VIII. Finance:

A. Executive Summary

B. Reports:

1. **FY2024 Financial Report for the One-Month Period Ending July 31, 2024**
2. **Cash Flow Projections for the Nine-Month Period Ending May 31, 2025**

Suzy Anzalone ("Anzalone"), Director of Finance, spoke to the Executive Summary and the two (2) reports of the new fiscal year. She stated it is early to spot any trends as many line items are seasonal; while there are variances to budget, they are typically not prevalent until after the first quarter. Anzalone spoke to non-operating expenses which includes some money market returns, as well as funding received related to COVID expenses which were deposited into the Revolving Loan Fund ("RLF") in the amount of \$66,000. The RLF monies will allow for additional funding for the fishing industry; currently there are 20 RFL loans.

Business units are performing well; PDA assets show the ability to take care of short-term needs and indicates a sign of creditworthiness should outside financing be required.

Anzalone spoke to current capital expenditures and cash in/out flow projections. Further, Anzalone spoke to DPH in/out flows to be the same over the next nine months but include \$2.6 million in grant expenditures as well as grant funding. Therefore, anticipate unrestricted cash expenditures at DPH being just under \$1 million.

Parker inquired about the various references to fuel throughout the reports and asked of the difference between flowage and sales. Anzalone stated fuel flowage is a fee received for the disbursement of fuel for aircraft. Brean indicated there is fuel flowage fee on maritime vessels fueled from trucks. Anzalone stated fuel sales would be fuel sold from the harbors.

Duprey inquired into harbor dredging; Anzalone indicated the need for separation due to funding requirements.

Parker asked about fuel operating expenses; Anzalone stated it being captured under other operating expenses.

IX. Licenses/Rights of Entry/Easements/Rights of Way:

No Discussion.

X. Leases:

No Discussion.

XI. Contracts:

A. Report:

1. **Tripleplay Services North America Inc. dba Uniguest – 3 License Agreements for Flight Information Display System & Gate Identification Display System**
2. **OAG Worldwide, LLC – One-Month Bridge License Agreement for Flight Information Display System**
3. **Martineau Electrical – Rye Harbor – Installation of Electrical for Recreational Fuel System**
4. **Win Waste Innovations of Northern New England, Inc.- Non-Hazardous Solid Waste Removal Services – Exercise the First of Two One-Year Options**
5. **Sunbelt Rentals – Lighting Cart**
6. **On-Call Engineer - Hoyle Tanner – Terminal Commercial Aircraft Ramp Parking Survey, Verification and Layout**

In accordance with Article 3.9.1.1 of the PDA Bylaws, Brean reported on the following:

1. Project Name: Tripleplay Services North America Inc. dba Uniguest
Board Authority: Director Ferrini
Cost: \$900.00

- Summary: Portsmouth International Airport at Pease - 3 Licenses for Flight Information Display System and Gate Information Display System.
2. Project Name: OAG Worldwide, LLC
Board Authority: Director Ferrini
Cost: \$559.08
Summary: One-Month Bridge License Agreement for Flight Information Display System.
 3. Project Name: Martineau Electric
Board Authority: Director Ferrini
Cost: \$25,000.00
Summary: Electrical work performed by PDA's on-call contractor, Martineau Electric, for the installation of electrical at Rye Harbor's recreation fuel system.
 4. Project Name: Win Waste Innovations of Northern New England, Inc.
Board Authority: Approved by the Board of Directors on September 15, 2022
Summary: Non-Hazardous Solid Waste Removal Services – Exercise the First of Two One-Year Options.
 5. Project Name: Sunbelt Rentals
Board Authority: Director Ferrini
Cost: \$467.80
Summary: Rental of a vertical mast lighting cart to be utilized for night painting the week of September 2, 2024.
 6. Project Name: On-Call Engineer – Hoyle Tanner
Board Authority: Director Ferrini
Cost: \$8,720.00
Summary: Terminal Commercial Aircraft Ramp Parking Survey, Verification and Layout to identify aircraft parking locations due to increase aircraft activity at the terminal.

Due to a typographical error in item 3 regarding Martineau Electric, Ferrini did not approve and needed to recuse himself from voting on this item. Therefore, Director Fournier provided the following motion:

Director Fournier **moved** the **motion** and Director Conard **seconded** to approve the work performed by Martineau Electric at the Rye Harbor recreational fuel system.

Discussion: None. **Disposition:** Resolved **unanimous** vote (6-0) for; motion **carried**. Director Ferrini abstained from the vote.

XII. Signs:

No Discussion.

XIII. Executive Director:

A. Reports:

1. Golf Course Operations

Brean indicated Scott DeVito, PGC General Manager was out of town and EJ Chea (“Chea”), PGC Superintendent, attendance was interrupted due to a water issue at the course. Brean stated due to good weather it is anticipated rounds played will exceed those in 2023. CF earnings are down; will review sales for consideration of anything that may be systemic.

Further, Brean spoke of the study performed by Harriman Associates, Inc. regarding an event center and PDA’s request to focus on immediate needs (i.e., kitchen, restrooms and storage). Duprey inquired into the square footage in the study; Mates stated the desire was to support an event space with a capacity to service 220 people and provide for the back of house as well. Brean estimated a bump out of approximately 10,000 square feet as well as a four-season events facility. Mates stated the estimates ranged from \$5.7 million to \$6.5 million.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

b) Skyhaven Airport (DAW)

Brean spoke to heavy military movement and passenger enplanements just under 60,000; informed the Board the information provided is through the month of August. Staff are preparing for the influx of Allegiant flights / capacity as well as onboarding of Breeze Airways service commencing in October. Brean spoke to the baggage claim area / arrivals hall being wrapped up and anticipate completion early winter.

The FAA will be supporting PSM’s Alpha Taxiway Rehabilitation project, working on finalizing the grant work for this project.

Lastly, indicated the FAA Part 139 inspection will be performed during the next couple of weeks.

c) Noise Line Report

(i) July and August 2024

Brean stated for the months of July and August, PSM received two noise complaints each month.

Chasen Congreves (“Congreves”), Director of Operations informed the Board that the ANG has been deployed so extra operational hours are being implemented and German Air Force planes left very early this morning.

Director Conard (“Conard”) departed the room at 9:51 a.m. and returned at 9:54 a.m.

XIV. Division of Ports and Harbors:

A. Reports:

1. Division of Ports and Harbors Facilities Report

Greenway spoke to the detailed report provided in the Board materials. Duprey asked if the PFP project would meet the needs of the fishermen; Greenway stated while it is not the full footprint of

the current building, it is being designed as close as it can to house the ice machine, allow for proper storage by the consumer and for bait storage.

Duprey inquired into seeking additional funding to do more at PFP; Levesque stated it was worth consideration to shore up the gap with ARPA funds. Duprey spoke to the state's commitment of \$2 million for two projects and by not moving forward with RH there is a balance of approximately \$750,000 that could be requested for reallocation in support of the PFP project so can get more of what was wanted.

Parker asked of the usage of funds to shore up seawalls, if needed, at RH; Duprey stated the funds could not be used for seawalls at RH.

Duprey spoke further to the request to reallocate the RH remaining ARPA funds over to the PFP project to provide more of what the industry / fishermen need. Blenkinsop spoke to the need to provide a request to both the G&C and Fiscal Committee for the reallocation in support of the PFP project as soon as possible; ultimate determination to be with the G&C.

Parker inquired whether this needed to be done by September 30 (end of federal fiscal year); Conard indicated an obligation would be needed by end of December and expended by December 2026.

Greenway stated it [the request] needed to be submitted by the 25th in time for the next G&C meeting, when the projects come off the table for consideration.

Ferrini supported the reallocation of funds and a desire to make the request for consideration.

Duprey indicated by making the request it would help to get the PFP closer to what was designed. The full Board agreed to request the reallocation of the remaining funds from the RH project over to the PFP project; Duprey will contact Councilor Stevens of the request to be submitted for consideration and Brean was requested to reach out to the Governor to advise of intentions.

Duprey spoke to the RH fuel enclosure which was performed by PDA maintenance; Anzalone spoke to an allocation at the end of the year through maintenance work orders. Duprey affirmed with an allocation approximating expenses due to labor being PDA staff versus services performed by an outside entity.

Ferrini spoke to a revenue source of parking at RH. Also, inquired about storage of boats and a review of rates charge in comparison to what outside marinas charge, making sure the delta is minimal. Further, spoke to space at the Tradeport for potential storage of boats which would allow space to be freed up for parking and maintenance during the winter.

Duprey spoke to the parking study and a concept referencing reducing boat storage to only commercial boats to allow for more parking.

Ferrini referred to a potential policy of only allowing storage of commercial boats to support the fishing industry; an alternative, to permit storage of pleasure boats at a premium rate. Asked how long it would take to turn around a study of the seawall so it is known what is behind the wall; Brean stated a study had been performed and to restore the revetment would be approximately \$600,000.

Greenway stated during a recent walkthrough with FEMA, it was indicated the height of the natural seawall should be the height of work being done at the point. DPH is getting close with the state and FEMA reimbursement regarding the necessary money spent on seawall repairs and the potential of additional funding for seawall work.

Duprey inquired of the work being done now and that of a future project estimated at \$5 million. Asked if the current work alleviates the need for the larger project, Greenway stated the money provided would be for where it needs to be, to complete the additional project.

Ferrini inquired whether the study done was to bring it back or to where it should be or best practice now; Greenway referenced above where it needs to be.

2. Port Advisory Council Meeting Minutes of May 1, 2024

No Discussion.

3. Portsmouth Commercial Fish Pier Update – Replacement Building

No Discussion.

B. Approval:

1. Tasha Fuels and Propane, Inc. – Right of Entry

Director Parker moved the motion and Director Fournier seconded that the Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to enter into a Right of Entry with Tasha Fuels & Propane for the purpose of dispensing diesel fuel at the PDA-Division of Ports and Harbors Market Street Marine Terminal; all in accordance with the terms and conditions contained in the memorandum of Myles Greenway, Interim Director of Ports and Harbors, dated September 3, 2024.

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

2. Hampton/Seabrook Harbor Army Corp of Engineers Section 107 Feasibility Study, Additional Funding

Director Fournier moved the motion and Director Parker seconded that the Pease Development Authority (“PDA”) Board of Directors approves the expenditure of not more than \$50,000.00 from the Harbor Dredging and Pier Maintenance Fund, subject to approval of the Capital Project Overview Committee, or from unrestricted Division funding if necessary, to fund the Division of Ports and Harbors share of the Section 107 Feasibility Study with the U.S. Army Corps of Engineers concerning Hampton/Seabrook Harbor; all as otherwise set forth in, and consistent with, the memorandum from Myles Greenway, Interim Director of Ports and Harbors dated September 10, 2024.

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

XV. New Business:**A. Grant Applications Filed in August:**

No Discussion.

XVI. Special Event:**A. Report:****1. Wentworth Douglass – 5K – Seacoast Cancer Road Race**

Brean reported that on September 15, 2024, Wentworth Douglass Hospital Charitable Foundation will be holding a 5K road race, utilizing a portion of the road network situated on the Pease International Tradeport.

XVII. Upcoming Meetings:

Port Committee	October 15, 2024 @ 8:30 a.m.
Audit Committee	October 15, 2024 @ 9:30 a.m.
Board of Directors	October 17, 2024 @ 8:30 a.m.
Noise Compatibility Committee	October 17, 2024 @ 6:30 p.m.

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

XVIII. Directors' Comments:

Duprey inquired into the difference between PAC and the Port Committee to indicate PAC has no decision-making authority but makes recommendations; Blenkinsop stated the Port Committee is a subcommittee of the Board created to hold periodic meetings to discuss aspects of DPH operations.

XIX. Adjournment:

Director Semprini moved the motion and Director Levesque seconded to **adjourn the Board meeting. Meeting adjourned at 10:13 a.m.**

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

XX. Press Questions:

None.

XXI. Consultation with Counsel:

Respectfully submitted,



Paul E. Brean
Executive Director

PEASE DEVELOPMENT AUTHORITY
Monday, October 15, 2024

AUDIT COMMITTEE AGENDA

Time: 9:30 A.M. – Board Meeting Room
Place: 55 International Drive
Pease International Tradeport
Portsmouth, New Hampshire 03801

- I. Call to Order (*Ferrini*)
- II. Acceptance of Committee Meeting Minutes: April 17, 2023 (Duprey) *+
- III. Public Comment
- IV. FY 2024 External Audit (*Suzy Anzalone, Katherine Balukas and Katherine Skrocki*)
 - A. Reports:
 1. Management Representation Letter *
 2. Executive Summary of Audit Engagement *
 3. Auditor Required Communication Letter *
 4. Advisory Letter *
 - B. Approvals: (*Conard*)* +
 1. Certified Financial Statements *
 2. Uniform Guidance Audit of Federal Awards *
- V. Next Meeting- TBD
- VI. Director's Comments
- VII. Adjournment
- VIII. Press Questions

* **Related Materials Attached**
+ **Proposed Motion**

MOTION

Director Fournier:

The Pease Development Authority Board of Directors hereby moves that item numbers _____ from the consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.

1. Legal Services * **(Ferrini)**
2. Pease Development Authority On-Call Emergency Spill Response and Waste Disposal Services * **(Conard)**
3. Harriman Associates Inc. - Airport Parking Lot Design * **(Fournier)**
4. Lonza Biologics, Inc. - Parking License at 55 International Drive * **(Parker)**
5. Jalbert Leasing, Inc. d/b/a C&J Bus Lines- Right of Entry - 42 Durham Street; 47 Durham Street, Hampton Street (North and South lots) and 14 Aviation Avenue for Valet Parking * **(Semprini)**
6. Discovery Child Enrichment Center - Lease Amendment No. 3 Term Extension * **(Levesque)**
7. Lonza Biologics Inc. - 34 Harvest Way and 18 Technology Way - Site Plan Amendment Approval * **(Ferrini)**
8. Port City Air - 62 Durham Street - Revised Concept Approval * **(Conard)**

MOTION

Director Ferrini:

The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of \$12,187.50 for payment of legal services provided by Sheehan Phinney Bass & Green; all in accordance with the memorandum from Anthony I. Blenkinsop, Deputy Director / General Counsel, dated October 4, 2024; attached hereto.

MEMORANDUM

To: Pease Development Authority Board of Directors

From: Anthony I. Blenkinsop, Deputy Director / General Counsel *AB*

Date: October 4, 2024

Re: Legal Services

Sheehan Phinney Bass & Green provided legal services to the Pease Development Authority (“PDA”) in the month of August 2024 in a total amount of **\$12,187.50**, as follows:

August 1, 2024 – August 31, 2024	
(for Tradeport General Representation)	\$11,212.50
(Division of Ports and Harbors)	<u>\$ 975.00</u>
	\$12,187.50

This is a request for approval by the Board of Directors to authorize the Executive Director to expend funds for legal services rendered to Sheehan, Phinney, Bass & Green in a total amount of **\$12,187.50**.

SHEEHAN PHINNEY BASS & GREEN PA
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: General Representation - Trade Port

CLIENT/CASE NO. 14713-10167
BILLING ATTORNEY: Lynn J. Preston
Invoice Number: 407843

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$11,212.50
TOTAL EXPENSES:	\$0.00

TOTAL THIS BILL:	\$11,212.50

PREVIOUS BALANCE:	\$19,537.50

TOTAL BALANCE DUE:	\$30,750.00

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ _____

To pay by CREDIT CARD, please visit www.sheehan.com, scroll to the bottom and click " LawPay " or contact our office directly.

SHEEHAN PHINNEY BASS & GREEN PA
1000 ELM STREET
P.O. BOX 3701
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Division of Ports & Harbors

CLIENT/CASE NO. 14713-9621
BILLING ATTORNEY: Lynn J. Preston
Invoice Number: 407842

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$975.00
TOTAL EXPENSES:	\$0.00

TOTAL THIS BILL:	\$975.00

PREVIOUS BALANCE:	\$0.00

TOTAL BALANCE DUE:	\$975.00

PAYMENT DUE 30 DAYS FROM INVOICE DATE

Please return this page with your remittance and please reference the client/case number on all related correspondence.

AMOUNT PAID... \$ _____

To pay by CREDIT CARD, please visit www.sheehan.com, scroll to the bottom and click " LawPay " or contact our office directly.


MOTION


Director Conard:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to award and enter into a contract with NRC East Environmental Services, Inc. to provide Emergency Spill Response & Waste Disposal Services to the Pease Development Authority, for a period of three (3) years with two (2) one-year options to extend; all in accordance with the memorandum of Jared Sheehan, Environmental Compliance Manager, dated October 4, 2024; attached hereto.

N:\RESOLVES\2024\Emergency Spill Response & Waste Disposal Services (10-17-24).docx

Memorandum

To: Paul E. Brean, Executive Director 

From: Jared Sheehan, Environmental Compliance Manager 

Date: October 4, 2024

Subject: Bid Selection – Emergency Spill Response and Waste Disposal Services

PDA projects and infrastructure frequently require the treatment, disposal, and maintenance services provided by spill response and waste disposal contractors. These projects include but are not limited to the maintenance of oil water separators, groundwater treatment of underground utilities, disposal of spent materials, and spill response. PDA advertised an invitation for bids (IFB) to provide emergency spill response and waste disposal services to support PDA activities and projects.

Two firms responded to the IFB. PDA staff reviewed both submissions and found each to be conforming to the criteria provided in the IFB. NRC East Environmental Services, Inc. (NRC) was determined to be the low bidder (see attached bid tabulation). NRC whose parent company is Republic Services held the previous five-year contract with PDA and has continued to be responsive to meet the needs of PDA.

At this time, we ask that you seek Board approval to negotiate a three-year contract with NRC to provide emergency spill response and waste disposal services with two one-year options to extend, exercisable at the discretion of the Executive Director.

N:\ENGINEER\Board Memos\2024\Emergency Spill Response and Waste Disposal.docx



55 International Drive Portsmouth NH 03801

Initial Bid Opening Summary Form

Project Name: IFB 25-05 – Emergency Spill Response and Waste Disposal Services

Bid Opening Date: 9/26/2024 **Bid Opening Time:** 2 PM

DISCLAIMER:

The results listed below are preliminary and must be evaluated and verified as "Responsive or Non-Responsive". The lowest bidder listed below may not result in an award as evaluation of the bids for responsiveness is pending. Once the evaluation process is completed, a Notice of Award will be posted to the PDA website.

	Company Name	Bid Amount
1.	Green Site Services Group	\$ <u>63,715.00.</u>
2.	NRC East Environmental Services, Inc.	\$ <u>43,429.50.</u>
3.		\$
4.		\$
5.		\$
6.		\$

Liz LaCava *Law. Marie King*

OOOO TAKING YOU THERE

MOTION

Director Fournier:

The Pease Development Authority (“PDA”) Board of Directors authorizes the Executive Director to finalize and enter into a contract addendum with Harriman Associates, one of PDA’s on-call architectural and engineering services providers, to add the Airport Parking Expansion Design, Bidding and Construction Administration Project at Portsmouth International Airport at Pease in a total amount not to exceed \$128,739.00; all in accordance with the memorandum of Michael R. Mates, P.E., Director of Engineering, dated October 8, 2024; attached hereto.

Memorandum

To: Paul E. Brean, Executive Director *PEB*
From: Michael R. Mates, P.E., Director of Engineering *MRM*
Date: October 8, 2024
Subject: Design Airport Parking Lot Expansion

For some time, staff has been concerned with the availability of parking for airport customers. We have monitored conditions and, to date, have been able to manage with the current inventory, at times by shuttling customers to remote lots. With the recent increase in airline activity, we believe it is time to design and permit additional parking capacity near the terminal.

To this end, we have worked with PDA's on-call architectural and engineering consultant, Harriman, to develop a price to design an expansion to the existing lot in the location shown on the attached figure. We intend to explore three scenarios to provide parking for at least 80 and up to 160 vehicles. Harriman will collect site data (survey and geotechnical) to develop conceptual layouts for the three scenarios, and then provide complete design services (grading, drainage, utilities, site lighting, erosion and sediment controls) to produce bid documents for the selected alternative. Harriman will also provide cost estimating, bidding, and construction administration services. The proposed fee for this work is \$128,739.

At this time, we anticipate that the project will not reach the AoT permitting threshold. Should an AoT permit be required, the work will be billed on a time and material basis, not to exceed \$15,000.

At the October Board meeting, please seek approval to amend the on-call contract with Harriman by adding the Airport Parking Expansion Design, Bidding, and Construction Administration Project at the cost of \$128,739.

N:\ENGINEER\Board Memos\2024\Airport Parking Expansion.docx



PROJECT: PSM AIRPORT SURFACE PARKING EXPANSION

DESIGNED BY: MCR DATE: 10/08/2024 SCALE: 1"=100'

MOTION

Director Parker:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to finalize and execute Amendment No. 13 to the Parking License Agreement with Lonza Biologics, Inc. for parking spaces located at 55 International Drive; extending the Agreement from November 1, 2024, through October 31, 2025; all in accordance with the draft License Agreement Amendment No. 13, attached hereto.

License Agreement Amendment No. 13

Licensor: Pease Development Authority ("PDA" or "Licensor")

Licensee: Lonza Biologics, Inc. ("Lonza" or "Licensee")

Licensed Premises: Parking area adjacent to 55 International Drive, Portsmouth, NH

License Date: October 31, 2011

This License Agreement Amendment No. 13 made effective November 1, 2024, by and between PDA and Licensee:

WHEREAS, Licensee desires to extend its License, as amended, through October 31, 2025, for the continued use of certain parking area adjacent to 55 International Drive, Portsmouth, NH (the "License Premises");

WHEREAS, PDA has agreed to extend the term of the License through October 31, 2025;

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Parties agree to amend the License Agreement as follows:

1. The term of the License is extended for one (1) year from November 1, 2024, through October 31, 2025.
2. Licensee shall pay PDA a License Fee of Twelve Hundred Sixty and 00/100 Dollars (\$1,260.00) per month, in advance, for use of the Licensed Premises.
3. All other terms and conditions of the License as amended shall remain in full force and effect and continue to be binding upon the Parties.

Date: _____, 2024

Pease Development Authority

By: _____

Paul E. Brean
Executive Director

Lonza Biologics, Inc.

Date: _____, 2024

By: _____

Duly Authorized

Print Name: _____

Title: _____

EXHIBIT A

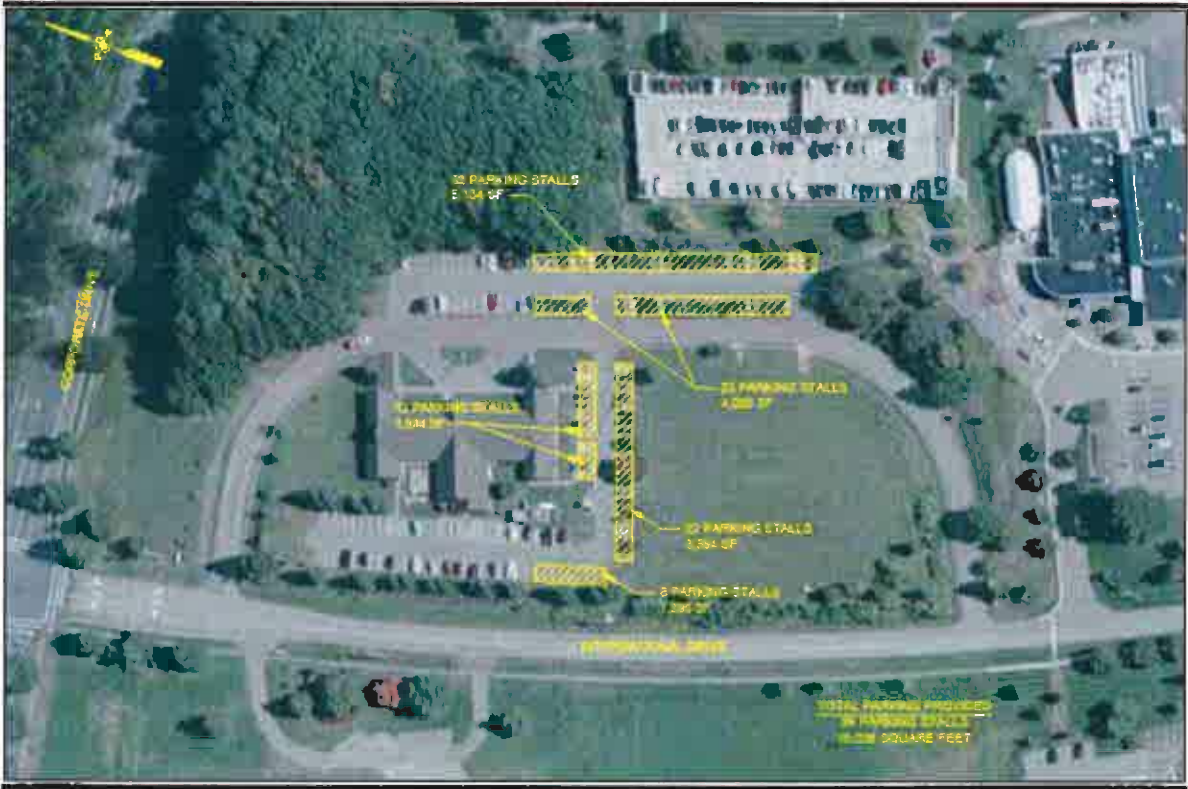
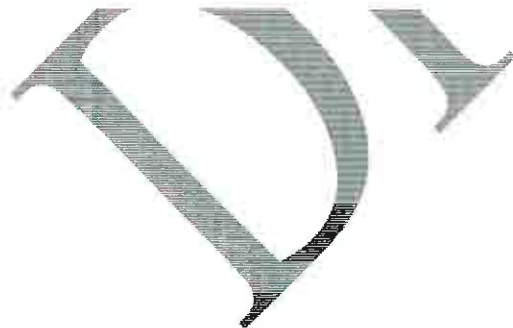


Exhibit Depicting Lonza Parking at 55 International Dr

DESIGNED BY: NRM DATE: 10/4/22 SCALE: 1"=120'

 **PEASE DEVELOPMENT AUTHORITY**

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801



MOTION

Director Semprini:

The Pease Development Authority Board of Directors approves of issuing a Right of Entry ("ROE") to Jalbert Leasing, Inc. d/b/a C&J Bus Lines at 42 Durham Street, 47 Durham Street, Hampton Street (north and south lots), and 14 Aviation Avenue for the purpose of parking C&J customer vehicles on a valet basis, effective October 26, 2024 through April 18, 2025; substantially in accordance with the draft Right of Entry dated October 3, 2024, attached hereto.

October 3, 2024

Mr. James Jalbert
Jalbert Leasing, Inc. d/b/a C&J Bus Lines
185 Grafton Drive
Portsmouth, NH 03801

**Re: Rights of Entry
42 Durham St, 47 Durham St, Hampton St (North), Hampton St
(South) & 14 Aviation Ave lot, Portsmouth, NH**

Dear Mr. Jalbert:

This letter, when fully executed, will authorize the Jalbert Leasing, Inc. d/b/a C&J Bus Lines, ("C&J"), with an address of 185 Grafton Drive, Portsmouth, NH, to enter upon and utilize vehicle parking spaces at the following locations: 42 Durham Street; 47 Durham Street; Hampton Street (North), Hampton Street (South), and 14 Aviation Avenue Portsmouth, New Hampshire, (the "Premises"), commencing October 26, 2024, through April 18, 2025 (the "Term") as shown on the 5-page attached **Exhibit A** (the "Premises") for the purposes of parking C&J customer vehicles on a valet basis only. The privileges granted under this Right of Entry will expire at the end of day on April 18, 2025.

This authorization is conditioned upon the following:

1. C&J agrees that any use of the Premises is at its sole risk and that its signature below constitutes its agreement to assume full responsibility for any and all risk of loss or damage to property and injury or death to persons by reason of or incident to its entry or the entry by any of its employees, agents, patrons, or invitees upon the Premises and/or the exercise of any of the authorities granted herein. C&J expressly waives all claims against the Pease Development Authority and the State of New Hampshire for any such loss, damage, personal injury or death caused by or occurring as a consequence of C&J's and its employees, agents, patrons, or invitees use of the Premises or the conduct of activities or the performance of responsibilities under this authorization, C&J further agrees to defend and indemnify, the Pease Development Authority and the State of New Hampshire, its officers, board members, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgements, costs and attorney's fees arising out of or related to C&J's, and its employees, agents, patrons, or invitees use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization. The provisions of this paragraph one (1) shall survive the termination of this Right of Entry.

Page Two

October 3, 2024

Re: Rights of Entry

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH

2. C&J agrees that vehicles may only be parked in the areas depicted in **Exhibit A**. C&J acknowledges and agrees that this Right of Entry: (a) allows only temporary use of the Premises; (b) is granted on a non-exclusive basis; and (c) permits the PDA to relocate the Premises or a portion of the Premises to another PDA property at the Pease International Tradeport at any time subject to a 7-day advanced notice requirement. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Airport/Tradeport activities.

3. C&J, and/or any agent of C&J, shall provide to the PDA satisfactory evidence of comprehensive general liability insurance to a limit of not less than Four Million Dollars (\$4,000,000.00) per occurrence, naming the Pease Development Authority as an additional insured; automobile liability insurance in the amount of One Million Dollars (\$1,000,000.00) and evidence of workers compensation coverage to statutory limits.

Each such policy or certificate therefor issued by the insurer shall contain: (i) a provision that no act or omission of any employee, officer or agent of C&J which would otherwise result in forfeiture or reduction of the insurance therein provided shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained; (ii) provide that the insurer shall have no right of subrogation against Pease Development Authority; and (iii) a provision that any liability insurance coverage required to be carried shall be primary and non-contributing with respect to any insurance carried by PDA. It is the intent of C&J that such policies will not be cancelled. Should a policy cancellation occur, PDA will be advised in accordance with policy provisions. Failure to maintain required level of insurance coverage shall be grounds for immediate termination of this Right of Entry by the Pease Development Authority.

4. C&J agrees that all vehicles parked at the Premises will be driven to and from the Premises by a valet service provided by C&J at its sole expense and that its patrons will not be allowed to self-park vehicles on the Premises. ***C&J shall ensure that vehicles are not left on the Premises following the termination of this Right of Entry and to assume full responsibility for the removal of vehicle(s) left on the Premises, time being of the essence. Any vehicles left on the Premises following the termination of this Right of Entry may be removed by the PDA at the sole cost and expense of C&J and/or the vehicle owner.***

5. C&J shall provide snow removal and salting, as necessary, for the Premises during the periods of use provided for under the terms of this Right of Entry. C&J or any contractor of C&J shall also obtain certification by the New Hampshire Department of Environmental Services as a Commercial Salt Applicator. Certification includes the successful completion of the Green SnoPro training program. All personnel employed in snow removal operations shall be familiar with salt reduction measures.

**Re: Rights of Entry
42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14
Aviation Ave lot, Portsmouth, NH**

6. C&J shall coordinate the initial snow removal with the PDA Maintenance Department. All snow removal, sanding, and salting shall be at C&J's own cost and expense.

7. PDA shall not be responsible for damages to property or injuries to persons which may arise from or be attributable or incident to the condition or state or repair of the Premises, or the use and occupation thereof, or for damages to the property or injuries to the person of C&J's patrons, officers, agents, servants or employees, or others who may be on the Premises at its invitation.

8. C&J shall provide all maintenance and management of the Premises at its own costs and expense.

9. Prior to termination of the Right of Entry, C&J shall restore the Premises to the same or better conditions than the Premises were in before its use pursuant to this Right of Entry.

10. C&J agrees herein that this letter of authorization does not constitute a grant of an exclusive interest in the Premises, an option to lease the Premises, or an offer to lease the Premises.

11. C&J agrees to pay PDA a \$0.40/square foot/year fee for the Premises prorated for the period of use under this Right of Entry (the "Fee"):

42 Durham Street	40,510 sf	\$1,350.33/mo.
47 Durham Street	40,946 sf	\$1,364.87/mo.
Hampton Street (North)	38,768 sf	\$1,292.27/mo.
Hampton Street (South)	39,204 sf	\$1,306.80/mo.
14 Aviation Avenue (South)	43,560 sf	\$1,452.00/mo.

The Fee shall be payable in advance in monthly installments and pro-rated for any partial periods. Payment shall be delivered to the PDA, 55 International Drive, Portsmouth, NH, 03801.

12. **Municipal Services Fee.** In addition to the Fee required to be paid under the terms of this ROE, C&J shall also pay to PDA, as additional rent, a municipal services fee in accordance with the Municipal Services Agreement by and between the City of Portsmouth, the Town of Newington and the PDA effective July 1, 1998. This fee is for fire, police and roadway services provided by or on behalf of PDA at the Airport. The Municipal Services Fee shall be paid in total with the first month's Fee payment.

Municipal Services Fee **\$3,924.44**

Page Four

October 3, 2024

Re: **Right of Entry**

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH

13. C&J agrees that it may not pave any portion of the parking lots which it has been granted the use of pursuant to this ROE, without the express written permission of the PDA.

14. C&J shall provide PDA with contact information of a local representative from C&J, who shall be available to respond to communications concerning this ROE.

Please indicate by your signature below C&J's consent to the terms and conditions of this Right of Entry, and return the same to me with evidence of insurance, payment of fee, and contact information as required.

Very truly yours,

Paul E. Brean
Executive Director

Agreed and accepted this ___ day of _____, 2024

Jalbert Leasing, Inc. d/b/a C & J Bus Lines

By: _____
Print Name/Title _____

Duly Authorized

Page Five

October 3, 2024

Re: **Right of Entry**

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH

**EXHIBIT A
PREMISES**



C&J Trailways Satellite Parking at 42 Durham Street

DESIGNED BY: MRM DATE: 10/25/22 SCALE: 1"=120'

 **PEASE DEVELOPMENT AUTHORITY**

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

Page Six

October 3, 2024

Re: **Right of Entry**

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH



Satellite Parking for C&J

DESIGNED BY: MRM

DATE: 10/10/18

SCALE: 1"=50'



PEASE DEVELOPMENT AUTHORITY

65 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

Page Seven

October 3, 2024

Re: **Right of Entry**

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH



Exhibit Depicting ROE for C&J Satellite Parking

DESIGNED BY: MRN DATE: 10/25/22 SCALE: 1"=125'

Page Eight

October 3, 2024

Re: **Right of Entry**

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH



EXHIBIT "A" - RIGHT OF ENTRY 14 AVIATION AVE

DESIGNED BY: MCR DATE: 10/19/2023 SCALE: 1"=250'

 PORTSMOUTH INTERNATIONAL AIRPORT AT PEASE (PSM)

PEASE DEVELOPMENT AUTHORITY,
55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

Perpetual Right of Entry (R.O.E.) for PLT123 2/19/2023 0000 00

Page Eight

October 3, 2024

Re: **Right of Entry**

42 Durham St, 47 Durham St, Hampton St (North), Hampton St (South) & 14 Aviation Ave lot, Portsmouth, NH



Exhibit Depicting ROE for C&J Satellite Parking


DESIGNED BY: MRM DATE: 2/1/23 SCALE: 1"=120'

MOTION

Director Levesque:

The Pease Development Authority Board of Directors hereby approves and authorizes the Executive Director to enter into Lease Amendment No. 3 with Discovery Child Enrichment Center, Inc. regarding its lease of 30 Rye Street, to extend its term by five (5) years, to November 30, 2029; all in accordance with memorandum from Paul E Brean, Executive Director, dated October 3, 2024, and draft Lease Amendment No. 3, attached hereto.

MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul E. Brean, Executive Director 
Date: October 8, 2024
Re: Discovery Child Enrichment Center, Inc. – 30 Rye Street

Discovery Child Enrichment Center, Inc. (“DCEC”), is PDA’s tenant at 30 Rye Street, from where it operates a childcare facility.

The building at 30 Rye Street is one of the few remaining PDA-owned former Air Force facilities on the Tradeport. The lease between the parties became effective on October 1, 1997, and its base term and subsequent amendments extended its term out to November 30, 3024. The parties have discussed a third amendment to the lease to incorporate an additional five (5) year extension through November 30, 2029.

At the Board meeting on October 17, 2024, please authorize me to execute the attached draft Lease Amendment No. 3 and to finalize and execute all documents necessary to extend this lease term an additional 5 years.

attachment

LEASE AMENDMENT NO. 3

Lessor: Pease Development Authority ("Lessor" or "PDA")
Lessee: Discovery Child Enrichment Center, Inc. ("Lessee" or "DCEC")
Premises: 30 Rye Street
Pease International Tradeport, Portsmouth, New Hampshire
Lease Date: October 1, 1997

This Lease Amendment No. 3 effective _____, 2024, by and between the above referenced Lessor and Lessee:

WHEREAS, Lessor and Lessee entered into a Lease for 30 Rye Street effective October 1, 1997 which was amended and extended by Amendment No. 1 effective December 1, 2009 and Amendment No. 2 effective September 1, 2013;

WHEREAS, Lessor and Lessee entered into two Lease Amendment and Forbearance Agreements effective May 2, 2016 and January 1, 2018 seeking relief from Lessee's obligation to pay Building Area Rent for the months of March 2016; September, October, November and December 2017 respectively;

WHEREAS, Lessee desires to extend the Lease for another five (5) years; and

NOW, THEREFORE, Lessor and Lessee agree for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, that the Lease be amended as set forth below:

- a.) Section 3.1 of Article 3, as amended, is further amended by extending the term of the Lease by five (5) years through November 30, 2029. In no event shall the Base Term and all option periods extend beyond thirty-two (32) years and two (2) months from the Term Commencement Date. Building Area Rent will be adjusted annually on December 1 for the remaining term of the Lease in accordance with the terms of the Lease.
- b.) All other terms and conditions of the Lease, as amended, shall remain in full force and effect and shall continue to be binding upon the Parties.

[Signature and Jurat Pages Follow]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease Amendment No.2 made effective _____, 2024.

Lessee: **DISCOVERY CHILD ENRICHMENT CENTER, INC.**

By: _____

Print Name: _____

Its: _____

Lessor: **PEASE DEVELOPMENT AUTHORITY**

By: _____
Paul E. Brean, Executive Director

DRAFT

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF ROCKINGHAM

On this ___ day of _____, 2024, before me, _____, the undersigned officer in and for said County and State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of the **Discovery Child Enrichment Center, Inc.** and on oath stated that **she/he** was authorized to execute this instrument and acknowledged it to be **her/his** free and voluntary act for the uses and purposes set forth herein.

Notary Public in and for said County and State
Printed Name: _____
My commission expires: _____

STATE OF NEW HAMPSHIRE

: ss.

COUNTY OF ROCKINGHAM

On this ___ day of _____, 2024, before me, _____, the undersigned officer in and for said County and State, personally appeared **Paul E. Brean**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the **Executive Director** of the **Pease Development Authority** and on oath stated that he was authorized to execute this instrument and acknowledged it to be his free and voluntary act for the uses and purposes set forth herein.

Notary Public in and for said County and State
Printed Name: _____
My commission expires: _____

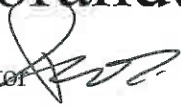
DRAFT


MOTION

Director Ferrini:

The Pease Development Authority Board of Directors hereby approves of three amendments to Lonza Biologics, Inc.'s ("Lonza") site plan for 34 Harvest Way and 18 Technology Way, all in accordance with the terms and conditions set forth in the memorandum of Michael R. Mates, P.E., Director of Engineering, dated October 7, 2024; attached hereto.

Memorandum

To: Paul E. Brean, Executive Director 

From: Michael R. Mates, P.E., Director of Engineering 

Date: October 7, 2024

Subject: Lonza Albacore Amendments – Concept Approval

Lonza received approval of its Master Plan for development of the Iron Parcel in 2018 and has since completed the first phase of construction that included the daylighting of Hodgson Brook. Since that time, Lonza has moved into the second phase which includes the construction of Building #1, the Central Utility Building, and a parking lot.

Lonza is now requesting concept approval for three minor amendments to its approved plan. Lonza would like to add a concrete pad and a brine tank with a loading area adjacent to the northern corner of the Central Utility Building, construct a biological oxygen demand waste pit and loading area adjacent to the eastern corner of Building #1, and expand a loading area south of Building #1 to accommodate an additional trash compactor.

These amendments are depicted and described in the attached drawing and project memo. No wetlands or wetland buffers are impacted with this work and the stormwater treatment already installed meets the advanced treatment measure required the PDA Land Use Controls.

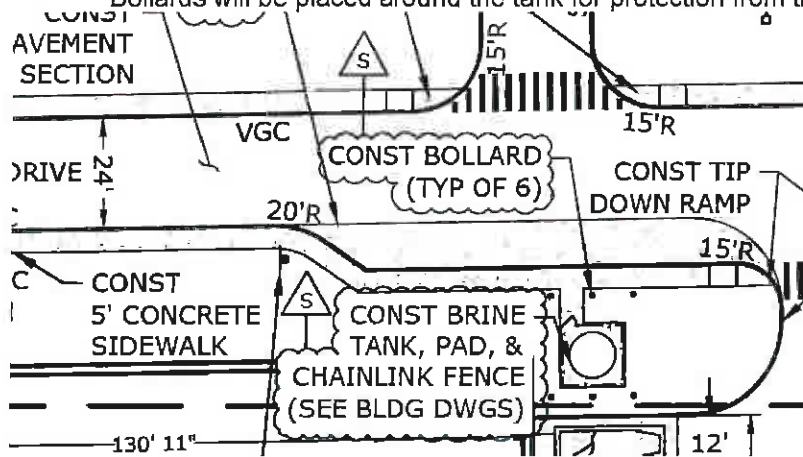
At the October 17 Board meeting, please request concept approval for Lonza to construct these features as detailed above. If concept approval is granted, site review approval will be done administratively. Staff has determined that the proposed installation does not impact traffic, safety, or intensity of use and can therefore be limited to an in-house review.

N:\ENGINEER\Board Memos\2024\Lonza Abbacore Amendment.docx

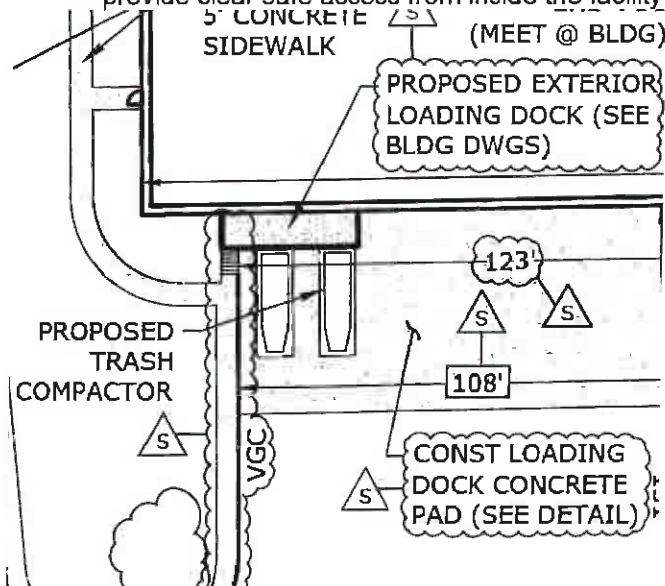
Board of Directors of the Pease Development Authority;

My name is Michael Feeney I'm an Engineer working for Lonza on Project Albacore the new manufacturing facility located on Harvest Way behind the 101 International Drive facility. This memo is to give a brief description of 3 site plan amendments we are seeking for administrative approval prior to construction. These three changes are minor infrastructure requirements that were identified as the manufacturing process has developed which will change the overall approved site plan. Please see the attached plans that show a drawing of the property with the locations of each site plan amendment clouded in black.

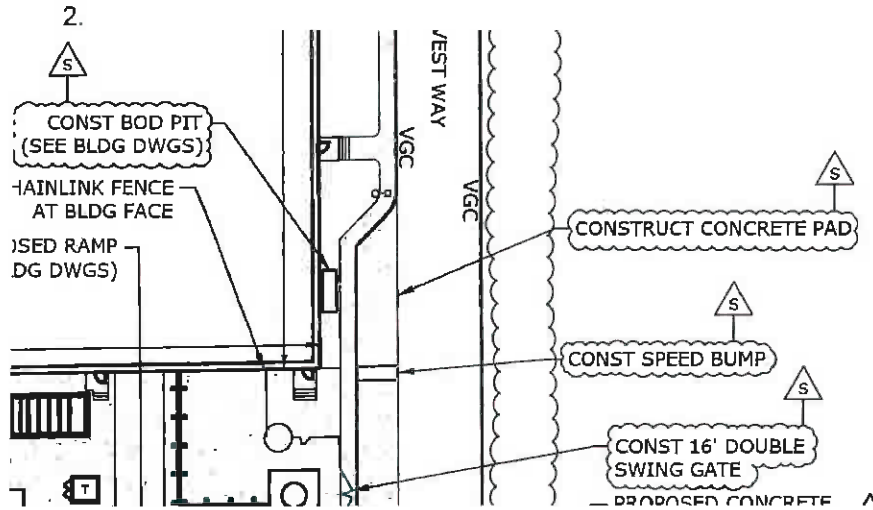
1. Salt Brine Tank – As part of our water purification process the need was identified to have a bulk tank of salt outdoors. This single walled fiberglass tank will be approximately 22 feet tall and 10 feet in diameter. The fluid inside the tank will be a solution of salt and water which will be pumped inside the building for water purification. A drain on the bottom of the tank will go inside the building to a chemical drain for when the tank needs to be emptied for service. Bollards will be placed around the tank for protection from traffic.



2. Trash Compactor Dock - It was identified that an easily accessible space needs to be designated for dual waste streams to support our LEED certification and smooth operation of the facility. Rather than extending the footprint of the building it was decided that we would repurpose one of the loading docks to create a permanent place for 2 waste compactors. These are typical waste compactors supplied by a vendor that sit on a concrete pad and provide clear safe access from inside the facility to load rubbish and recyclables.



1. BOD Pit and truck pull off – As part of our manufacturing process a waste water byproduct is BOD (Biochemical Oxygen Demand aka Biological Oxygen Demand). This waste/wastewater is classified as non-hazardous bulk wastewater and is an indicator of high strength (high organic material content) wastewater. We are collecting the Albacore high BOD wastewater so we do not exceed the permit limit and overwhelm the Pease WWTP with too much high strength wastewater and bacteria food source. Otherwise it is non-hazardous and would not need to be collected. This site plan amendment creates a place for the tanker truck to pull off of the main road, park and hook up to the pumping system that transfers the BOD from a collection tank inside the building to the truck. The pit is designed to collect any small drips or minor spills that could result from the unloading operations. As per the suggestion of the City Of Portsmouth an update to the Site SWPPP will be updated to ensure that nearby storm water drains will be covered by mats during BOD waste water pickups. The road is designed to be crowned to reduce the amount of rainwater diverted to the pit, and a valve will be incorporated in the design to be closed during a trucking operations so if a spill does happen its collected into the pit and can remain isolated.



Please review this narrative and associated drawings for administrative approval of amendments of our site plan. I'm happy to provide any further information needed.

Thank you for your time and consideration.

Michael Feeney

Senior Manager, Project Delivery AMER

Lonza

Biologics

michael.feeney@lonza.com



SITE DATA

LOCATION: TAX MAP 305, LOTS 1 & 2
70 & 80 CORPORATE DRIVE
PORTSMOUTH, NH

TAX MAP 305, LOT 6
101 INTERNATIONAL DRIVE
PORTSMOUTH, NH

ZONING DISTRICT: AIRPORT, BUSINESS & COMMERCIAL (ABC)

DIMENSIONAL REQUIREMENTS:

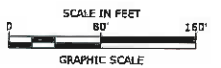
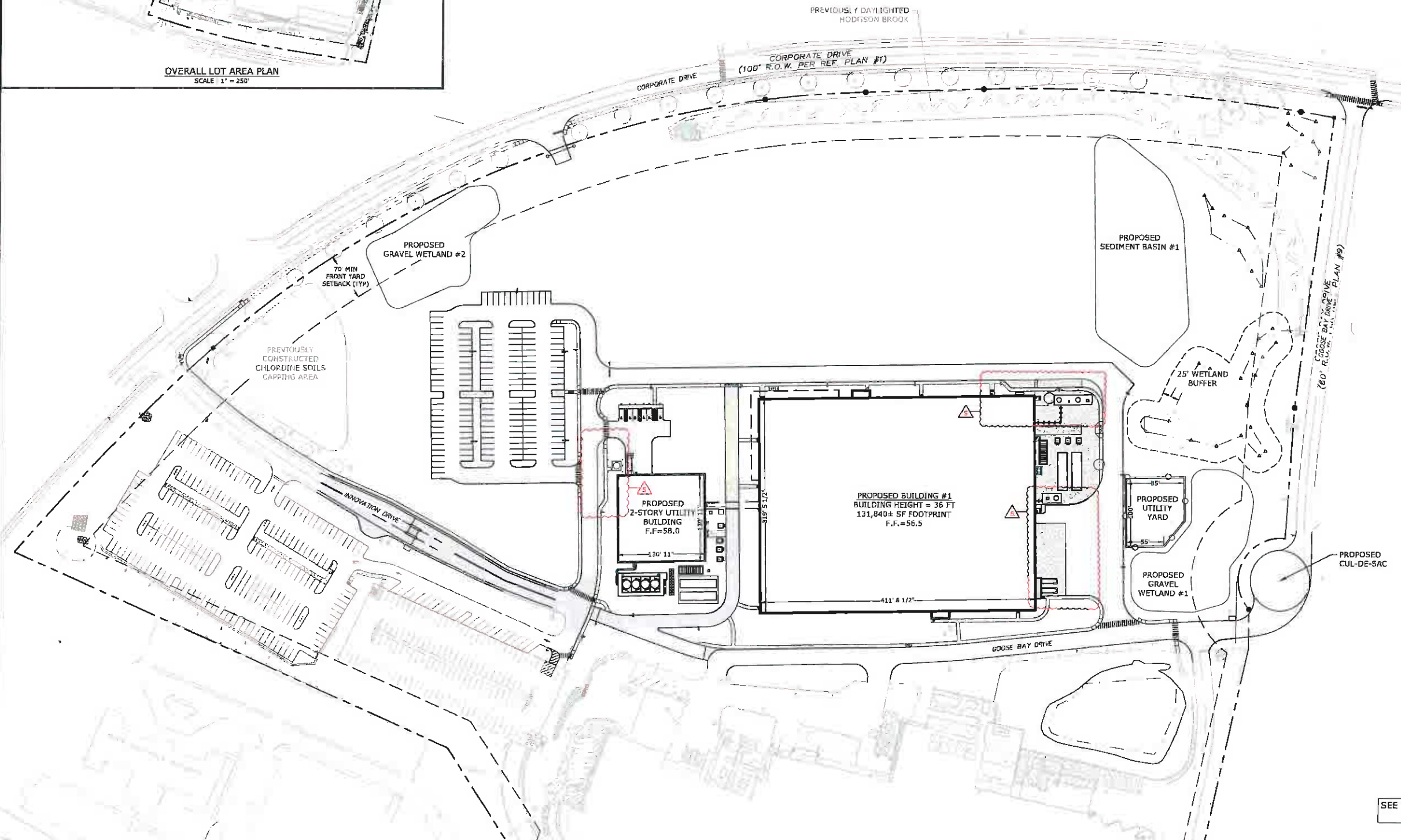
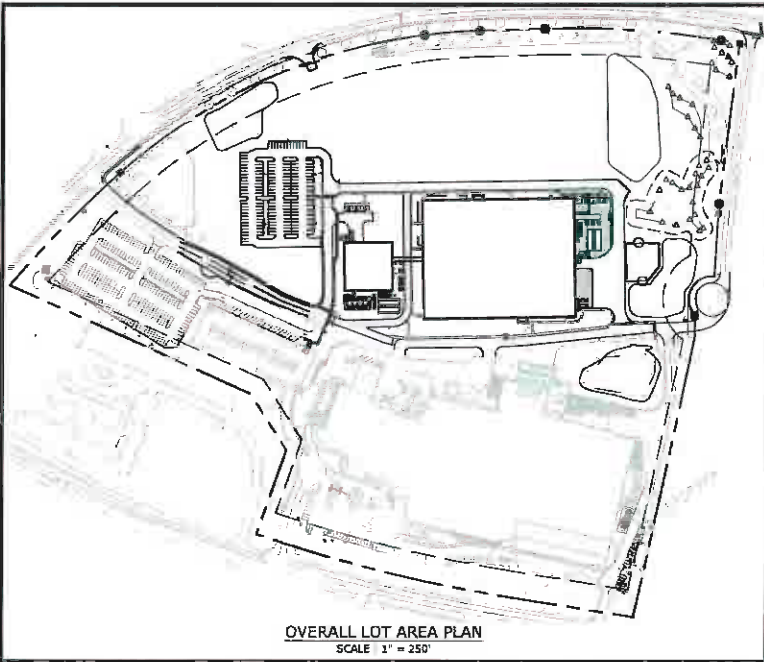
	REQUIRED	PROVIDED
MINIMUM LOT AREA:	5 AC	43.4± AC
MINIMUM STREET FRONTAGE:	200 FT	1,038 FT
MINIMUM FRONT YARD SETBACK:	70 FT	70 FT
SIDE SETBACK:	30 FT	30 FT
REAR SETBACK:	50 FT	51 FT
MINIMUM OPEN SPACE:	25 %	59.9± %

MAXIMUM STRUCTURE HEIGHT SHALL NOT EXCEED FAA CRITERIA.

PARKING REQUIREMENTS:

REQUIRED PARKING
2 SPACES PER 3 EMPLOYEES ON LARGEST SHIFT
990 EXISTING EMPLOYEES 660 SPACES
180 ANTICIPATED EMPLOYEES 120 SPACES
TOTAL REQUIRED: 880 SPACES

PARKING PROVIDED
EXISTING SPACES: 801 SPACES
PROPOSED SURFACE PARKING: 156 SPACES
TOTAL: 957 SPACES



Proposed Industrial Development

Lonza Biologics

Portsmouth, New Hampshire

MARK	DATE	DESCRIPTION
S	10/1/2024	Site Plan Amendments
R	9/10/2024	Per City Comments
Q	5/30/2024	Solar - Amended Approval
P	4/2/2024	Ph2 IFC Addendum #1
O	12/15/2023	Ph2 Issued for Construction
N	11/9/2023	Revised P.B. Submission
M	9/27/2023	P.B. Submission
L	9/1/2022	Issued for Construction
X	5/27/2022	Issued for Bid

PROJECT NO:	L-0700-013
DATE:	04/03/2018
FILE:	L-0700-026-C-DSGN.dwg
DRAWN BY:	CJK
CHECKED:	NAH
APPROVED:	PMC

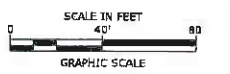
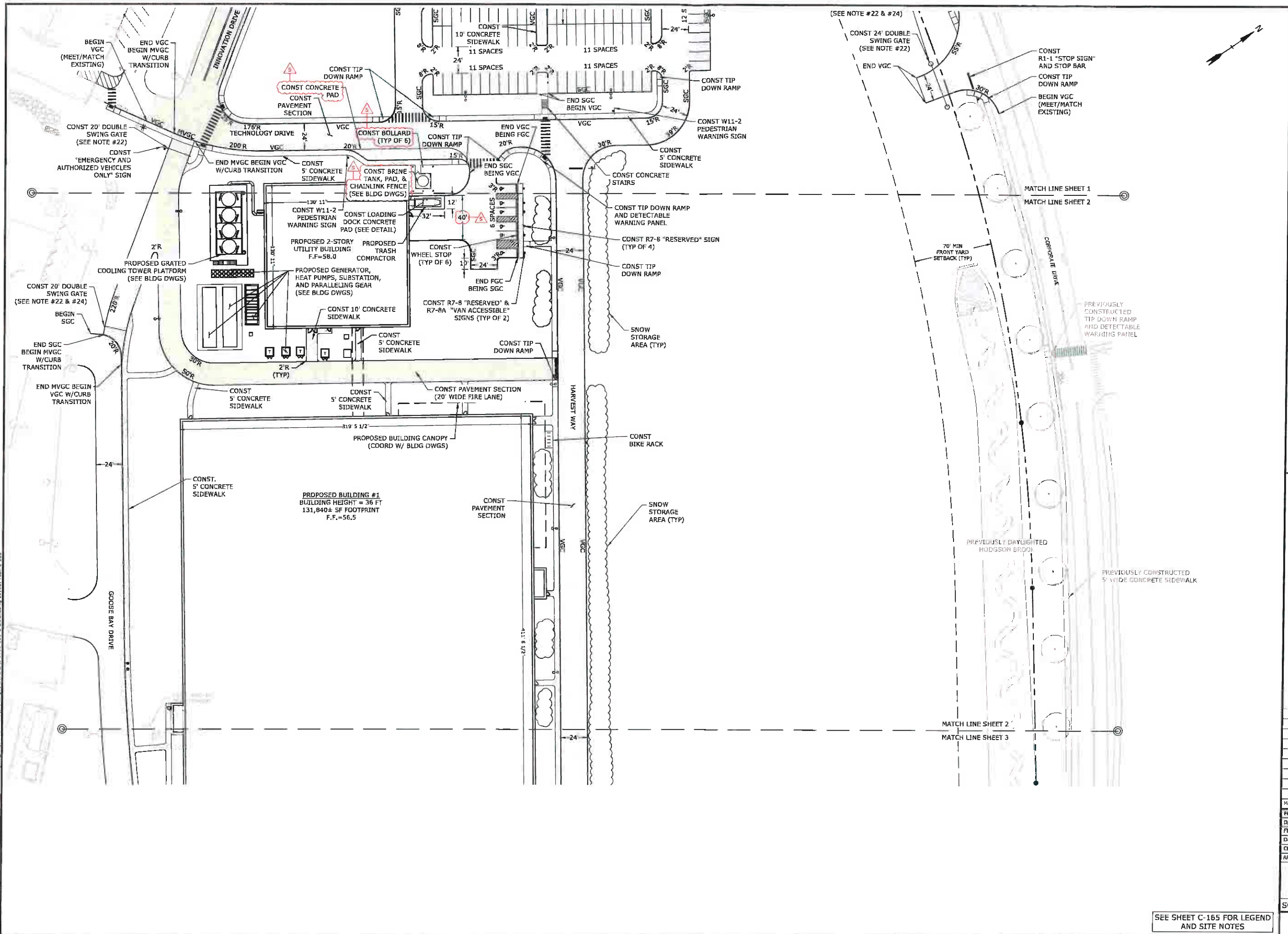
PHASE 2 OVERALL SITE PLAN

SCALE: AS SHOWN

C-164

SEE SHEET C-165 FOR LEGEND AND SITE NOTES

Last Save Date: October 7, 2024 10:53 AM By: MWL/COX
 Plot Date: Monday, October 07, 2024 Plotter: By: Neah Wilcox
 TSS File Location: J:\L-0700\Lonza Biologics Expansion wa 12768\026 - Project Abstract\Drawings\AutoCAD\L-0700-013-C-DSGN.dwg Layout Tab: C-164



Proposed Industrial Development

Lonza Biologics

Portsmouth, New Hampshire

MARK	DATE	DESCRIPTION
S	10/1/2024	Site Plan Amendments
R	9/10/2024	Per City Comments
Q	5/20/2024	Sealer - Amended Approval
P	4/2/2024	Ph2 IFC Addendum #1
O	12/15/2023	Ph2 Issued for Construction
N	11/9/2023	Revised P.R. Submission
M	9/27/2023	P.R. Submission
L	9/11/2022	Issued for Construction
K	5/27/2022	Issued for Bid

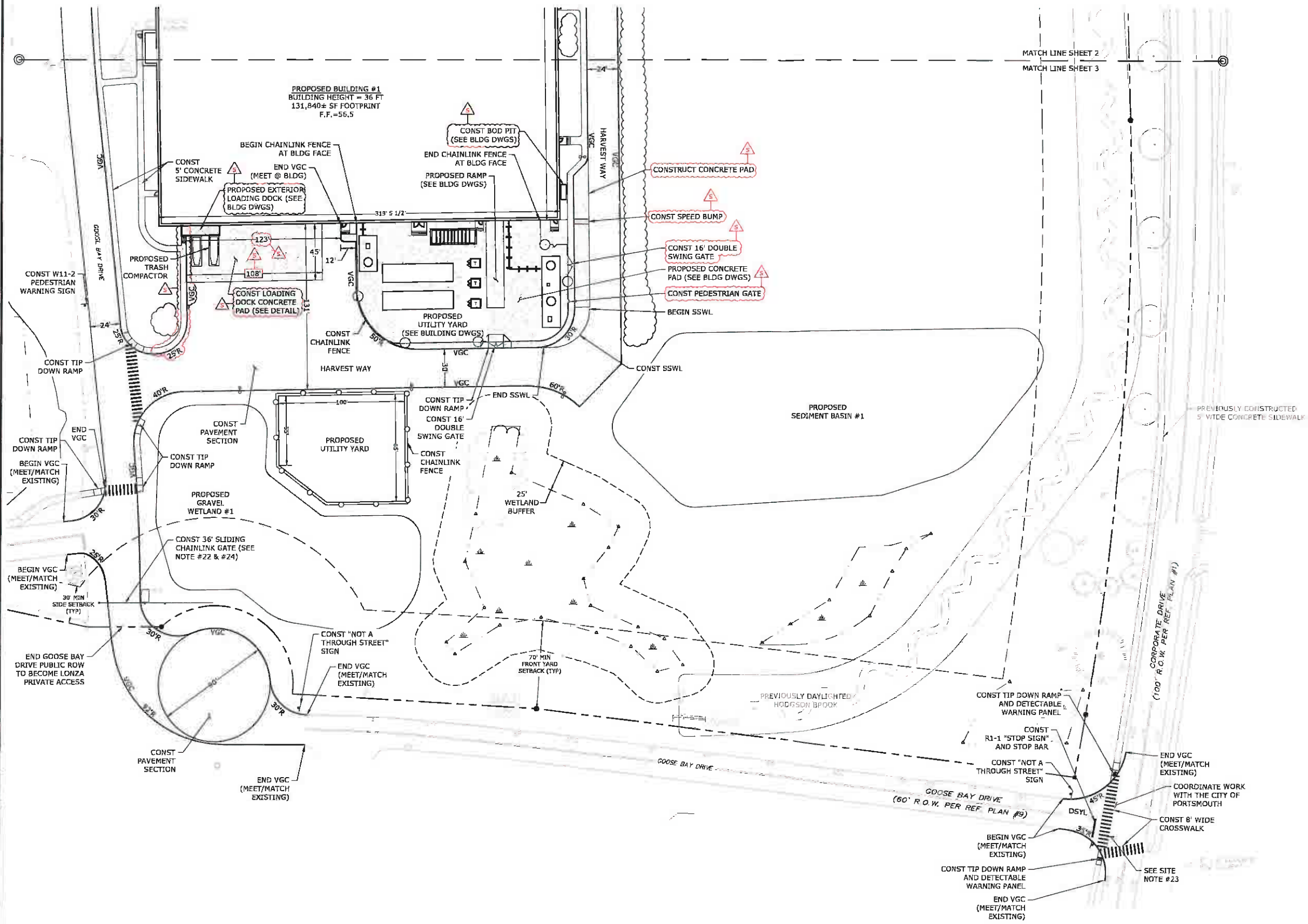
PHASE 2 SITE PLAN

SCALE: AS SHOWN

C-166

SEE SHEET C-165 FOR LEGEND AND SITE NOTES

Last Save Date: October 7, 2024 10:41 AM BY: RWILCOX
 Plot Date: Monday, October 07, 2024 Plotted By: Noah Wilson
 Plot File Location: J:\1310700 Lonza Biologics\Portsmouth\15746\016 Project\A\Area\Drawings\Phase2\016-0700-026-C-DSGN.dwg Layout Tab: C-166



Proposed Industrial Development

Lonza Biologics

Portsmouth, New Hampshire

MARK	DATE	DESCRIPTION
S	10/1/2024	Site Plan Amendments
R	9/10/2024	Per City Comments
Q	5/20/2024	Solar - Amended Approval
P	4/2/2024	#h2 IFC Addendum #1
O	12/15/2023	#h2 Issued for Construction
N	11/9/2023	Revised P.B. Submission
M	9/27/2023	P.B. Submission
L	9/1/2022	Issued for Construction
K	5/27/2022	Issued for Bid

PROJECT NO:	L-0700-013
DATE:	04/23/2018
FILE:	L-0700-026-C-DSGN.dwg
DRAWN BY:	CJK
CHECKED:	NAH
APPROVED:	PMC

PHASE 2 SITE PLAN

SCALE: AS SHOWN

C-167

SEE SHEET C-165 FOR LEGEND AND SITE NOTES

Last Save Date: October 7, 2024, 10:41 AM By: NML/COX
 Plot Date: Monday, October 07, 2024 Printed By: Noah Wilcox
 TAB File Location: J:\L\0700 Lonza Biologics Expansion\157561025 - Project\alabama\Drawings\AutoCAD\0700-026-C-DSGN.dwg Layout Tab: C-167



MOTION

Director Conard:

The Pease Development Authority Board of Directors hereby approves of Port City Air 's revised concept plan to include a roof over the exterior landing on the north end of the building located at 62 Durham Street; all in accordance with the terms and conditions set forth in the memorandum of Michael R. Mates, P.E., Director of Engineering, dated October 7, 2024; attached hereto.

N:\RESOLVES\2024\PCA Revised Concept Plan – 62 Durham Street (10–17–24).docx

Memorandum

To: Paul E. Brean, Executive Director 
From: Michael R. Mates, P.E., Director of Engineering 
Date: October 7, 2024
Subject: 62 Durham Street Improvements – Revised Concept Approval

At the August 2024 PDA Board of Directors meeting, the Board approved a concept plan brought forth by Port City Air (“PCA”), PDA’s tenant at 62 Durham Street, to fit up a portion of the interior mezzanine with private offices. In addition to this fit up is the construction of an exterior landing on the north end of the building which will serve as an emergency exit. Since that time, PCA has further developed its concept to include a 20’ x 4’ roof to provide protection from the elements at the new egress/entry door.

As this proposed roof is visible from Durham Street, the practice is to bring the proposal to the Board of Directors for concept approval. The attached project memo and rendering describe and depict the proposed improvements. Staff will work with PCA to ensure stormwater runoff from this new impervious surface will be treated per the PDA Land Use Control regulations. PCA’s proposed addition meets the requirements of PDA’s Land Use Controls.

At the October Board meeting, please request concept approval for PCA to amend its concept approval to include a roof over the exterior landing at 62 Durham Street. If concept approval is granted, site review approval will be done administratively. Staff has determined that the proposed installation does not impact traffic, safety, or intensity of use and can therefore be limited to an in-house review.

N:\ENGINEER\Board Memos\2024\62 Durham Street Revised Concept Approval.docx

October 7, 2024

Michael Mates, PE
Director of Engineering
Pease Development Authority
55 International Drive
Portsmouth, NH

Re: Port City Air - Hangar 205
62 Durham St.
Portsmouth, NH

PROJECT MEMORANDUM

Dear Mr. Mates,

Port One Architects, Inc. is submitting this revised memorandum on behalf of Port City Air for a proposed project at existing Hangar 205. This narrative describes the conceptual design of exterior alterations to accommodate interior alterations to a portion of the existing building utilized for Business occupancy.

Project Overview

The proposed project consists of interior Level II Alterations to approximately 1,800 sf of existing mezzanine floor area currently used for Business type occupancy. Alterations consist of creating additional private offices where open work areas currently exist. No additional occupancy loads are anticipated due to the continued use of the space as Business Group B (private offices) with an equivalent occupant density to that of open office area.

Exterior alterations include adding (8) window openings on the northwest façade of the mezzanine level where (4) smaller windows exist. Additionally, the conceptual design proposes an exterior metal passage door, stair and enlarged landing of approximately 10' x 26' or 260 sf. A low-slope roof will span approximately 20 feet in width at a depth of 4 feet to provide protection over the new entry/egress door

Stormwater Management

In response to 260 sf of added impermeable surfaces resulting from the addition of an exterior steel stair, a storm water management strategy that meets the requirements of the PDA will be implemented. The proposed system involves the construction of a shallow trench (designed by Civil Engineer), strategically placed to intercept runoff from the first flush of a rain event. The trench is filled with stone, which serves to temporarily store the initial volume of stormwater, allowing runoff to settle and be filtered out.

Parking Areas & Other Proposed Work

No additional parking is anticipated under the proposed alteration. No other work outside the building footprint is anticipated under the proposed alteration.

Sincerely,

Evan Mullen, AIA
Principal
Port One Architects, Inc.
emullen@portonearchitects.com
603-436-8891, ext. 11


EXISTING VIEW





Memorandum

To: Paul Brean, Executive Director

From: Suzy Anzalone, Director of Finance 

Date: September 30, 2024

Subject: Executive Summary – Financial Reports

In anticipation of the upcoming October 17th Pease Development Authority Board meeting, the following is an Executive Summary of the financial results for the two months ended August 31, 2024:

Consolidated Results

Pease Development Authority - Consolidated			
(\$ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	4,157	4,150	7
Operating Expenses	2,709	3,033	324
Operating Income	1,448	1,117	331
Depreciation	1,313	1,253	(59)
Non Oper. (Inc)/Exp	(151)	(31)	120
Net Operating Income (Loss)	286	(105)	392

Year-to-date consolidated operating revenues totaled \$4.2 million, consistent with budgeted projections. Revenue line items trending higher than budget for the first two months of the fiscal year include fuel flowage fees, golf fees, golf merchandise sales and facility rental. Notable line items trending under budget consist of DPH fuel sales, parking revenue, and to a lesser extent, concession revenue

Operating expenses through August totaled \$2.7 million, performing favorably against budgeted expenses of \$3.0 million (10.7% favorable). Cost underruns include consolidated wages and benefits, building and facilities expenses, professional fees and fuel purchases. Expense line items trending over budget include benefitted overtime, electricity expense and golf merchandise cost of goods sold.

Year-to-date Net Operating Income is \$286,000 performing favorably against budgeted loss of \$105,000.

Business Unit Performance

Portsmouth Airport

Portsmouth Airport (PSM) incl Security			
(\$ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	479	444	35
Operating Expenses	593	630	37
Operating Income	(115)	(186)	72
Depreciation	737	706	(31)
Non Oper. (Inc)/Exp	(0)	0	0
Net Operating Income (Loss)	(852)	(893)	40

Operating revenues for Portsmouth Airport are favorable to budget by \$35,000 mainly driven by higher fuel flowage fees. Operating expenses are favorable by \$37,000 (5.9%). Cost underruns include building and facilities and marketing expenses. Line items trending higher than budget consist of electricity expense and professional services relating to the air traffic control tower study.

Skyhaven Airport

Skyhaven (DAW)			
(\$ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	42	51	(9)
Operating Expenses	51	62	11
Operating Income	(9)	(11)	2
Depreciation	71	71	0
Non Oper. (Inc)/Exp	0	0	0
Net Operating Income (Loss)	(80)	(82)	2

Skyhaven operating revenues are under budget by \$9,000 (17.8%) mainly driven by lower fuel sales than budget. Fuel sales for August totaled \$5,445 representing 888 gallons sold. August fuel sales are trending lower due to a fuel pump breakdown during the month. Operating expenses are favorable by \$11,000 (17.5% favorable) with wages, utilities and fuel purchases trending lower than budget.

Tradeport

Tradeport			
(\$ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	1,889	1,872	18
Operating Expenses	76	91	15
Operating Income	1,813	1,780	33
Depreciation	125	126	0
Non Oper. (Inc)/Exp	(74)	(21)	53
Net Operating Income (Loss)	1,762	1,676	86

FY25 Tradeport revenues are \$18,000 favorable to budget largely due to higher facility rental revenue and short-term right-of-entry agreements. Expenses are trending favorably by \$15,000 (16.2%) mainly attributable to lower building and facility costs.

Pease Golf Course			
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(\$ 000's)	YTD	YTD	Variance Fav
	Actual	Budget	(unfav)
Operating Revenues	1,202	1,093	109
Operating Expenses	615	548	(67)
Operating Income	587	545	42
Depreciation	64	62	(2)
Non Oper. (Inc)/Exp	0	(0)	(0)
Net Operating Income (Loss)	523	483	40

Year-to- date golf course revenues are favorable \$109,000 (10%) resulting from higher public play golf fees and merchandise sales. Expenses are over budget by \$67,000 (2.7%) driven by cost overruns in turf maintenance and golf merchandise cost of goods sold.

Division of Ports and Harbors (DPH)-Unrestricted

Division of Ports and Harbors (Unrestricted)			
(\$ 000's)	YTD	YTD	Variance Fav
	Actual	Budget	(unfav)
Operating Revenues	520	660	(139)
Operating Expenses	515	671	156
Operating Income	5	(12)	17
Depreciation	281	254	(27)
Non Oper. (Inc)/Exp	(9)	(10)	(0)
Net Operating Income (Loss)	(267)	(256)	(11)

Year-to-date revenues for the DPH are under budget by \$139,000 (21.1%). Revenue line items trending unfavorably include fuel sales and miscellaneous "other" revenue. Year-to-date operating expenses are favorable to budget by \$156,000 (23.2%) and are attributable to lower fuel purchases, building and facilities expenses and legal fees. Cost overruns mainly consist of wages and overtime (seasonal fluctuations and interim pay adjustments).

Balance Sheet/Statement of Net Position (Consolidated)

(\$ 000's)	As of	As of
	8/31/2024	8/31/2023
Assets		
Current Assets	24,237	21,673
Restricted Assets	1,594	1,484
Non-Current Assets	329,385	311,094
Total Assets	355,215	334,251
Deferred Outflows of Resources	2,944	3,049
Liabilities		
Current Liabilities	5,777	4,290
Non-Current Liabilities	10,166	11,471
Total Liabilities	15,943	15,761
Deferred Inflows of Resources	219,970	213,258
Net Position		
Net Invest. in Cap Assets	108,237	97,963
Restricted	1,438	1,360
Unrestricted	12,571	8,959
Total Net Position	122,246	108,281

The August balance sheet consists of \$24.2 million in current assets which include \$13.9 million in unrestricted cash (both PDA and DPH), \$9.6 million in trade and lease receivables, and \$0.7 million in inventory and prepaid expenses.

Restricted assets total \$1.6 million and consist primarily of the Revolving Loan Fund which currently has 20 loans outstanding totaling just under \$1.0 million in loans receivable.

Capital expenditures for FY25 amount to \$1.7 million through August. Expenditures include PSM Arrivals Hall, snow removal equipment, PSM jet bridge rehabilitation, vehicle purchases and expenses related to the Portsmouth Fish Pier decking and bracing project.

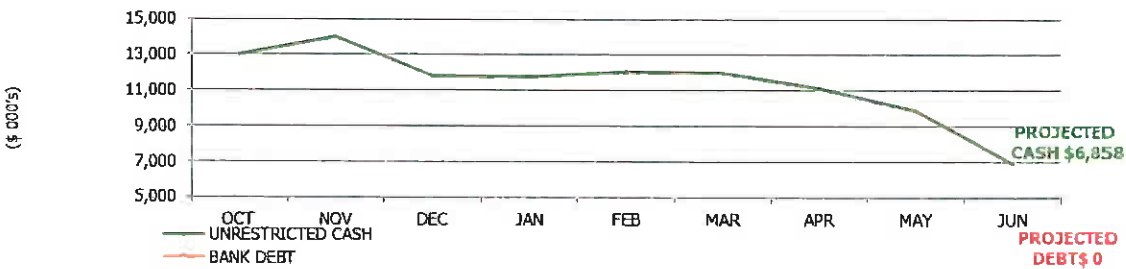
Current liabilities of \$5.8 million represent trade accounts payable, retainage and various accrued expenses.

Cash Flow Projections for the Nine Month Period Ending June 30, 2025-PDA (Excl. Division of Ports and Harbors)

During the next nine-month period, PDA cash inflows are projected at \$18.1 million, mainly provided by operating revenues as well as \$3.7 million in grant funding.

Cash outflows of \$24.3 million during this same period include \$10.3 million in both grant and non-grant related capital expenditures, as well as outflows from normal operating expenses and municipal service fee payments. Current projections indicate that we will not need to draw on our line of credit over the next nine months, and we expect unrestricted cash to decrease to \$6.9 million. The chart below outlines cash and debt balances over the next nine-month period.

PROJECTED CASH AND DEBT BALANCES – PEASE DEVELOPMENT AUTHORITY - EXCL. DPH

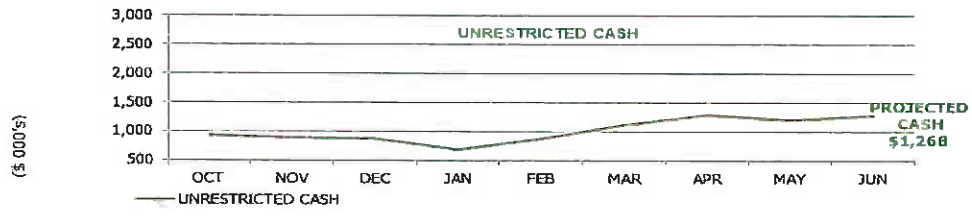


Cash Flow Projections for the Nine Month Period Ending June 30, 2025 -Division of Ports and Harbors

During the next nine-month period, unrestricted cash inflows at the Division of Ports and Harbors are projected at \$4.5 million, provided by operating revenues and fees, but also include \$2.4 million in grant funding.

Unrestricted cash outflows of \$4.3 million during this same period include \$2.2 million in both grant and non-grant related capital expenditures, as well as outflows from normal operating expenses. Unrestricted cash is projected to decrease to \$1.2 million. The chart below outlines cash balances over the next nine-month period.

PROJECTED CASH BALANCES – DIVISION OF PORTS AND HARBORS



Please let me know if you have any questions or require supplemental information.

**PEASE DEVELOPMENT AUTHORITY
FY2025 FINANCIAL REPORT
FOR THE TWO-MONTH PERIOD
ENDING AUGUST 31, 2024**



**BOARD OF DIRECTORS MEETING
OCTOBER 17, 2024**

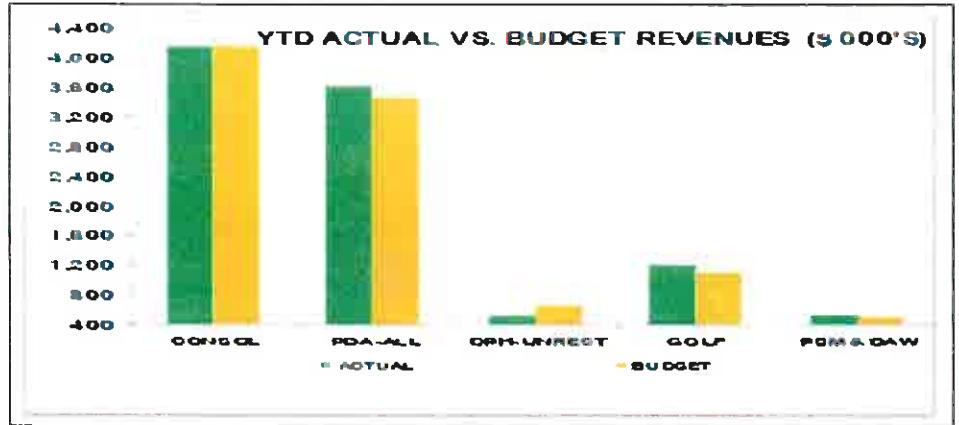
PEASE DEVELOPMENT AUTHORITY

Revenues and Expenditures –Two Months Ended August 31, 2024

Trends:

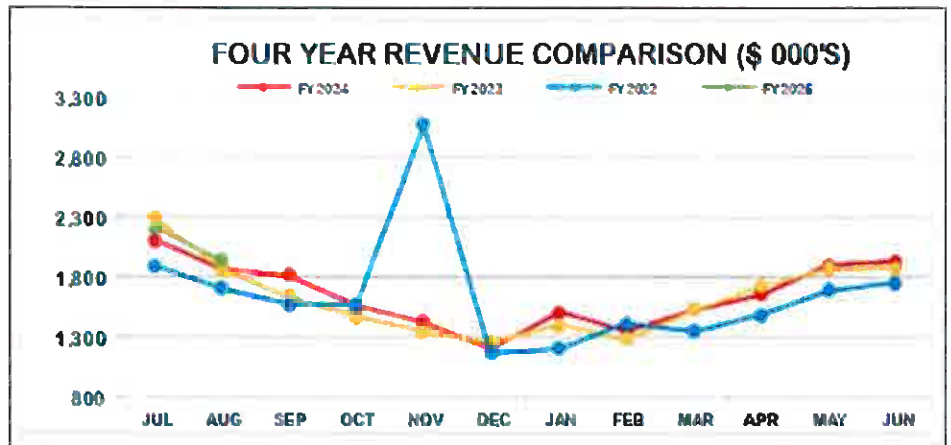
YTD revenue is budget neutral

- Fuel sales, Parking and Concession revenue trending under budget
- Offset by higher revenue in Fuel Flowage Fees, Golf Fees, Registration Fees, Golf Merchandise sales and Facility Rental



Trends:

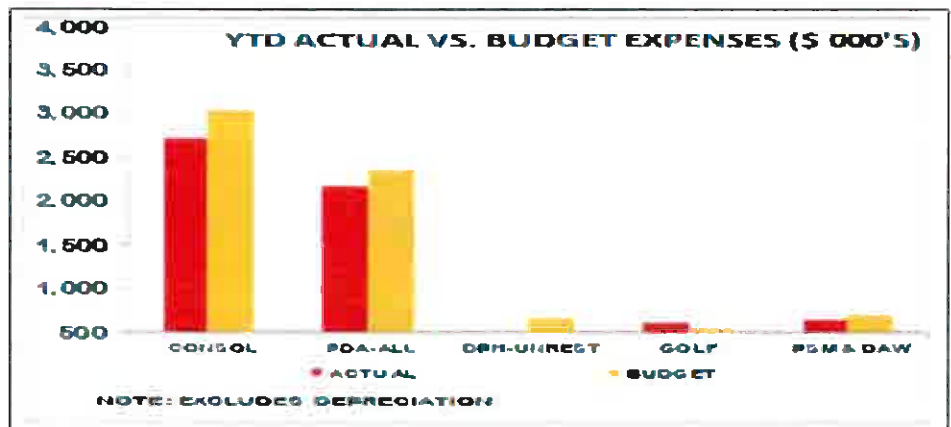
- **November 2021** includes sale of 30 NH Ave
- **July revenues** include annual rent payment-Great Bay Comm. College
- **June revenues** include increase in Golf fee revenue



Trends:

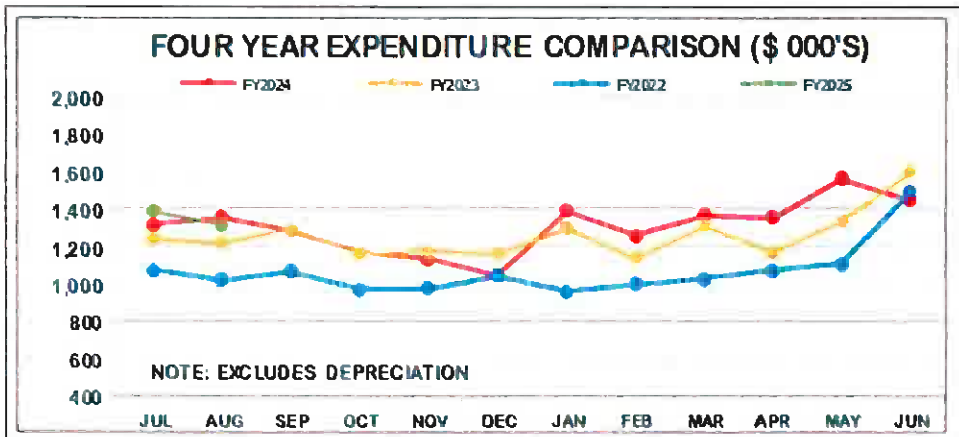
YTD Operating Expenses lower by 10.7%:

- Wages & Benefits, Facilities, Professional Svcs., Fuel Purchases and Marketing trending lower than budget.
- Offset by cost overruns in Electricity expenses, Cost of Goods Sold-Golf Merchandise and Benefited Overtime.



Trends:

- **June 2022-June 2024** – Retirement OPEB year end adjustments



PEASE DEVELOPMENT AUTHORITY
Consolidated Statement of Revenues and Expenses
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL								
FACILITIES	\$976,804	\$957,772	\$19,032	2.0%	\$2,117,234	\$2,090,074	\$27,160	1.3%
CARGO AND HANGARS	15,418	15,778	(360)	(2.3%)	32,626	31,429	1,197	3.8%
	<u>992,222</u>	<u>973,550</u>	<u>18,672</u>	<u>1.9%</u>	<u>2,149,860</u>	<u>2,121,503</u>	<u>28,357</u>	<u>1.3%</u>
CONCESSION REVENUE	85,808	81,575	4,233	5.2%	137,098	145,746	(8,648)	(5.9%)
FEE REVENUE								
AMATION FEES	0	0	0	-	0	0	0	-
FUEL FLOWAGE	115,990	95,656	20,334	21.3%	239,590	169,053	70,536	41.7%
PSM TSA/LEO REVENUE	0	0	0	-	3,707	0	3,707	-
PSM SECURITY REVENUE	2,840	5,667	(2,827)	(49.9%)	5,520	11,333	(5,813)	(51.3%)
GOLF FEES	396,699	373,820	22,879	6.1%	861,642	761,045	100,597	13.2%
GOLF SIMULATORS	165	535	(370)	(69.2%)	285	1,470	(1,185)	(80.6%)
GOLF MEMBERSHIPS	47,166	55,000	(7,834)	(14.2%)	94,332	110,000	(15,668)	(14.2%)
GOLF LESSONS	4,730	6,196	(1,466)	(23.7%)	10,664	17,152	(6,488)	(37.8%)
MOORING FEES	34,637	37,667	(3,030)	(8.0%)	73,273	75,333	(2,060)	(2.7%)
PARKING	51,248	71,907	(20,660)	(28.7%)	111,549	143,613	(32,065)	(22.3%)
PIER USAGE FEES	5,952	9,167	(3,215)	(35.1%)	13,214	18,333	(5,119)	(27.9%)
REGISTRATIONS	(1,110)	9,572	(10,682)	(111.6%)	29,678	22,922	6,756	29.5%
TERMINAL FEES	-	-	-	-	-	-	-	-
WHARFAGE AND DOCKAGE	491	4,475	(3,984)	(89.0%)	5,352	4,475	877	19.6%
	<u>658,807</u>	<u>669,662</u>	<u>(10,855)</u>	<u>(1.6%)</u>	<u>1,448,806</u>	<u>1,334,730</u>	<u>114,076</u>	<u>8.5%</u>
FUEL SALES	106,142	181,651	(75,509)	(41.6%)	232,040	374,281	(142,241)	(38.0%)
INTEREST INCOME								
LOAN INTEREST	2,041	2,833	(792)	(28.0%)	5,032	5,667	(635)	(11.2%)
OTHER REVENUES								
MERCHANDISE	56,530	37,629	18,901	50.2%	120,422	83,272	37,150	44.6%
ALL OTHER	36,746	33,745	3,001	8.9%	63,324	84,455	(21,131)	(25.0%)
	<u>93,276</u>	<u>71,374</u>	<u>(21,902)</u>	<u>(30.7%)</u>	<u>183,746</u>	<u>167,727</u>	<u>(16,020)</u>	<u>(9.6%)</u>
TOTAL OPERATING REVENUE	1,938,296	1,980,645	(42,350)	(2.1%)	4,156,582	4,149,654	6,928	0.2%
OPERATING EXPENSES								
WAGES AND FRINGE BENEFITS								
WAGES								
BENEFITED REGULAR	369,497	458,213	88,716	15.0%	834,434	878,853	44,419	5.1%
BENEFITED OVERTIME	24,149	14,023	(10,125)	(72.2%)	51,998	31,908	(20,090)	(63.0%)
NON-BENEFITED REGULAR	126,126	147,880	21,754	14.7%	274,868	278,921	4,054	1.5%
NON-BENEFITED OVERTIME	(10)	2,093	2,103	100.5%	4,508	7,235	2,728	37.7%
ACCRUED VACATION BENEFITS	(417)	0	417	-	(13,540)	0	13,540	-
ACCRUED SICK TIME BENEFITS	924	0	(924)	-	3,144	0	(3,144)	-
	<u>540,268</u>	<u>622,209</u>	<u>81,941</u>	<u>13.2%</u>	<u>1,155,413</u>	<u>1,196,918</u>	<u>41,506</u>	<u>3.5%</u>
WAGE TRANSFERS OUT	0	0	0	-	0	0	0	-
	<u>540,268</u>	<u>622,209</u>	<u>81,941</u>	<u>13.2%</u>	<u>1,155,413</u>	<u>1,196,918</u>	<u>41,506</u>	<u>3.5%</u>
BENEFITS								
DENTAL INSURANCE	5,713	5,971	258	4.3%	11,336	11,942	606	5.1%
HEALTH INSURANCE	120,433	126,856	6,223	4.9%	239,957	253,312	13,355	5.3%
LIFE INSURANCE	2,353	2,707	354	13.1%	4,627	5,414	786	14.5%
NEW HAMPSHIRE RETIREMENT	56,911	71,164	14,252	20.0%	112,659	142,318	29,659	20.8%
POST RETIREMENT BENEFITS	11,167	11,725	558	4.8%	22,333	23,450	1,117	4.8%
EMPLOYEE DRUG TEST	0	142	142	100.0%	227	283	56	19.9%
OPEB EXPENSE	-	-	-	-	-	-	-	-
EMPLOYER FICA	40,116	47,740	7,623	16.0%	86,777	92,395	5,618	6.1%
UNEMPLOYMENT INS	25	-	(25)	-	25	-	(25)	-
	<u>236,718</u>	<u>266,104</u>	<u>29,386</u>	<u>11.0%</u>	<u>477,942</u>	<u>529,115</u>	<u>51,173</u>	<u>9.7%</u>
BENEFIT TRANSFERS OUT	0	0	0	-	0	0	0	-
	<u>236,718</u>	<u>266,104</u>	<u>29,386</u>	<u>11.0%</u>	<u>477,942</u>	<u>529,115</u>	<u>51,173</u>	<u>9.7%</u>
TOTAL WAGES & BENEFITS	776,985	888,312	111,327	12.5%	1,633,355	1,726,033	92,678	5.4%

PEASE DEVELOPMENT AUTHORITY
Consolidated Statement of Revenues and Expenses
For the Two Months Ending August 31, 2024

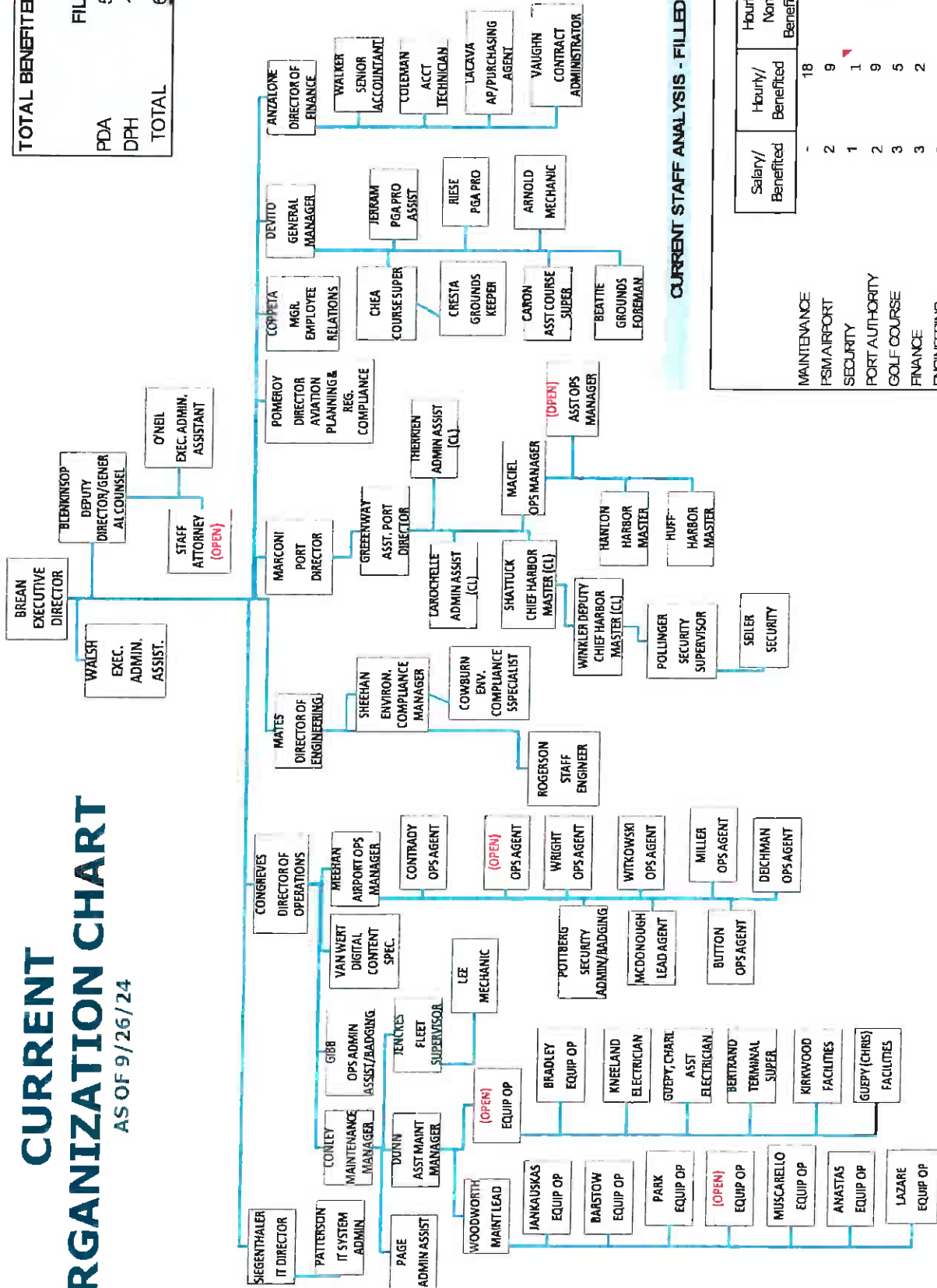
	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
BUILDING AND FACILITIES								
AIRFIELD MAINTENANCE	590	6,333	5,743	90.7%	2,001	12,667	10,666	84.2%
COVID-19	-	-	-	-	-	-	-	-
SOIL & VEGETATION CONTROL	12,731	26,238	13,508	51.5%	35,908	28,561	(7,347)	(25.7%)
ENVIRONMENTAL TESTING	5,324	16,602	11,278	67.9%	27,621	33,204	5,583	16.8%
EQUIPMENT MAINTENANCE	43,045	31,464	(11,582)	(36.8%)	66,946	63,511	(3,435)	(5.4%)
FACILITIES MAINTENANCE	85,939	88,755	2,817	3.2%	141,304	182,599	41,294	22.6%
LANDSCAPING	939	7,533	6,595	87.5%	8,062	10,080	2,019	20.0%
NAVIGATION MAINTENANCE	2,644	333	(2,311)	(693.2%)	2,724	667	(2,057)	(308.6%)
OTHER EXPENSES	0	0	0	-	0	0	0	-
SECURITY	17,216	14,842	(2,374)	(16.0%)	17,591	29,683	12,092	40.7%
SNOW REMOVAL	0	5,867	5,867	100.0%	0	11,733	11,733	100.0%
EXPENSE TRANSFERS	-	-	-	-	-	-	-	-
	168,428	197,968	29,540	14.9%	302,157	372,705	70,548	18.9%
WAGE & BENEFIT TRANSFER IN	0	0	0	-	0	0	0	-
	168,428	197,968	29,540	14.9%	302,157	372,705	70,548	18.9%
GENERAL AND ADMINISTRATIVE								
BAD DEBT EXPENSE	-	-	-	-	-	-	-	-
BANK FEES	13,124	9,804	(3,320)	(33.9%)	29,223	20,679	(8,545)	(41.3%)
COMPUTER EXPENSES	18,540	8,746	(9,794)	(112.0%)	18,796	16,093	(703)	(3.9%)
DISCOUNTS AND LATE FEES	(344)	(170)	174	(102.4%)	(575)	(473)	102	(21.6%)
EQUIPMENT UNDER \$5,000	3,337	9,007	5,669	62.9%	16,552	17,926	1,374	7.7%
FEES AND LICENSES	9,357	6,515	(2,842)	(43.6%)	12,799	12,858	59	0.5%
INSURANCE	39,015	38,371	(644)	(1.7%)	76,730	76,741	11	0.0%
OFFICE EQUIPMENT	1,506	2,188	683	31.2%	3,313	4,377	1,063	24.3%
PROFESSIONAL DEVELOPMENT	2,495	4,879	2,384	48.9%	1,647	9,861	8,214	83.3%
SUPPLIES	7,302	6,933	(369)	(5.3%)	15,828	14,253	(1,574)	(11.0%)
TELEPHONES AND COMMUNICATIONS	14,932	17,712	2,780	15.7%	41,551	35,818	(5,933)	(16.7%)
TRAVEL AND MILEAGE	3,823	3,300	(523)	(15.8%)	3,957	6,600	2,643	40.0%
OTHER EXPENSES	4,278	6,725	2,447	36.4%	5,893	13,594	7,701	56.7%
	117,363	114,009	(3,355)	(2.9%)	225,716	230,128	4,412	1.9%
UTILITIES								
ELECTRICITY	52,721	37,933	(14,789)	(39.0%)	100,914	72,820	(28,093)	(38.6%)
ELECTRICITY TRANSFERS	-	-	-	-	-	-	-	-
HEATING OIL	32	350	318	90.9%	32	700	668	95.5%
NATURAL GAS	1,006	2,725	1,719	63.1%	2,132	5,954	3,822	64.2%
NATURAL GAS TRANSFERS	-	-	-	-	-	-	-	-
PROPANE	687	3,924	3,237	82.5%	4,324	7,062	2,738	38.8%
WASTE REMOVAL	7,035	5,868	(1,167)	(19.9%)	9,790	11,518	1,728	15.0%
WASTE REMOVAL TRANSFERS	-	-	-	-	-	-	-	-
WATER	2,875	3,289	413	12.6%	5,131	6,334	1,203	19.0%
WATER TRANSFERS	-	-	-	-	-	-	-	-
	64,356	54,088	(10,268)	(19.0%)	122,323	104,389	(17,935)	(17.2%)
PROFESSIONAL SERVICES								
AUDIT	6,674	8,285	1,611	19.4%	13,274	10,511	(2,764)	(26.3%)
INFORMATION TECHNOLOGY	15,085	21,575	6,490	30.1%	31,553	43,151	11,597	26.9%
LEGAL	0	20,833	20,833	100.0%	150	41,667	41,517	99.6%
LEGAL PERMIT IMPLEMENT	0	12,500	12,500	100.0%	(150)	25,000	25,150	100.6%
ADMINISTRATIVE SERVICES	28,816	18,023	(10,793)	(59.9%)	35,714	36,046	332	0.9%
	50,575	81,216	30,641	37.7%	80,541	156,374	75,833	48.5%
MARKETING AND PROMOTION								
ADVERTISING	1,503	4,217	2,714	64.4%	9,673	8,783	(890)	(10.1%)
OTHER MARKETING	9,550	26,420	16,870	63.9%	16,868	49,170	32,302	65.7%
FLIGHT INCENTIVES	-	-	-	-	-	-	-	-
	11,052	30,637	19,584	63.9%	26,541	57,953	31,412	54.2%
OTHER OPERATING EXPENSES								
COAST TROLLEY	10,000	10,000	-	-	20,000	20,000	-	-
FUEL	55,187	136,984	81,807	59.7%	152,293	282,304	130,011	46.1%
GOLF CART LEASE	20,717	17,926	(2,791)	(15.6%)	41,950	35,851	(6,099)	(17.0%)
MERCHANDISE	44,509	22,616	(21,893)	(96.8%)	104,181	46,903	(57,278)	(122.1%)
	130,412	187,535	57,123	30.5%	318,425	385,058	66,633	17.3%
TOTAL OPERATING EXPENSES	1,319,173	1,553,765	234,592	15.1%	2,709,067	3,032,640	323,582	10.7%
OPERATING INCOME/(LOSS)	619,123	426,881	192,243	45.0%	1,447,526	1,117,014	330,511	29.6%
DEPRECIATION	656,868	626,729	(30,139)	(4.6%)	1,312,556	1,253,457	(59,099)	(4.7%)
AMORTIZATION	-	-	-	-	-	-	-	-
NON-OPERATING (INCOME)/EXPENSES								
INTEREST EXPENSE	-	833	833	100.0%	-	1,667	1,667	100.0%
INTEREST INCOME	(40,813)	(16,313)	24,500	(150.2%)	(85,492)	(32,626)	52,866	(162.0%)
NON-OPERATING GRANT FUNDING	0	0	0	-	(65,909)	-	65,909	-
GAIN/LOSS ON ASSETS	-	-	-	-	-	-	-	-
OTHER NON-OPERATING	-	-	-	-	-	-	-	-
	(40,813)	(15,480)	25,334	(163.7%)	(151,400)	(30,960)	120,441	(389.0%)
NET OPERATING INCOME/(LOSS)	3,049	(184,368)	187,417	(101.7%)	286,368	(105,484)	391,852	(371.5%)

CURRENT ORGANIZATION CHART

AS OF 9/26/24

TOTAL BENEFITED POSITIONS

	FILLED	OPEN
PDA	56	4
DPH	11	1
TOTAL	67	5



CURRENT STAFF ANALYSIS - FILLED POSITIONS

	Salary/ Benefited	Hourly/ Benefited	Hourly/ Non-Benefited	Seasonal	TOTAL
MAINTENANCE	-	18	5	4	27
PSM AIRPORT	2	9	8	-	19
SECURITY	1	1	7	-	9
PORT AUTHORITY	2	9	12	26	49
GOLF COURSE	3	5	2	50	60
FINANCE	3	2	0	-	5
ENGINEERING	3	1	1	-	5
LEGAL	1	1	-	-	2
DAWAIRPORT	-	-	4	-	4
TECHNOLOGY	1	1	-	-	2
HUMAN RESOURCES	1	-	-	-	1
MARKETING	0	1	-	-	1
EXECUTIVE	1	1	1	-	3
TOTAL	18	49	40	80	187

PEASE DEVELOPMENT AUTHORITY
Consolidated Statement of Net Position
For the Two Months Ending August 31, 2024

	<u>2025</u>	<u>2024</u>
	Ending	Ending
ASSETS		
Cash and Investments	\$13,868,142	\$15,020,627
Accounts Receivable - Net	9,579,698	5,846,073
Inventories	377,623	452,517
Prepays	285,470	225,499
	<u>24,110,934</u>	<u>21,544,716</u>
RESTRICTED ASSETS		
Cash and Investments	679,517	384,149
Current Receivables	0	62,062
Loans Receivable - NHFL		
Due within 1 Year	126,250	128,744
Due in more than 1 Year	914,183	1,037,549
TOTAL RESTRICTED ASSETS	<u>1,719,949</u>	<u>1,612,504</u>
NON-CURRENT ASSETS		
Leases Receivable-Net of Current Portion	221,147,554	213,131,431
Land & land Improvements	7,837,636	7,520,786
Construction-in-Process	10,416,936	4,870,407
Other Capital Assets - Net	89,982,380	85,571,425
TOTAL NON-CURRENT ASSETS	<u>329,384,506</u>	<u>311,094,049</u>
TOTAL ASSETS	<u>355,215,389</u>	<u>334,251,269</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	1,576,375	1,426,696
OPEB	1,367,728	1,621,805
	<u>2,944,103</u>	<u>3,048,501</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		
Retainage	772,428	438,055
Unearned Revenues	432,030	433,749
Long-Term Liabilities		
Net Pension Liability	5,711,070	5,286,773
Net OPEB Liability	4,094,308	5,835,603
Due in more than 1 Year	360,500	348,463
	<u>15,913,368</u>	<u>15,760,655</u>
RESTRICTED LIABILITIES		
Current Liabilities	29,851	0
Long-Term Liabilities	0	0
Due within 1 Year	0	0
Due in more than 1 Year	0	0
	<u>29,851</u>	<u>0</u>
TOTAL LIABILITIES	<u>15,943,218</u>	<u>15,760,655</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	134,849	228,607
OPEB	3,168,772	2,087,794
Lease Revenue	216,666,835	210,941,329
	<u>219,968,456</u>	<u>213,257,730</u>
NET POSITION		
Net Investment in Capital Assets	108,236,952	97,962,619
Restricted For:		
Revolving Loan Fishery Fund	1,355,359	1,269,952
Harbor Dredging and Pier Maintenance	63,125	72,869
Foreign Trade Zone	19,364	17,433
Unrestricted	12,571,017	8,958,512
TOTAL NET POSITION	<u>122,245,818</u>	<u>108,281,384</u>

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - PORTSMOUTH AIRPORT incl Security
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2024	Budget YTD FY 2024	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	\$106,988	\$97,602	\$9,386	9.6%	\$169,098	\$155,437	\$13,661	8.8%
CARGO AND HANGARS	2,818	2,761	57	2.1%	5,566	5,396	170	3.2%
CONCESSION REVENUE	5,453	3,074	2,379	77.4%	7,267	3,894	3,373	86.6%
FEE REVENUE	135,257	130,853	4,404	3.4%	285,322	245,213	40,109	16.4%
FUEL SALES								
INTEREST								
MERCHANDISE								
OTHER REVENUE	4,524	16,917	(12,393)	(73.3%)	11,295	33,833	(22,538)	(66.6%)
TOTAL OPERATING REVENUES	255,040	251,207	3,833	1.5%	478,548	443,773	34,775	7.8%
EXPENSES								
WAGES AND FRINGE BENEFITS	117,992	136,221	18,229	13.4%	251,507	262,419	10,912	4.2%
BUILDING AND FACILITIES	75,592	83,581	7,989	9.6%	113,190	166,272	53,082	31.9%
GENERAL AND ADMINISTRATIVE	57,824	51,133	(6,691)	(13.1%)	109,465	102,875	(6,590)	(6.4%)
UTILITIES	32,467	22,285	(10,182)	(45.7%)	60,243	42,322	(17,921)	(42.3%)
PROFESSIONAL SERVICES	32,014	11,046	(20,968)	(189.8%)	43,966	22,093	(21,873)	(99.0%)
MARKETING AND PROMOTION	3,925	17,092	13,167	77.0%	14,794	34,183	19,389	56.7%
OTHER OPERATING EXPENSES								
TOTAL OPERATING EXPENSES	319,814	321,358	1,544	0.5%	593,165	630,164	36,999	5.9%
OPERATING INCOME	(64,774)	(70,151)	5,377	7.7%	(114,617)	(186,391)	71,774	38.5%
NON-OPERATING (INCOME) EXPENSE	(1)	0	1	-	(1)	0	1	-
DEPRECIATION	369,449	353,083	(16,366)	(4.6%)	737,474	706,167	(31,307)	(4.4%)
NET OPERATING INCOME	(434,222)	(423,234)	(10,988)	2.6%	(852,090)	(892,558)	40,468	(4.5%)

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - SKYHAVEN AIRPORT
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS	12,600	13,017	(417)	(3.2%)	27,061	26,033	1,027	3.9%
CONCESSION REVENUE	0	267	(267)	(100.0%)	0	533	(533)	(100.0%)
FEE REVENUE	0	0	0	-	0	0	0	-
FUEL SALES	5,445	10,165	(4,720)	(46.4%)	14,534	23,832	(9,298)	(39.0%)
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	0	92	(92)	(100.0%)	0	183	(183)	(100.0%)
TOTAL OPERATING REVENUES	18,045	23,540	(5,495)	(23.3%)	41,595	50,582	(8,988)	(17.8%)
EXPENSES								
WAGES AND FRINGE BENEFITS	9,513	11,225	1,713	15.3%	20,285	22,450	2,165	9.6%
BUILDING AND FACILITIES	7,318	3,715	(3,603)	(97.0%)	8,959	8,048	(911)	(11.3%)
GENERAL AND ADMINISTRATIVE	3,624	2,518	(1,106)	(43.9%)	5,578	5,017	(562)	(11.2%)
UTILITIES	1,442	2,750	1,308	47.6%	2,551	5,500	2,949	53.6%
PROFESSIONAL SERVICES	465	672	207	30.8%	914	1,343	429	31.9%
MARKETING AND PROMOTION	-	88	88	100.0%	0	175	175	100.0%
OTHER OPERATING EXPENSES	4,650	8,132	3,482	42.8%	12,519	19,066	6,547	34.3%
TOTAL OPERATING EXPENSES	27,011	29,100	2,088	7.2%	50,806	61,599	10,793	17.5%
OPERATING INCOME	(8,966)	(5,560)	(3,407)	61.3%	(9,211)	(11,017)	1,805	(16.4%)
NON-OPERATING (INCOME) EXPENSE	-	-	-	-	0	-	0	-
DEPRECIATION	35,514	35,583	69	0.2%	71,029	71,167	138	0.2%
NET OPERATING INCOME	(44,481)	(41,143)	(3,338)	8.1%	(80,240)	(82,183)	1,943	(2.4%)

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - TRADEPORT OPERATIONS
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	\$836,739	\$825,945	\$10,793	1.3%	\$1,877,050	\$1,862,853	\$14,197	0.8%
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	-	-	-	-	-	-	-	-
FEE REVENUE	-	-	-	-	-	-	-	-
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	(34)	4,333	(4,367)	(100.8%)	12,398	8,667	3,731	43.1%
TOTAL OPERATING REVENUES	836,705	830,279	6,426	0.8%	1,889,448	1,871,520	17,928	1.0%
EXPENSES								
WAGES AND FRINGE BENEFITS	-	-	-	-	-	-	-	-
BUILDING AND FACILITIES	12,459	25,942	13,482	52.0%	38,334	51,883	13,550	26.1%
GENERAL AND ADMINISTRATIVE	2,546	2,615	68	2.6%	4,300	4,715	415	8.8%
UTILITIES	6,927	6,975	48	0.7%	13,461	13,950	489	3.5%
PROFESSIONAL SERVICES	93	93	0	-	186	186	0	-
MARKETING AND PROMOTION	0	167	167	100.0%	0	333	333	100.0%
OTHER OPERATING EXPENSES	10,000	10,000	-	-	20,000	20,000	-	-
TOTAL OPERATING EXPENSES	32,026	45,791	13,765	30.1%	76,282	91,068	14,786	16.2%
OPERATING INCOME	804,680	784,488	20,192	2.6%	1,813,166	1,780,452	32,715	1.8%
NON-OPERATING (INCOME) EXPENSE	(36,169)	(10,736)	25,433	(236.9%)	(74,214)	(21,472)	52,742	(245.6%)
DEPRECIATION	62,717	62,750	33	0.1%	125,434	125,500	66	0.1%
NET OPERATING INCOME	778,132	732,473	45,658	6.2%	1,761,946	1,676,423	85,523	5.1%

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - GOLF COURSE
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	52,814	63,984	(11,170)	(17.5%)	100,808	116,519	(15,711)	(13.5%)
FEE REVENUE	448,760	435,552	13,208	3.0%	966,923	889,667	77,256	8.7%
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	56,530	37,629	18,901	50.2%	120,422	83,272	37,150	44.6%
OTHER REVENUE	11,607	1,541	10,066	653.4%	14,142	3,885	10,258	264.1%
TOTAL OPERATING REVENUES	569,711	538,706	31,005	5.8%	1,202,295	1,093,342	108,953	10.0%
EXPENSES								
WAGES AND FRINGE BENEFITS	125,044	149,487	24,443	16.4%	287,562	302,237	14,674	4.9%
BUILDING AND FACILITIES	33,732	52,535	18,804	35.8%	87,806	81,937	(5,868)	(7.2%)
GENERAL AND ADMINISTRATIVE	25,882	20,596	(5,286)	(25.7%)	54,532	43,256	(11,277)	(26.1%)
UTILITIES	13,256	11,935	(1,321)	(11.1%)	28,796	24,836	(3,960)	(15.9%)
PROFESSIONAL SERVICES	2,445	2,941	496	16.9%	4,757	5,881	1,124	19.1%
MARKETING AND PROMOTION	4,050	5,370	1,320	24.6%	5,670	7,070	1,400	19.8%
OTHER OPERATING EXPENSES	65,225	40,541	(24,684)	(60.9%)	146,132	82,754	(63,378)	(76.6%)
TOTAL OPERATING EXPENSES	269,634	283,405	13,771	4.9%	615,255	547,971	(67,284)	(12.3%)
OPERATING INCOME	300,076	255,300	44,776	17.5%	587,040	545,371	41,669	7.6%
NON-OPERATING (INCOME) EXPENSE	-	(17)	(17)	100.0%	0	(33)	(33)	100.0%
DEPRECIATION	32,072	31,008	(1,064)	(3.4%)	63,985	62,015	(1,969)	(3.2%)
NET OPERATING INCOME	268,005	224,309	43,696	19.5%	523,055	483,389	39,666	8.2%

BUSINESS UNIT ANALYSIS	PRO SHOP	COURSE OPERATIONS	FOOD/BEV	SIMULATOR	TOTAL
OPERATING REVENUES	126,797	974,349	100,864	285	1,202,295
OPERATING EXPENSES*	115,537	455,840	34,995	8,883	615,255
*Excluding Depreciation					
OPERATING INCOME	11,260	518,509	65,869	(8,598)	587,040

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - DIVISION OF PORTS AND HARBORS-UNRESTRICTED
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	\$33,078	\$34,225	(\$1,147)	(3.4%)	\$67,086	\$67,784	(\$699)	(1.0%)
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	27,541	14,250	13,291	93.3%	29,024	24,800	4,224	17.0%
FEE REVENUE	65,964	87,591	(21,627)	(24.7%)	172,536	168,517	4,019	2.4%
FUEL SALES	100,697	171,486	(70,789)	(41.3%)	217,506	350,449	(132,943)	(37.9%)
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	23,239	15,904	7,335	46.1%	34,067	47,970	(13,903)	(29.0%)
TOTAL OPERATING REVENUES	250,519	323,456	(72,937)	(22.5%)	520,218	659,520	(139,302)	(21.1%)
EXPENSES								
WAGES AND FRINGE BENEFITS	155,705	161,639	5,934	3.7%	323,218	297,490	(25,729)	(8.6%)
BUILDING AND FACILITIES	7,679	21,837	14,158	64.8%	14,254	43,674	29,419	67.4%
GENERAL AND ADMINISTRATIVE	9,207	14,091	4,884	34.7%	21,286	28,286	7,000	24.7%
UTILITIES	9,094	9,362	268	2.9%	13,753	16,219	2,467	15.2%
PROFESSIONAL SERVICES	1,487	10,771	9,284	86.2%	3,055	21,542	18,487	85.8%
MARKETING AND PROMOTION	0	188	188	100.0%	0	725	725	100.0%
OTHER OPERATING EXPENSES	50,537	128,862	78,325	60.8%	139,774	263,238	123,464	46.9%
TOTAL OPERATING EXPENSES	233,708	346,749	113,041	32.6%	515,340	671,174	155,833	23.2%
OPERATING INCOME	16,810	(23,293)	40,104	(172.2%)	4,877	(11,654)	16,531	(141.9%)
NON-OPERATING (INCOME) EXPENSE	(3,731)	(4,769)	(1,037)	21.7%	(9,382)	(9,537)	(155)	1.6%
DEPRECIATION	140,478	126,971	(13,507)	(10.6%)	280,956	253,942	(27,014)	(10.6%)
NET OPERATING INCOME	(119,936)	(145,496)	25,560	(17.6%)	(266,696)	(256,058)	(10,638)	4.2%

BUSINESS UNIT ANALYSIS	RYE HARBOR	HAMPTON HARBOR	PORTS. FISH PIER	MARKET ST.	HARBOR MGMT	ADMIN	TOTAL
OPERATING REVENUES	122,446	112,550	94,185	89,669	101,368	0	520,218
OPERATING EXPENSES* *Excluding Depreciation	76,291	112,457	75,963	72,864	89,665	88,101	515,341
OPERATING INCOME	46,155	93	18,222	16,805	11,703	(88,101)	4,877

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - FOREIGN TRADE ZONE
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	\$0	\$0	\$0	-	\$4,000	\$4,000	\$1	0.0%
CARGO AND HANGARS								
CONCESSION REVENUE								
FEE REVENUE								
FUEL SALES								
INTEREST								
MERCHANDISE								
OTHER REVENUE								
TOTAL OPERATING REVENUES	0	0	0	-	4,000	4,000	1	0.0%
EXPENSES								
WAGES AND FRINGE BENEFITS								
BUILDING AND FACILITIES								
GENERAL AND ADMINISTRATIVE	-	104	104	100.0%	0	208	208	100.0%
UTILITIES	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-
MARKETING AND PROMOTION	0	850	850	100.0%	0	1,700	1,700	100.0%
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	0	954	954	100.0%	0	1,908	1,908	100.0%
OPERATING INCOME	0	(954)	954	(100.0%)	4,000	2,091	1,909	91.3%
NON-OPERATING (INCOME) EXPENSE	(1)	-	-	(133.3%)	(2)	(1)	100.0%	(127.3%)
DEPRECIATION	-	-	-	-	-	-	-	-
NET OPERATING INCOME	1	(954)	955	(100.1%)	4,002	2,092	1,910	91.3%

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - HARBOR DREDGING
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS								
CONCESSION REVENUE								
FEE REVENUE	5,986	10,000	(4,014)	(40.1%)	14,796	20,000	(5,202)	(26.0%)
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST								
MERCHANDISE								
OTHER REVENUE	250	583	(333)	(57.1%)	650	1,167	(517)	(44.3%)
TOTAL OPERATING REVENUES	6,236	10,583	(4,347)	(41.1%)	15,448	21,167	(5,719)	(27.0%)
EXPENSES								
WAGES AND FRINGE BENEFITS								
BUILDING AND FACILITIES	28,520	1,750	(26,770)	(1529.7%)	28,520	3,500	(25,020)	(714.9%)
GENERAL AND ADMINISTRATIVE	2,444	1,023	(1,421)	(138.8%)	2,469	2,047	(422)	(20.6%)
UTILITIES								
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-
MARKETING AND PROMOTION	-	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	30,964	2,773	(28,191)	(1016.5%)	30,989	5,547	(25,442)	(458.7%)
OPERATING INCOME	(24,728)	7,810	(32,538)	(416.6%)	(15,541)	15,620	(31,161)	(199.5%)
NON-OPERATING (INCOME) EXPENSE	(867)	(567)	301	(53.0%)	(1,808)	(1,133)	675	(59.5%)
DEPRECIATION	6,128	6,417	288	4.5%	12,257	12,833	577	4.5%
NET OPERATING INCOME	(29,989)	1,960	(31,949)	(1630.1%)	(25,990)	3,920	(29,910)	(763.0%)

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - REVOLVING LOAN FUND
For the Two Months Ending August 31, 2024

	Actual Aug FY 2025	Budget Aug FY 2025	Variance From Monthly Budget	% Variance	Actual YTD FY 2025	Budget YTD FY 2025	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	-	-	-	-	-	-	-	-
FEE REVENUE	-	-	-	-	-	-	-	-
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST	2,041	2,833	(792)	(28.0%)	5,032	5,667	(635)	(11.2%)
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	-	42	(42)	(100.0%)	0	83	(83)	(100.0%)
	-	-	-	-	0	0	0	0
TOTAL OPERATING REVENUES	2,041	2,875	(834)	(29.0%)	5,032	5,750	(718)	(12.5%)
EXPENSES								
WAGES AND FRINGE BENEFITS	-	-	-	-	-	-	-	-
BUILDING AND FACILITIES	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	48	48	100.0%	-	95	95	100.0%
UTILITIES	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	1,281	1,250	(31)	(2.4%)	1,955	2,500	545	21.8%
MARKETING AND PROMOTION	-	-	-	-	-	0	0	-
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	1,281	1,298	17	1.3%	1,955	2,595	640	24.6%
OPERATING INCOME	760	1,577	(817)	(51.8%)	3,077	3,155	(79)	(2.5%)
NON-OPERATING (INCOME) EXPENSE	(26)	(17)	9	(54.9%)	(65,957)	(33)	65,924	(197731.0%)
DEPRECIATION	-	-	-	-	-	-	-	-
NET OPERATING INCOME	786	1,594	(808)	(50.7%)	69,034	3,188	65,845	2065.2%

REVOLVING LOAN FUND (\$ 000's)	BALANCE AT 08-31-2024	BALANCE AT 06-30-2024
CASH BALANCES		
GENERAL FUNDS	316	227
SEQUESTERED FUNDS	-	-
	<u>316</u>	<u>227</u>
LOANS OUTSTANDING (20)		
CURRENT	126	129
LONG TERM	914	931
	<u>1,040</u>	<u>1,060</u>
TOTAL CAPITAL BASE	<u>1,356</u>	<u>1,287</u>
CAPTIAL UTILIZATION RATE -% *	<u>76.7%</u>	<u>82.4%</u>

**SUMMARY OF INTERGOVERNMENTAL RECEIVABLES
AS OF AUGUST 31, 2024**

(\$000's)

<u>BUSINESS UNIT</u>	<u>TOTAL PROJECT</u>	<u>GRANT AWARD</u>	<u>EXPENDED TO DATE</u>	<u>PDA /DPH SHARE</u>	<u>RECEIVED TO DATE</u>	<u>BAL. DUE PDA/DPH</u>	<u>AMOUNT SUBMITTED</u>
PORTSMOUTH AIRPORT & TRADEPORT	12,091	11,642	8,800	(1,175)	3,983	3,625	1,886
SKYHAVEN AIRPORT	2,079	1,867	63	(4)	0	58	0
DIVISION OF PORTS AND HARBORS	21,778	21,778	18,761	0	18,100	445	445
	<u>35,948</u>	<u>35,287</u>	<u>27,624</u>	<u>(1,179)</u>	<u>22,083</u>	<u>4,128</u>	<u>2,331</u>

**SUMMARY OF CONSTRUCTION WORK IN PROCESS
AS OF AUGUST 31, 2024**

(\$000's)

<u>PROJECT NAME</u>	<u>BALANCE AT 06-30-24</u>	<u>CURRENT YEAR EXPENDITURES</u>	<u>TRANSFER TO PLANT IN SERVICE</u>	<u>NET CURRENT YEAR CHANGE</u>	<u>8/31/2024</u>
PORTSMOUTH AIRPORT					
SNOW REMOVAL EQUIPMENT (AIP 74)	-	526	-	526	526
ALPHA NORTH TAXIWAY RECONSTRUCTION	322	22	-	22	344
NH AVE RIGHT HAND TURN LANE	115	4	-	4	119
TERMINAL/GATE ACCESS CONTROL UPGRADE	41	28	-	28	69
JET BRIDGE REHAB	45	105	-	105	150
LEE STREET SIGNAGE AREA	17	2	-	2	19
ARRIVALS HALL (AIP 76)	5,580	370	-	370	5,950
ARRIVALS HALL (NON-GRANT)	1,899	53	-	53	1,952
PSM FENCE REPAIR	35	-	-	-	35
SRE MTE & LIQUID DE-ICE TRUCK (AIP 77)	15	-	-	-	15
2024 CHEVY SILVERADO VIN#7460	-	55	(55)	-	-
2024 CHEVY SILVERADO VIN#7383	-	55	(55)	-	-
BADGING PRINTER	-	13	(13)	-	-
JOHN DEERE HVAC GATOR	-	27	(27)	-	-
HAUL TRUCKS CONVERSION	11	5	-	5	16
	<u>8,080</u>	<u>1,265</u>	<u>(150)</u>	<u>1,115</u>	<u>9,195</u>
SKYHAVEN AIRPORT					
TERMINAL APRON RECONSTRUCT	15	-	-	0	15
WILDLIFE PERIMETER FENCE	25	-	-	0	25
TERMINAL PARKING LOT RECONSTRUCT	13	-	-	0	13
SRE CARRIER VEHICLE WITH PLOW	9	-	-	0	9
	<u>62</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62</u>
GOLF COURSE					
TORO GREENSMaster MOWER	-	17	(17)	-	-
GRILL 28 EXPANSION	29	30	-	30	59
	<u>29</u>	<u>47</u>	<u>-17</u>	<u>30</u>	<u>59</u>
IT/ADMIN/TRADEPORT					
	-	-	-	-	-
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
MAINTENANCE					
	-	-	-	-	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
DIVISION OF PORTS AND HARBORS (DPH)					
FUNCTIONAL REPLACEMENT - BARGE DOCK	75	-	-	-	75
PFP BRACING & DECKING (ARPA)	615	197	-	197	812
RYE GANGWAY REPLACEMENT	8	-	-	-	8
RYE HARBOR DEVELOPMENT (ARPA)	16	94	-	94	110
PFP BUILDING REPLACE (ARPA)	14	81	-	81	95
	<u>728</u>	<u>372</u>	<u>0</u>	<u>372</u>	<u>1,100</u>
TOTAL	<u>8,899</u>	<u>1,684</u>	<u>(167)</u>	<u>1,517</u>	<u>10,416</u>

PEASE DEVELOPMENT AUTHORITY CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING JUNE 30, 2025



BOARD OF DIRECTORS MEETING
OCTOBER 17, 2024

PEASE DEVELOPMENT AUTHORITY CASH FLOW SUMMARY OVERVIEW OCTOBER 1, 2024 TO JUNE 30, 2025

(EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$ 000's)

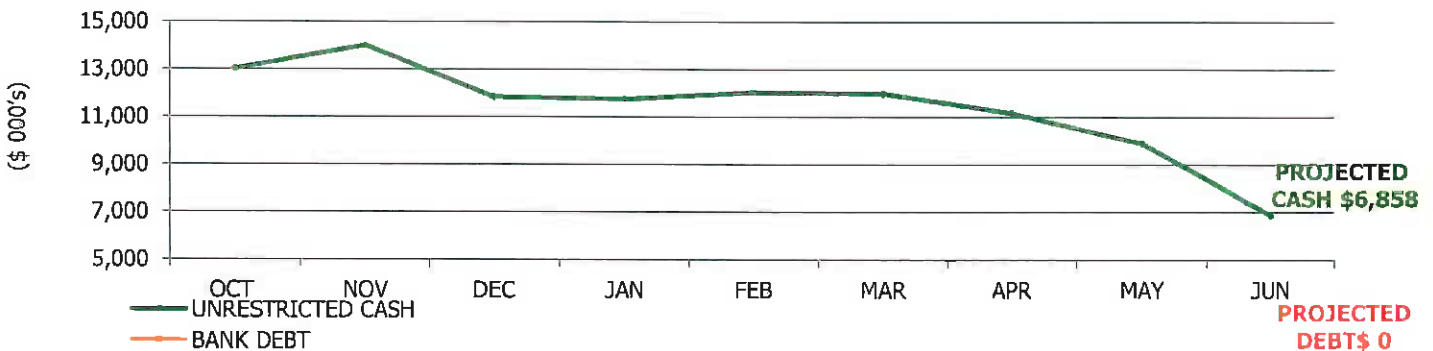
(\$000's)	AMOUNT
OPENING FUND BALANCE	13,078
SOURCES OF FUNDS	
GRANT AWARDS (SEE PAGE 4)	3,731
TRADEPORT TENANTS	8,549
MUNICIPAL SERVICE FEE (COP)	2,241
GOLF COURSE FEE AND CONCESSION REVENUES	1,965
REVOLVING LINE OF CREDIT (PROVIDENT BANK)	0
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	1,439
SKY HAVEN AIRPORT HANGAR AND FUEL REVENUES	189
	<u>18,114</u>
USES OF FUNDS	
OPERATING EXPENSES	11,291
CAPITAL EXPENDITURES- NON-GRANT (SEE PAGE 5)	5,704
CAPITAL EXPENDITURES- GRANT (SEE PAGE 4)	4,539
MUNICIPAL SERVICE FEE (COP)	2,800
	<u>24,334</u>
NET CASH FLOW	(6,220)
CLOSING FUND BALANCE	6,858

TOTAL FUND BALANCES	BALANCE AT 09-30-2024	BALANCE AT 6-30-2024
UNRESTRICTED	13,078	12,082
DESIGNATED	14	14
TOTAL	13,092	12,096

DISCUSSION

AT THIS TIME, THE PDA DOES NOT ANTICIPATE THE NEED TO UTILIZE ITS' CREDIT FACILITIES WITH THE PROVIDENT BANK TO FINANCE PROJECTED NON-GRANT RELATED CAPITAL EXPENDITURES AND OR WORKING CAPITAL REQUIREMENTS.

PROJECTED CASH AND DEBT BALANCES



THE PDA RENEWED ITS REVOLVING LINE OF CREDIT (RLOC) WITH PROVIDENT BANK. THE PRINCIPAL LOAN AMOUNT IS \$7 MILLION WITH A TERMINATION DATE OF DECEMBER 31, 2025. THE TERMS ARE 1 MONTH FHLB (CLASSIC) PLUS 250 BASIS POINTS.

REVOLVING LINE OF CREDIT	Sep-24	Aug-23
CURRENT INTEREST RATE	7.98%	8.03%

PEASE DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOW (EXCLUDING DIVISION OF PORTS AND HARBORS)

(\$000's)

CASH FLOW - PDA	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPENING FUND BALANCE	<u>13,078</u>	<u>13,018</u>	<u>14,000</u>	<u>11,829</u>	<u>11,742</u>	<u>12,026</u>	<u>11,983</u>	<u>11,157</u>	<u>9,888</u>	<u>13,078</u>
SOURCES OF FUNDS										
GRANT AWARDS (SEE PAGE #4)	790	1,920	438	341	37	46	-	-	159	3,731
TRADEPORT TENANTS	910	946	932	961	977	926	948	989	960	8,549
MUNICIPAL SERVICE FEE	147	453	147	147	453	147	147	453	147	2,241
GOLF COURSE	250	141	29	62	36	50	352	513	532	1,965
PORTSMOUTH AIRPORT- (PSM)	6	6	6	6	6	6	128	6	6	176
PSM PAY FOR PARKING	25	35	38	49	60	77	84	53	19	440
PSM FLOWAGE FEES	94	51	65	100	48	87	117	103	158	823
SKYHAVEN AIRPORT	23	22	21	19	19	20	21	23	21	189
EXTERNAL FINANCING- NET	-	-	-	-	-	-	-	-	-	-
	<u>2,245</u>	<u>3,574</u>	<u>1,676</u>	<u>1,685</u>	<u>1,636</u>	<u>1,359</u>	<u>1,797</u>	<u>2,140</u>	<u>2,002</u>	<u>18,114</u>
USE OF FUNDS										
CAPITAL- GRANT RELATED (SEE PAGE #4)	550	455	344	30	20	-	640	1,250	1,250	4,539
CAPITAL- NONGRANT (SEE PAGE 5)	634	962	895	510	140	185	808	865	705	5,704
OPERATING EXPENSES	1,121	1,175	1,208	1,232	1,192	1,217	1,175	1,294	1,677	11,291
MUNICIPAL SERVICE FEE	-	-	1,400	-	-	-	-	-	1,400	2,800
	<u>2,305</u>	<u>2,592</u>	<u>3,847</u>	<u>1,772</u>	<u>1,352</u>	<u>1,402</u>	<u>2,623</u>	<u>3,409</u>	<u>5,032</u>	<u>24,334</u>
NET CASH FLOW	(60)	982	(2,171)	(87)	284	(43)	(826)	(1,269)	(3,030)	(6,220)
CLOSING FUND BALANCE	<u>13,018</u>	<u>14,000</u>	<u>11,829</u>	<u>11,742</u>	<u>12,026</u>	<u>11,983</u>	<u>11,157</u>	<u>9,888</u>	<u>6,858</u>	<u>6,858</u>

PEASE DEVELOPMENT AUTHORITY

GRANT REIMBURSEMENT CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS) (\$ 000's)

GRANT FUNDED PROJECTS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
PORTSMOUTH AIRPORT										
ARRIVALS HALL (AIP 76)	500	400	300	-	-	-	-	-	-	1,200
PEASE BOULEVARD-ARBORETUM DR RT TURN LN	10	10	4	-	-	-	-	-	-	24
ALPHA NORTH TAXIWAY CONSTRUCTION	-	-	-	-	-	-	500	500	500	1,500
TAXIWAY A SOUTH & HOLD BAY DESIGN**	-	-	-	-	-	-	-	250	250	500
SRE- LIQUID DEICING/MTE (AIP 77)	-	-	-	-	-	-	-	-	-	-
	510	410	304	-	-	-	500	750	750	3,224
SKYHAVEN AIRPORT										
WILDLIFE FENCE DESIGN	20	20	20	20	20	-	-	-	-	100
TERMINAL PARKING LOT DESIGN	20	20	20	10	-	-	-	-	-	70
TERMINAL APRON CONSTRUCTION	-	-	-	-	-	-	-	500	500	1,000
SRE-ONE TON TRUCK WITH PLOW	-	5	-	-	-	-	140	-	-	145
	40	45	40	30	20	-	140	500	500	1,315
TRADEPORT										
TOTAL GRANT REIMBURSEMENT PROJECTS	550	455	344	30	20	-	640	1,250	1,250	4,539

PEASE DEVELOPMENT AUTHORITY

GRANT RECEIPT AWARDS (EXCLUDING THE DIVISION OF PORTS AND HARBORS) (\$ 000's)

GRANT AWARDS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
PORTSMOUTH AIRPORT										
ARRIVALS HALL	790	475	401	285	-	-	-	-	-	1,951
PEASE BOULEVARD-ARBORETUM DR RT TURN LN	-	22	-	19	-	19	-	-	19	79
ALPHA NORTH TAXIWAY DESIGN (AIP 75)	-	28	-	-	-	-	-	-	-	28
SNOW REMOVAL EQUIPMENT (AIP 69)	-	376	-	-	-	-	-	-	-	376
SRE- LIQUID DEICING/MTE (AIP 77)	-	-	-	-	-	-	-	-	-	-
SRE CARRIER VEHICLE (AIP 74)	-	982	-	-	-	-	-	-	-	982
	790	1,883	401	304	-	19	-	-	19	3,416
SKYHAVEN AIRPORT										
WILDLIFE FENCE DESIGN	-	18	18	18	18	18	-	-	-	90
TERMINAL PARKING LOT DESIGN	-	19	19	19	19	9	-	-	-	85
TERMINAL APRON CONSTRUCTION	-	-	-	-	-	-	-	-	-	-
SRE-ONE TON TRUCK WITH PLOW	-	-	-	-	-	-	-	-	140	140
	-	37	37	37	37	27	-	-	140	315
TRADEPORT										
	-	-	-	-	-	-	-	-	-	-
TOTAL GRANT RECEIPT AWARDS	790	1,920	438	341	37	46	-	-	159	3,731

PEASE DEVELOPMENT AUTHORITY
NON-GRANT CAPITAL EXPENDITURES (EXCLUDING THE DIVISION OF PORTS AND HARBORS)

(\$ 000's)

NON-GRANT CAPITAL PROJECTS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
<u>TECHNOLOGY AND OTHER</u>										
PAYCHEX PAYROLL KIOSKS **	-	-	5	-	-	-	-	-	-	5
FINANCE SOFTWARE	-	-	50	-	-	-	-	-	-	50
	-	-	55	-	-	-	-	-	-	55
<u>GOLF COURSE</u>										
COURSE EQUIPMENT	-	-	-	-	-	-	168	-	-	168
GOLF COURSE TEE AREA RESURFACE**	-	10	-	-	-	-	-	-	-	10
EVENTS CENTER STUDY	25	15	-	-	-	-	-	-	-	40
EVENTS CENTER DESIGN**	-	-	20	60	60	60	60	60	60	380
VIDEO SURVEILLANCE SYSTEM	-	-	-	-	-	20	20	-	-	40
IRRIGATION REPAIRS**	-	-	-	-	-	-	400	125	-	525
	25	25	20	60	60	80	648	185	60	1,163
<u>PORTSMOUTH AIRPORT</u>										
FENCE CONSTRUCTION	-	40	-	-	-	-	-	-	-	40
GENERATOR UPGRADE **	-	-	10	-	-	-	-	-	-	10
RENTAL CAR PARKING IMPROV-ASPHALT**	-	20	40	45	-	-	-	200	200	505
PAY FOR PARKING UPGRADES	40	-	40	-	-	-	-	-	-	80
SIDEWALK CONSTRUCTION-AIRLINE AVE**	-	-	-	-	-	-	-	-	25	25
AIR TRAFFIC CONTROL TOWER DESIGN**	20	80	80	80	80	80	60	-	-	480
ARRIVALS HALL-CONSTRUCTION	500	500	500	200	-	-	-	-	-	1,700
PDA HANGAR DESIGN & CONSTRUCTION**	-	-	-	-	-	-	-	400	400	800
	560	640	670	325	80	80	60	600	625	3,640
<u>SKYHAVEN AIRPORT</u>										
SRE DOOR REPLACEMENT**	-	-	-	-	-	-	-	-	20	20
SRE DRIVEWAY PAVEMENT REPAIR**	-	-	-	-	-	-	-	30	-	30
FUEL SYSTEM CREDIT CARD **	-	5	-	-	-	-	-	-	-	5
TERMINAL APRON PAVEMENT-FUEL FARM PAD**	-	-	-	-	-	-	-	50	-	50
RENOVATION WORK-TERMINAL BLDG	-	-	-	25	-	-	-	-	-	25
EQUIPMENT FORKS	-	-	-	-	-	-	-	-	-	-
	-	5	-	25	-	-	-	80	20	130
<u>SECURITY - PORTSMOUTH AIRPORT</u>										
REPLACE BADGING WORKSTATIONS	-	27	-	-	-	-	-	-	-	27
ACCESS CONTROL SYSTEM**	-	-	-	100	-	-	-	-	-	100
	-	27	-	100	-	-	-	-	-	127
<u>SECURITY - SKYHAVEN AIRPORT</u>										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
<u>TRADEPORT</u>										
STORMWATER UPGRADES	-	25	-	-	-	25	-	-	-	50
ROOF REPLACEMENT-36 AIRLINE**	-	-	-	-	-	-	50	-	-	50
ROOF REPLACEMENT-47 DURHAM**	-	50	-	-	-	-	-	-	-	50
ROOF REPLACEMENT-30 RYE ST**	-	60	-	-	-	-	-	-	-	60
ROOF REPLACEMENT-19 DURHAM**	-	80	-	-	-	-	-	-	-	80
	-	215	-	-	-	25	50	-	-	290
<u>MAINTENANCE</u>										
VEHICLE FLEET REPLACEMENT -MAINT**	-	-	-	-	-	-	-	-	-	-
VEHICLE FLEET REPLACEMENT -AIRPORT OPS/ADMIN**	49	-	-	-	-	-	-	-	-	49
BUILDING INFRASTRUCTURE **	-	50	-	-	-	-	-	-	-	50
ROOF REPAIRS - 7 LEE ST**	-	-	-	-	-	-	50	-	-	50
SNOW MELTER/HAUL	-	-	150	-	-	-	-	-	-	150
	49	50	150	-	-	-	50	-	-	299
TOTAL NON-GRANT CAPITAL PROJECTS	634	962	895	510	140	185	808	865	705	5,704

NOTE: **PENDING BOARD APPROVAL

DIVISION OF PORTS AND HARBORS (UNRESTRICTED FUNDS)

CASH FLOW SUMMARY OVERVIEW

OCTOBER 1, 2024 TO JUNE 30, 2025

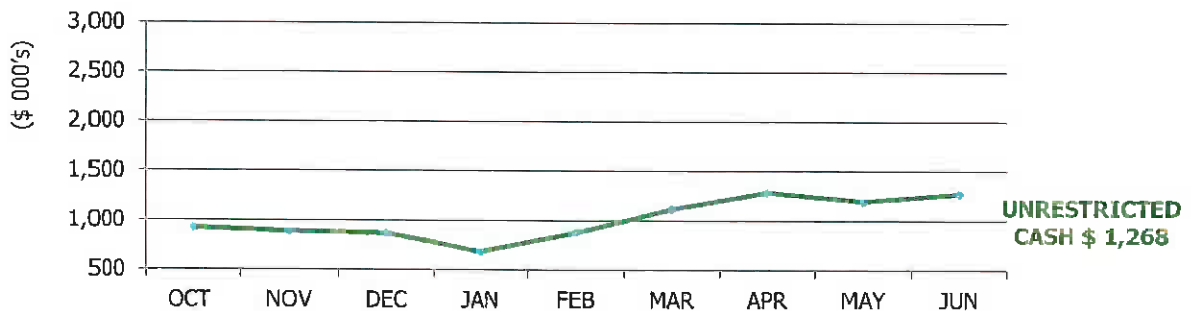
(\$ 000's)

(\$000'S)	AMOUNT
OPENING FUND BALANCE	<u>1,061</u>
SOURCES OF FUNDS	
FACILITY RENTALS AND CONCESSIONS	457
FUEL SALES	315
GRAND AWARD (SEE PAGE 8)	2,418
REGISTRATIONS / WHARFAGE	799
MOORING FEES	500
PARKING FEES	30
	<u>4,519</u>
USES OF FUNDS	
PERSONNEL SERVICES AND BENEFITS	1,312
FUEL PROCUREMENT	224
OPERATING EXPENSES	560
CAPITAL EXPENDITURES -GRANT (SEE PAGE 8)	2,038
CAPITAL EXPENDITURES -NON-GRANT (SEE PAGE 8)	178
	<u>4,312</u>
NET CASH FLOW	<u>207</u>
CLOSING FUND BALANCE	<u>1,268</u>

TOTAL FUND BALANCES	BALANCE AT 09/30/24	BALANCE AT 06/30/24
UNRESTRICTED FUNDS	1,061	1,519
DESIGNATED FUNDS	<u>173</u>	<u>173</u>
	<u>1,234</u>	<u>1,692</u>

CASH FLOW PROJECTION SENSITIVITIES INCLUDE: 1) ACCURACY OF CAPITAL EXPENDITURES FORECAST AND USE OF HARBOR DREDGING AND PIER MAINTENANCE FUNDS 2) SEASONAL REVENUE FLUCTUATIONS AND 3) CONTINUED OVERSIGHT OF OPERATING EXPENSES

PROJECTED UNRESTRICTED CASH BALANCES



DIVISION OF PORTS AND HARBORS
CAPITAL EXPENDITURES (GRANT AND NON-GRANT)

(\$ 000's)

GRANT FUNDED PROJECTS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MARKET STREET TERMINAL										
FUNCTIONAL REPLACEMENT-BARGE DOCK	-	-	-	-	-	-	200	200	200	600
BUILD GRANT-MAIN WHARF REHAB	78	-	-	-	-	-	-	-	-	78
	78	-	-	-	-	-	200	200	200	678
HARBORS										
HARBOR DEVELOPMENT - RYE ARPA	-	-	-	-	-	-	-	-	-	-
FEASIBILITY STUDY - HAMPTON ARPA	-	-	-	-	-	-	-	-	-	-
GANGWAY REPLACEMENT - RYE (POSSIBLE 75% FEMA REIMB)	35	-	-	-	-	-	-	-	-	35
	35	-	-	-	-	-	-	-	-	35
PORTSMOUTH FISH PIER										
BRACING & DECKING - ARPA	225	300	300	-	-	-	-	-	-	825
BUILDING REPLACEMENT - ARPA	100	-	-	-	-	-	-	200	200	500
	325	300	300	-	-	-	-	200	200	1,325
TOTAL GRANT FUNDED PROJECTS	438	300	300	-	-	-	200	400	400	2,038
INTERNALLY FUNDED										
MARKET STREET TERMINAL										
TRUCK SCALE	-	-	-	178	-	-	-	-	-	178
	-	-	-	178	-	-	-	-	-	178
HARBORS										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
PORTSMOUTH FISH PIER										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
TOTAL INTERALLY FUNDED PROJECTS	-	-	-	178	-	-	-	-	-	178

DIVISION OF PORTS AND HARBORS
GRANT RECEIPT AWARDS

(\$ 000's)

GRANT AWARDS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MARKET STREET TERMINAL										
FUNCTIONAL REPLACEMENT-BARGE DOCK	-	-	-	-	-	-	200	200	200	600
BUILD GRANT-MAIN WHARF REHAB	78	-	-	-	-	-	-	-	-	78
	78	-	-	-	-	-	200	200	200	678
HARBORS										
GANGWAY REPLACEMENT - RYE (POSSIBLE 75% FEMA REIMB)	-	-	-	-	26	-	-	-	-	26
STORM REPAIR - HAMPTON (POSSIBLE 75% FEMA REIMB)	-	-	-	-	74	-	-	-	-	74
STORM REPAIR - RYE (POSSIBLE 75% FEMA REIMB)	-	-	-	-	120	-	-	-	-	120
HARBOR DEVELOPMENT - RYE	-	-	-	-	-	-	-	-	200	200
	-	-	-	-	220	-	-	-	200	420
PORTSMOUTH FISH PIER										
BRACING & DECKING	220	300	300	-	-	-	-	-	-	820
BUILDING REPLACEMENT	100	-	-	-	-	-	-	200	200	500
	320	300	300	-	-	-	-	200	200	1,320
TOTAL GRANT RECEIPT AWARDS	398	300	300	-	220	-	200	400	600	2,418

DIVISION OF PORTS AND HARBORS (UNRESTRICTED FUNDS)
STATEMENT OF CASH FLOW

(\$000's)

CASH FLOW - DPH

OPENING FUND BALANCE

	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
OPENING FUND BALANCE	1,061	924	887	869	682	873	1,113	1,285	1,192	1,061

SOURCES OF FUNDS

FACILITY RENTALS AND CONCESSIONS	61	53	42	45	43	57	56	53	47	457
FUEL SALES	104	43	30	12	6	11	19	34	56	315
MOORING FEES	-	-	-	-	100	200	200	-	-	500
PARKING FEES	4	-	-	-	-	-	6	7	13	30
GRANTS FUNDS RECEIVED & OTHER (SEE PAGE #8)	398	300	300	-	220	-	200	400	600	2,418
REGISTRATIONS / WHARFAGE	-	84	135	156	26	209	101	47	41	799
	<u>567</u>	<u>480</u>	<u>507</u>	<u>213</u>	<u>395</u>	<u>477</u>	<u>582</u>	<u>541</u>	<u>757</u>	4,519

USE OF FUNDS

PERSONNEL SERVICES AND BENEFITS	144	121	142	146	136	159	144	152	168	1,312
FUEL PROCUREMENT	70	40	25	8	4	9	15	23	30	224
UTILITIES	5	8	8	17	13	21	4	12	6	94
GENERAL AND ADMINISTRATIVE	14	14	14	14	14	14	14	14	14	126
BUILDINGS AND FACILITIES	22	23	25	26	26	23	22	22	52	241
PROFESSIONAL SERVICES	11	11	11	11	11	11	11	11	11	99
CAPITAL- GRANT RELATED (SEE PAGE #8)	438	300	300	-	-	-	200	400	400	2,038
CAPITAL- NONGRANT (SEE PAGE #8)	-	-	-	178	-	-	-	-	-	178
	<u>704</u>	<u>517</u>	<u>525</u>	<u>400</u>	<u>204</u>	<u>237</u>	<u>410</u>	<u>634</u>	<u>681</u>	4,312

NET CASH FLOW

	(137)	(37)	(18)	(187)	191	240	172	(93)	76	207
--	-------	------	------	-------	-----	-----	-----	------	----	------------

CLOSING FUND BALANCE

	<u>924</u>	<u>887</u>	<u>869</u>	<u>682</u>	<u>873</u>	<u>1,113</u>	<u>1,285</u>	<u>1,192</u>	<u>1,268</u>	1,268
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DIVISION OF PORTS AND HARBORS (RESTRICTED FUNDS)

CASH FLOW SUMMARY OVERVIEW

OCTOBER 1, 2024 TO JUNE 30, 2025

(\$ 000's)

HARBOR DREDGING FUND

(\$ 000's)	<u>AMOUNT</u>
OPENING FUND BALANCE	<u>317</u>
<u>SOURCES OF FUNDS</u>	
PIER USAGE FEES	81
REGISTRATIONS	9
GRANT FUNDING	-
	<u>90</u>
<u>USES OF FUNDS</u>	
BUILDINGS AND FACILITIES	54
GENERAL AND ADMINISTRATIVE	6
PROFESSIONAL SERVICES	-
ALL OTHER- (CBOC)	50
	<u>110</u>
NET CASH FLOW	<u>(20)</u>
CLOSING FUND BALANCE	<u>297</u>

REVOLVING LOAN FUND

(\$ 000's)	<u>AMOUNT</u>
OPENING FUND BALANCE	<u>326</u>
<u>SOURCES OF FUNDS</u>	
LOAN REPAYMENTS	99
INTEREST INCOME-LOANS	30
INTEREST INCOME-FUND BALANCE	-
	<u>129</u>
<u>USES OF FUNDS</u>	
NEW LOANS PROJECTED	100
GENERAL AND ADMINISTRATIVE	6
PROFESSIONAL SERVICES	15
	<u>121</u>
NET CASH FLOW	<u>8</u>
CLOSING FUND BALANCE	<u>334</u>

FOREIGN TRADE ZONE

(\$ 000's)	<u>AMOUNT</u>
OPENING FUND BALANCE	<u>19</u>
<u>SOURCES OF FUNDS</u>	
FACILITY RENTALS	15
ALL OTHER	-
	-
	<u>15</u>
<u>USES OF FUNDS</u>	
GENERAL AND ADMINISTRATIVE	3
PROFESSIONAL SERVICES	-
OTHER	7
	<u>10</u>
NET CASH FLOW	<u>5</u>
CLOSING FUND BALANCE	<u>24</u>

TOTAL FUND BALANCES	BALANCE AT 9/30/24	BALANCE AT 06/30/24
HARBOR DREDGING	317	297
REVOLVING LOAN FUND	326	225
FOREIGN TRADE ZONE	19	17
	<u>662</u>	<u>539</u>

MOTION

Director Ferrini:

In accordance with the recommendation of the Audit Committee, the Pease Development Authority (PDA) Board of Directors accepts and approves 1.) receipt of the draft Certified Annual Financial Statements for the years ending June 30, 2023 and June 30, 2024, and the Uniform Guidance Audit of Federal Awards for the year ending June 30, 2024, *both attached in draft form*, all as otherwise prepared and submitted by PDA's independent auditor Berry, Dunn, McNeill and Parker, LLC; and 2.) authorizes the Executive Director to forward the Certified Financial Statements to the State of New Hampshire when final for inclusion in the Comprehensive Annual Financial Report.

N:\RESOLVES\2024\Audit -- Certified Financial Statements (10-17-24).docx

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Financial Statements,
Management's Discussion and Analysis,
and Required Supplementary Information

Years ended June 30, 2024 and 2023
With Independent Auditor's Reports



PEASE
INTERNATIONAL
PEASE DEVELOPMENT AUTHORITY
PORTSMOUTH, NH

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Financial Statements

Years Ended June 30, 2024 and 2023

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**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Board of Directors

Stephen M. Duprey, Chairman
Appointed by the New Hampshire State Governor and Executive Council

Neil Levesque, Vice Chairman
Appointed by the New Hampshire Senate President

Thomas G. Ferrini, Treasurer
Appointed by the New Hampshire Speaker of the House

Karen Conard
Appointed by the City of Portsmouth

Brian Semprini
Appointed by the Town of Newington

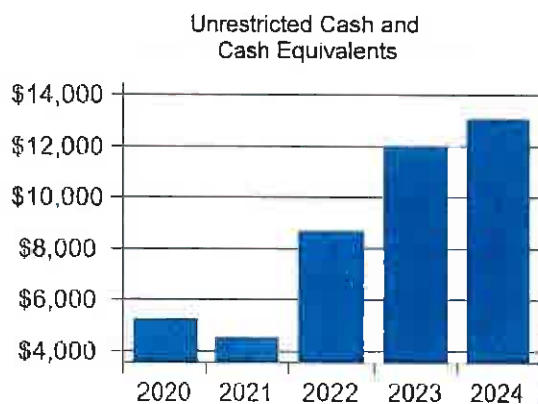
Steve Fournier
Appointed by the Strafford County Legislature

Susan B. Parker
Appointed by the Towns of Newington and Greenland

Paul E. Brean
Executive Director and Secretary
Hired by the Pease Development Authority Board of Directors

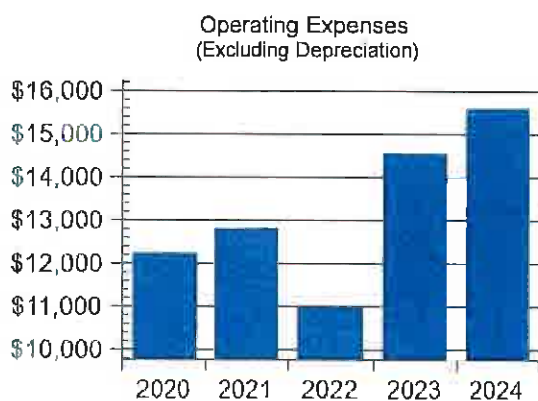
PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
Financial Highlights (Unaudited)
(\$ in Thousands)

	2020	2021	2022	2023	2024
Consolidated Operating Revenues					
Tradeport	\$ 9,319	\$ 6,056	\$ 7,249	\$ 5,858	\$ 5,934
Ports and Harbors	2,680	2,477	2,774	3,146	2,630
Golf Course	2,492	3,384	3,489	3,899	3,944
Aviation	1,838	1,934	2,505	2,828	3,124
Total	<u>\$ 16,329</u>	<u>\$ 13,851</u>	<u>\$ 16,017</u>	<u>\$ 15,731</u>	<u>\$ 15,632</u>



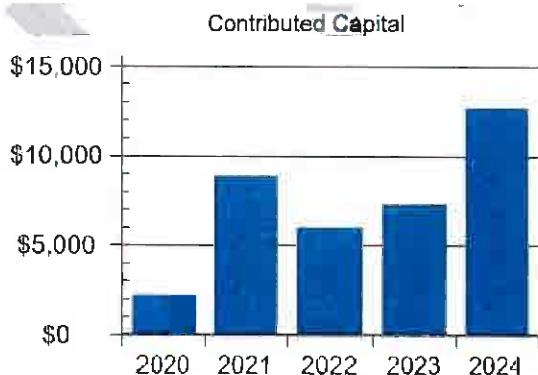
- PDA currently has no outstanding debt, reflecting lower non-grant related capital expenditure requirements across all business units:

June 30	Amount
2020	\$ -
2021	-
2022	-
2023	-
2024	-



- Capital assets excluding accumulated depreciation, primarily funded by third party grants and include renovations to the Portsmouth International Airport, Portsmouth Tradeport, Ports and Harbors and Skyhaven Airport and have continued to increase during the past several fiscal years:

June 30	Amount
2020	\$ 189,692
2021	216,304
2022	222,903
2023	232,022
2024	248,675



- Net cash provided (used) by operating activities has fluctuated in the past few fiscal years due to the impact of adoption of leases:

June 30	Amount
2020	\$ 3,434
2021	(5,521)
2022	(350)
2023	(1,646)
2024	(3,064)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PDA as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PDA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PDA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 6 to 21 and the required supplementary information on pages 59 to 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of the Board of Directors on page 1 and financial highlights on page 2 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE on our consideration of PDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PDA's internal control over financial reporting and compliance.

Manchester, New Hampshire
REPORT DATE

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

**Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)**

This report identifies the Pease Development Authority's (PDA) financial position and describes PDA's financial activities over the past three fiscal years. This section of PDA's annual financial report is known as "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" (MD&A) and presents our discussion and analysis of PDA's financial performance during the fiscal years ended June 30, 2024, 2023 and 2022.

The MD&A is an analysis of the financial condition and operating results of PDA and is intended to introduce the basic financial statements and notes to those statements. The MD&A must be presented in every financial report that includes basic financial statements prepared in accordance with U.S. generally accepted accounting principles. It is intended to provide an objective and easily readable analysis of PDA's financial activities based on currently known facts, decisions, or conditions. This MD&A should be read in conjunction with PDA's financial statements and accompanying notes.

Overview of the Financial Statements

This annual report consists of three parts: a) Management's discussion and analysis of financial condition and results of operations; b) the basic audited financial statements which include notes explaining some of the information in the financial statements and provide detailed data; and c) required supplementary information.

PDA is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the accrual basis of accounting. The component unit financial statements offer short and long-term financial information about the activities and operations of PDA. These statements are presented in a manner similar to a private business.

The statements of net position show the financial position of PDA at the end of each fiscal year and include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The total net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, an increase in net position is one indicator of an institution's financial health.

The statements of revenues, expenses, and changes in net position report total operating revenues, operating expenses, nonoperating income (expense), contributed capital and the change in net position for the years ended June 30, 2024 and 2023.

The statements of cash flows summarize transactions involving cash and cash equivalents during each fiscal year. The statements provide an additional tool to assess the financial health of the institution and its ability to generate future cash flows to meet its obligations.

Change in Accounting Principle

PDA adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* during the year ended June 30, 2023. The adoption of GASB Statements No. 94 and No. 96 did not have a material impact on the basic financial statements of PDA as of June 30, 2023.

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Management's Discussion and Analysis of Financial Condition
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Current Assets

Current assets are those assets that are expected to be used (sold or consumed) within a year, unlike non-current assets. Current assets are reflected on the statements of net position and are listed in order of decreasing liquidity. The current asset position of an organization is important, both for assessing its financial strength and for gauging its operational efficiency.

Comparison of 2024 to 2023

Changes in Current Assets

(\$ in Thousands)	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 13,056	\$ 11,986	\$ 1,070	8.9
Accounts Receivable - Net	8,262	8,466	(204)	(2.4)
Other Current Assets	<u>735</u>	<u>774</u>	<u>(39)</u>	<u>(5.0)</u>
Total Current Assets	<u>\$ 22,053</u>	<u>\$ 21,226</u>	<u>\$ 827</u>	<u>3.9</u>

PDA's current assets reflect an increase in operating cash of \$1.1 million, or 8.9%. Resulting from cash flows from operations but offset by an increase in expenditures for internally funded capital projects. The year over year decrease in accounts receivable-net of (2.4)% reflects collection of prior year's receivables offset by an increase in lease receivables-short term due to leases continuing to age out. Accounts receivable included an allowance for doubtful accounts of approximately 0.2% of total accounts receivable at June 30, 2024 and 2023.

Comparison of 2023 to 2022

Changes in Current Assets

(\$ in Thousands)	June 30, 2023	June 30, 2022	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 11,986	\$ 8,669	\$ 3,317	38.3
Accounts Receivable - Net	8,466	9,932	(1,466)	(14.8)
Other Current Assets	<u>774</u>	<u>712</u>	<u>62</u>	<u>8.7</u>
Total Current Assets	<u>\$ 21,226</u>	<u>\$ 19,313</u>	<u>\$ 1,913</u>	<u>9.9</u>

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PDA's current assets reflect an increase in operating cash of \$3.3 million, or 38.3%. This increase reflects cash flows from operations and collection of prior years' receivables, offset by an increase in expenditures for internally funded capital projects. The decrease in accounts receivable of \$1.5 million reflects the adjustment to short-term lease receivables of \$0.9 million due to the adoption of GASB Statement No. 87 as described in Change in Accounting Principle in Note 3. A portion of the accounts receivable decrease is also the result of prior year receivables in the amount of \$0.6 million collected from the State of New Hampshire for grant funded projects at the Division of Ports and Harbors. Accounts receivable included an allowance for doubtful accounts of approximately 0.2% and 0.1% of total accounts receivable at June 30, 2023 and 2022, respectively.

Restricted Assets

Restricted assets represent amounts that are subject to externally imposed restrictions on their use by creditors, grantors, laws, regulations, or through constitutional restrictions or enabling legislation.

Comparison of 2024 to 2023

Changes in Restricted Assets

(\$ in Thousands)	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 572	\$ 456	\$ 116	25.4
Revolving Loan Fishery Fund Receivable	1,061	1,072	(11)	(1.0)
Accounts Receivable - Net	-	62	(62)	(100.0)
Total Restricted Assets	\$ 1,633	\$ 1,590	\$ 43	2.7

Total restricted assets increased by \$43 thousand year over year, mainly resulting from the increase in restricted cash for harbor dredging and the Revolving Loan Fishery Fund (RLF) but offset by decreases in restricted receivables. Total assets associated with the RLF had a composite calculation of approximately \$1.1 million at June 30, 2024 and 2023. There were 20 individual loans outstanding at June 30, 2024 and 2023. The decrease in accounts receivable - other represents collection of funds from an unrestricted cash account for reimbursement of expenses.

PEASE DEVELOPMENT AUTHORITY
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Management's Discussion and Analysis of Financial Condition
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Comparison of 2023 to 2022

Changes in Restricted Assets

(\$ in Thousands)	June 30, <u>2023</u>	June 30, <u>2022</u>	\$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	\$ 456	\$ 368	\$ 88	23.9
Revolving Loan Fishery Fund Receivable	1,072	1,171	(101)	(8.6)
Accounts Receivable Other - Net	<u>62</u>	<u>23</u>	<u>39</u>	<u>169.6</u>
Total Restricted Assets	\$ <u>1,590</u>	\$ <u>1,564</u>	\$ <u>26</u>	<u>1.7</u>

Total restricted assets decreased by \$26 thousand year over year, partially resulting from the net impact of loan payments under the RLF which increased restricted cash and decreased the loans receivable. Total assets associated with the RLF had a composite calculation of approximately \$1.1 million and \$1.2 million at June 30, 2023 and 2022, respectively. There were 20 and 21 individual loans outstanding at June 30, 2023 and 2022, respectively. The increase in accounts receivable other represents a funds transfer due from an unrestricted cash account for reimbursement of expenses.

Noncurrent Assets

Noncurrent assets represent capital acquisitions and other long term assets whose benefits will be realized over more than one year.

PDA independently develops and maintains the Tradeport. Through the Division of Port and Harbors (DPH), PDA maintains and develops New Hampshire's ports, harbors, and navigable tidal rivers. Capital expenditures typically extend the useful life of an asset and can be financed through internal funds, grant related funding or access to the capital markets.

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Management's Discussion and Analysis of Financial Condition
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Comparison of 2024 to 2023

Changes in Capital and Subscription Assets

(\$ in Thousands)	June 30, <u>2024</u>	June 30, <u>2023</u>	\$ Increase (Decrease)	% Increase (Decrease)
Land	\$ 7,521	\$ 7,521	\$ -	-
Land Improvements	317	-	317	100.0
Facilities Improvements	212,615	203,082	9,533	4.7
Equipment	19,323	17,193	2,130	12.4
Construction in Process	8,899	4,227	4,672	110.5
Gross Capital Assets	248,675	232,023	16,652	7.2
Accumulated Depreciation	(140,810)	(133,642)	(7,168)	5.4
Total Capital Assets	<u>107,865</u>	<u>98,381</u>	<u>9,484</u>	<u>9.6</u>
Total Subscription Asset	<u>397</u>	<u>-</u>	<u>397</u>	<u>100.0</u>
Total Capital and Subscription Assets	<u>\$ 108,262</u>	<u>\$ 98,381</u>	<u>\$ 9,881</u>	<u>10.0</u>

PDA/DPH's capital acquisitions (excluding sales/retirements) totaled approximately \$16.7 million in 2024, primarily through support of either federal or state funded projects. The more significant capital projects at PDA included the Portsmouth International Airport (PSM) Arrivals Hall, Snow Removal Equipment purchases, and various other equipment purchases related to maintenance and golf course equipment needs. Significant capital expenditures through the DPH included the rehabilitation of the Main Wharf at Market Street, Portsmouth Fish Pier (PFP) Decking and Bracing and land improvements at both Rye and Hampton Harbor due to storm damage. Other DPH projects included fueling equipment replacements and design work for improvements at Rye Harbor and Portsmouth Fish Pier. Approximately \$14.0 million of the total capital expenditures were either grant funded or supported by the State for purposes of Pease Development Authority - Division of Port and Harbors (PDA-DPH).

PDA/DPH had commitments under construction contracts associated with state and federal grants totaling approximately \$8.9 million and \$17.3 million at June 30, 2024 and 2023, respectively. The more significant commitments under construction contracts at June 30, 2024 included \$2.6 million for the for the DPH Functional Replacement of the Barge Dock, \$2.0 million for improvements at Rye Harbor and Portsmouth Fish Pier, \$1.6 million for DAW Terminal Apron Reconstruction, and \$1.4 million for the PSM Arrivals Hall project.

Subscription Assets of \$397,000 reflect the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) as outlined in footnote 2.

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Comparison of 2023 to 2022

Changes in Capital Assets

(\$ in Thousands)	June 30, <u>2023</u>	June 30, <u>2022</u>	\$ Increase (Decrease)	% Increase (Decrease)
Land	\$ 7,521	\$ 7,521	-	-
Facilities Improvements	203,082	188,667	14,415	7.6
Equipment	17,193	16,250	943	5.8
Construction in Process	<u>4,227</u>	<u>10,465</u>	<u>(6,238)</u>	<u>(59.6)</u>
Gross Capital Assets	232,023	222,903	9,120	4.1
Accumulated Depreciation	<u>(133,642)</u>	<u>(126,802)</u>	<u>(6,840)</u>	<u>5.4</u>
Total Capital Assets	<u>\$ 98,381</u>	<u>\$ 96,101</u>	<u>\$ 2,280</u>	<u>2.4</u>

PDA's capital acquisitions (excluding sales/retirements) totaled approximately \$9.1 million in 2023, primarily in support of either federal or state funded projects. The more significant capital projects at PDA included the Portsmouth International Airport (PSM) Arrivals Hall Expansion, Corporate Drive drainage improvements, pavement repairs and various equipment purchases. Significant capital expenditures through the DPH included the rehabilitation of the Main Wharf at Market Street and the functional replacement of the Barge Dock. Other DPH projects included dock replacement at Hampton Harbor and bracing and decking repairs at the Portsmouth Fish Pier. Approximately \$7.0 million of the total capital expenditures were either grant funded or supported by the State for purposes of PDA-DPH.

PDA/DPH had commitments under construction contracts associated with state and federal grants totaling approximately \$17.3 million and \$16.6 million at June 30, 2023 and 2022, respectively. The more significant commitments under construction contracts at June 30, 2023 included \$6.9 million for the PSM Arrivals Hall Expansion project, \$6.0 million for the Main Wharf repair and rehabilitation, and \$1.1 million for the DPH Functional Replacement of the Barge Dock.

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Comparison of 2024 to 2023

Changes in Lease Receivable, Noncurrent

	June 30, <u>2024</u>	June 30, <u>2023</u>	\$ Increase (Decrease)	% Increase (Decrease)
Lease receivable, Non-current	\$ <u>221,148</u>	\$ <u>213,131</u>	\$ <u>8,017</u>	<u>3.8</u>

Noncurrent assets include a lease receivable brought about by the adoption of the Governmental Accounting Standards Board (GASB) 87 lease accounting standard. The balance represents the present value of expected lease payments for the remaining terms of all active long-term lease agreements, which will be received in more than one year. The increase of \$8.0 million is reflective of additional leases or lease extensions granted during the fiscal year.

Comparison of 2023 to 2022

Changes in Lease Receivable, Noncurrent

	June 30 <u>2023</u>	Restated June 30, <u>2022</u>	\$ Increase (Decrease)	% Increase (Decrease)
Lease receivable, Non-current	\$ <u>213,131</u>	\$ <u>197,231</u>	\$ <u>15,900</u>	<u>8.1</u>

Noncurrent assets include a lease receivable brought about by the adoption of the GASB 87 lease accounting standard. The balance represents the present value of expected lease payments for the remaining terms of all active long-term lease agreements, which will be received in more than one year. The increase of \$15.9 million is reflective of additional leases or lease extensions granted during the fiscal year.

PEASE DEVELOPMENT AUTHORITY
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Management's Discussion and Analysis of Financial Condition
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Current Liabilities

Comparison of 2024 to 2023

Changes in Current Liabilities

(\$ in Thousands)	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Accounts Payable and Accrued Expenses	\$ 2,448	\$ 2,695	\$ (247)	(9.2)
Accounts Payable for Capital Assets	2,234	1,800	434	24.1
Current Portion of Subscription Liability	52	-	52	100.0
Unearned Revenues	<u>617</u>	<u>724</u>	<u>(107)</u>	<u>(14.8)</u>
Total Current Liabilities	<u>\$ 5,351</u>	<u>\$ 5,219</u>	<u>\$ 132</u>	<u>2.5</u>

Current liabilities include accounts payable, accounts payable for capital and unearned revenues related to lease revenues, golf course membership fees and annual mooring permits collected in advance. These liabilities remained consistent between 2023 and 2024.

Comparison of 2023 to 2022

Changes in Current Liabilities

(\$ in Thousands)	June 30, 2023	June 30, 2022	\$ Increase (Decrease)	% Increase (Decrease)
Accounts Payable and Accrued Expenses	\$ 2,695	\$ 2,053	\$ 642	31.3
Accounts Payable for Capital Assets	1,800	2,228	(428)	(19.2)
Unearned Revenues	<u>724</u>	<u>867</u>	<u>(143)</u>	<u>(16.5)</u>
Total Current Liabilities	<u>\$ 5,219</u>	<u>\$ 5,148</u>	<u>\$ 71</u>	<u>1.4</u>

Current liabilities include accounts payable, accounts payable for capital and unearned revenues related to lease revenues, golf course membership fees and annual mooring permits collected in advance. These liabilities remained consistent between 2022 and 2023.

PEASE DEVELOPMENT AUTHORITY
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Management's Discussion and Analysis of Financial Condition
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Noncurrent Liabilities

Comparison of 2024 to 2023

Changes in Noncurrent Liabilities

(\$ in Thousands)	June 30, <u>2024</u>	June 30, <u>2023</u>	\$ Increase (Decrease)	% Increase (Decrease)
Other Post Employment Benefits	\$ 4,094	\$ 5,836	\$ (1,742)	(29.8)
Net Pension Liability	5,711	5,287	424	8.0
Subscription Liability, net of Current Portion	285	-	285	100.0
State of New Hampshire Account Payable	252	252	-	-
Compensated Absences - Net	<u>106</u>	<u>92</u>	<u>14</u>	<u>15.2</u>
Total Noncurrent Liabilities	\$ <u>10,448</u>	\$ <u>11,467</u>	\$ <u>(1,019)</u>	<u>(8.9)</u>

The PDA decreased its total noncurrent liabilities outstanding during the fiscal year by approximately \$(1.0) million, or (8.9)%. The decrease in other postemployment benefits is mainly a result of changes in assumptions which included an increase in the discount rate and updated per capita health care costs. The increase in the net pension liability is associated with a slight increase to the proportionate share of the total liability. The retirement system realized a positive 8.2% return on investments in the fiscal year ended June 30, 2023 compared to a negative (6.1)% return in the previous year. The three-year, five-year and 10-year investment returns for the periods ended June 30, 2023 were 9.6%, 7.9%, 7.9%, and 6.5%, respectively. The retirement system's assumed rate of investment return is 6.75%.

Comparison of 2023 to 2022

Changes in Noncurrent Liabilities

(\$ in Thousands)	June 30, <u>2023</u>	June 30, <u>2022</u>	\$ Increase (Decrease)	% Increase (Decrease)
Other Post Employment Benefits	\$ 5,836	\$ 7,379	\$ (1,543)	(20.9)
Net Pension Liability	5,287	4,280	1,007	23.5
State of New Hampshire Account Payable	252	252	-	-
Compensated Absences - Net	<u>92</u>	<u>90</u>	<u>2</u>	<u>2.2</u>
Total Noncurrent Liabilities	\$ <u>11,467</u>	\$ <u>12,001</u>	\$ <u>(534)</u>	<u>(4.4)</u>

PEASE DEVELOPMENT AUTHORITY
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The PDA decreased its total noncurrent liabilities outstanding during the fiscal year by approximately \$(0.5) million, or (4.4)%. The decrease in other postemployment benefits is mainly a result of an increase in the discount rate. The increase in the net pension liability is associated with the investment returns of the plan assets being significantly lower than the prior year. The retirement system realized a negative (6.1)% return on investments in the fiscal year ended June 30, 2022 compared to a positive 29.4% return in the previous year. The three-year, five-year and 10-year investment returns for the periods ended June 30, 2022, 2021 and 2020 were 7.9%, 6.5% and 11.9% respectively. The retirement system's assumed rate of investment return is 6.75%.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt and adding back any unspent proceeds.

Comparison of 2024 to 2023

Statements of Net Position

(\$ in Thousands)	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Current Assets	\$ 22,053	\$ 21,226	\$ 827	3.9
Restricted Assets	1,633	1,590	43	2.7
Noncurrent Assets	<u>329,409</u>	<u>311,512</u>	<u>17,897</u>	<u>5.7</u>
Total Assets	<u>353,095</u>	<u>334,328</u>	<u>18,767</u>	<u>5.6</u>
Deferred Outflows of Resources	<u>2,944</u>	<u>3,049</u>	<u>(105)</u>	<u>(3.4)</u>
Current Liabilities	5,351	5,219	132	2.5
Noncurrent Liabilities	<u>10,448</u>	<u>11,467</u>	<u>(1,019)</u>	<u>(8.9)</u>
Total Liabilities	<u>15,799</u>	<u>16,686</u>	<u>(887)</u>	<u>(5.3)</u>
Deferred Inflows of Resources	219,970	213,258	6,712	3.1
Net Investment in Capital Assets	105,631	96,580	9,051	9.4
Restricted Net Position	1,379	1,336	43	3.2
Unrestricted Net Position	<u>13,261</u>	<u>9,516</u>	<u>3,745</u>	<u>39.4</u>
Total Net Position	<u>\$ 120,271</u>	<u>\$ 107,432</u>	<u>\$ 12,839</u>	<u>12.0</u>

PDA's total assets increased \$18.8 million, or 5.6%, primarily due to the increase in capital investments as well as the long-term lease receivable balance resulting from additional leases that were entered into and lease extensions that were granted during the fiscal year. Higher unrestricted cash balances and the addition of subscription assets also attributed to the increase in total assets.

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PDA's total liabilities decreased by \$(0.9) million, or (5.3)%. Accounts payable increased by \$0.2 million year-over-year, subscription liabilities increased by \$0.3 million, while other postemployment benefits and net pension liability decreased by \$(1.3) million.

Deferred inflows of resources increased by \$6.7 million, or 3.1%, and reflect the change in deferred inflows due to additional leases that were entered into and lease extensions that were granted during the fiscal year. The value of deferred inflows reflects the present value of expected lease revenue for remaining terms of all active long-term lease agreements.

Statements of Net Position

(\$ in Thousands)	June 30, <u>2023</u>	June 30, <u>2022</u>	\$ Increase (Decrease)	% Increase (Decrease)
Current Assets	\$ 21,226	\$ 19,313	\$ 1,913	9.9
Restricted Assets	1,590	1,563	27	1.7
Noncurrent Assets	<u>311,512</u>	<u>293,332</u>	<u>18,180</u>	<u>6.2</u>
Total Assets	<u>334,328</u>	<u>314,208</u>	<u>20,120</u>	<u>6.4</u>
Deferred Outflows of Resources	<u>3,049</u>	<u>3,705</u>	<u>(656)</u>	<u>(17.7)</u>
Current Liabilities	<u>5,219</u>	5,148	71	1.4
Noncurrent Liabilities	<u>11,467</u>	<u>12,001</u>	<u>(534)</u>	<u>(4.4)</u>
Total Liabilities	<u>16,686</u>	<u>17,149</u>	<u>(463)</u>	<u>(2.7)</u>
Deferred Inflows of Resources	<u>213,258</u>	<u>201,506</u>	<u>11,752</u>	<u>5.8</u>
Net Investment in Capital Assets	96,580	93,873	2,707	2.9
Restricted Net Position	1,336	1,275	61	4.8
Unrestricted Net Position	<u>9,516</u>	<u>4,110</u>	<u>5,406</u>	<u>131.5</u>
Total Net Position	<u>\$ 107,432</u>	<u>\$ 99,258</u>	<u>\$ 8,174</u>	<u>8.2</u>

PDA's total assets increased \$20.1 million, 6.4%, primarily due to the increase the long-term lease receivable balance due to additional leases that were entered into and lease extensions that were granted during the fiscal year. Higher unrestricted cash balances, capital investments and equipment purchases also attributed to the increase in total assets.

PDA's total liabilities decreased by \$(0.5) million, or (2.7)%. Accounts payable decreased by \$(0.1) million year-over-year and the remaining \$(0.4) million decrease reflects the change in other postemployment benefits and net pension liability.

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Deferred inflows of resources increased by \$11.8 million, or 5.8%, and reflect the change in deferred inflows due to additional leases that were entered into and lease extensions that were granted during the fiscal year. The value of deferred inflows reflects the present value of expected lease revenue for remaining terms of all active long-term lease agreements.

Change in Net Position

PDA charges various types of fees for the rental or usage of its land and facilities.

Comparison of 2024 to 2023

Statements of Revenues, Expenses, and Changes in Net Position

(\$ in Thousands)	June 30, 2024	June 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
Operating Revenues				
Rental of Facilities	\$ 7,411	\$ 7,293	\$ 118	1.6
Fee Revenues	5,979	5,969	10	0.2
Fuel Sales	610	939	(329)	(35.0)
Concession and other Miscellaneous	1,632	1,530	102	6.7
Total Operating Revenues	<u>15,632</u>	<u>15,731</u>	<u>(99)</u>	<u>(0.6)</u>
Operating Expenses				
Personnel Services and Benefits	9,171	8,156	1,015	12.4
Depreciation	7,189	6,839	350	5.1
Building and Facilities Maintenance	2,214	2,193	21	1.0
Professional Services	1,125	657	468	71.2
Other	3,099	3,534	(435)	(12.3)
Total Operating Expenses	<u>22,798</u>	<u>21,379</u>	<u>1,419</u>	<u>6.6</u>
Operating Loss	(7,166)	(5,648)	(1,518)	26.9
Nonoperating Income (Expense)				
CARES ACT	32	-	32	100.0
Gain on Disposition of Assets	4	-	4	100.0
Interest Expense	(3)	-	(3)	100.0
Interest Income	562	108	454	420.4
Interest Income - Leases	6,781	6,435	346	5.4
Net Nonoperating Income	<u>7,376</u>	<u>6,543</u>	<u>833</u>	<u>12.7</u>
Gain before Contributed Capital	210	895	(685)	(76.5)
Contributed Capital	<u>12,628</u>	<u>7,279</u>	<u>5,349</u>	<u>73.5</u>
Change in Net Position	12,838	8,174	4,664	57.1
Net Position at Beginning of Year	<u>107,432</u>	<u>99,258</u>	<u>8,174</u>	<u>8.2</u>
Net Position at End of Year	<u>\$ 120,270</u>	<u>\$ 107,432</u>	<u>\$ 12,838</u>	<u>11.9</u>

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)**

Total operating revenues decreased \$(0.1) million, or (0.6)%, year over year mainly due to lower fuel sales (pricing and volume), offset by higher facility rental revenue. Total non-operating revenues increased by \$0.8 million due to interest income received from leases and from financial institutions on interest-bearing cash accounts.

Total operating expenses increased by approximately \$1.4 million, or 6.6%. The increase of \$1.0 million in personnel services and benefits reflects an increase in both full and part-time wages driven by pay increases and an increase in part-time hours. The cost of benefits (health and dental and retirement) also contributed to the increase. The increase in professional services reflects higher advertising expenses, technology expenses, legal fees and costs related to an engineering study. Depreciation expense also increased by \$0.3 million year over year. The decrease in other expenses reflects decreased costs for utilities and cost of goods sold for fuel purchases (pricing and volume).

The increase in contributed capital of \$5.3 million, or 73.5%, reflects increases in federal grant and state funded construction projects mainly at the DPH which included the Main Wharf Replacement project and the PSM Arrivals Hall Project.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)

Comparison of 2023 to 2022

Statement of Revenues, Expenses, and Changes in Net Position

(\$ in Thousands)	June 30, <u>2023</u>	June 30, <u>2022</u>	\$ Increase (Decrease)	% Increase (Decrease)
Operating Revenues				
Rental of Facilities	\$ 7,293	\$ 6,863	\$ 430	6.3
Fee Revenues	5,969	5,412	557	10.3
Fuel Sales	939	709	230	32.4
Proceeds from Sale of Building	-	1,750	(1,750)	(100.0)
Concession and other Miscellaneous	1,530	1,283	247	19.3
Total Operating Revenues	<u>15,731</u>	<u>16,017</u>	<u>(286)</u>	<u>(1.8)</u>
Operating Expenses				
Personnel Services and Benefits	8,156	5,725	2,431	42.5
Depreciation	6,839	6,861	(22)	(0.3)
Building and Facilities Maintenance	2,193	1,959	254	13.1
Professional Services	657	518	139	26.8
Other	3,534	2,791	743	26.6
Total Operating Expenses	<u>21,379</u>	<u>17,834</u>	<u>3,545</u>	<u>19.9</u>
Operating Loss	(5,648)	(1,817)	(3,831)	210.8
Nonoperating Income (Expense)				
CARES ACT	-	1,977	(1,977)	(100.0)
Gain (Loss) on Disposition of Assets	-	31	(31)	(100.0)
Interest Income	108	12	96	800.0
Interest Income - Leases	6,435	5,812	623	10.7
Net Nonoperating Income	<u>6,543</u>	<u>7,832</u>	<u>(1,289)</u>	<u>(16.5)</u>
Gain before Contributed Capital	895	6,015	(5,120)	(85.1)
Contributed Capital	<u>7,279</u>	<u>5,962</u>	<u>1,317</u>	<u>22.1</u>
Change in Net Position	8,174	11,977	(3,803)	(31.8)
Net Position at Beginning of Year	<u>99,258</u>	<u>87,281</u>	<u>11,977</u>	<u>13.7</u>
Net Position at End of Year	<u>\$ 107,432</u>	<u>\$ 99,258</u>	<u>\$ 8,174</u>	<u>8.2</u>

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)

Total operating revenues decreased \$(0.3) million, or (1.8)%, year over year as prior year revenues included the sale of a building at 30 NH Avenue for \$1.75 million. This decrease in proceeds from the sale of building is offset by increases in fee revenues (fuel flowage fees, wharfage and dockage fees and golf fees), fuel sales and concession fees. Total non-operating revenues decreased by \$(1.3) million as prior year's results included \$2.0 million in CARES Act Funding.

Total operating expenses increased by approximately \$3.5 million, or 19.9%, \$1.4 million represents the impact of the year-end adjustment to the pension and other postemployment benefits (OPEB) liability. Salary expenses trended higher due to market adjustments during the fiscal year as well as fewer open full-time positions. Facilities expenses trended higher driven by increased cost of equipment fuel, increases in equipment repairs and maintenance and snow and ice control. We also experienced significant cost increases in fuel purchases as well as electricity expenses when our fixed price contract for electricity supply ended in October 2022.

The increase in contributed capital of \$1.3 million, or 22.1%, reflects increases in federal grant and state funded construction projects mainly at the DPH which included the Main Wharf Replacement project and the functional replacement of the Barge Dock.

Economic Outlook

The economic impact of the COVID-19 pandemic continues to lessen as PDA sustains solid results in airline traffic, fuel flowage fees and pay for parking revenues. Tradeport facilities rent also remains strong. However, higher inflation continues to impact the cost of fuel, materials and supplies as well as outside contractor costs.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

**Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)**

Contacting the PDA's Leadership Team

This financial report is designed to provide a general overview of PDA's finances and to demonstrate PDA's accountability for the grants that it receives. If you have questions about this report or need additional financial information, please contact Paul Breaan, Executive Director, at 55 International Drive Portsmouth, NH 03801 via email at p.breaan@peasedev.org or by telephone at 603.433.6088. Visit the PDA website at: www.peasedev.org.

Other members of the PDA's Leadership Team, effective July 1, 2024, include:

Anthony Blenkinsop
Deputy Director / General Counsel

Greg Siegenthaler
Director of Information Technology

Michael Mates
Director of Engineering

Scott Devito
Golf Course General Manager

Miles Greenway
Interim Director - Division of Ports and Harbors

Susanne Anzalone, CPA
Director of Finance

Tanya Coppeta
Employee Relations Manager

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statements of Net Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 13,056,351	\$ 11,985,639
Accounts and Grants Receivable - Net	8,262,304	8,465,549
Other Current Assets	<u>733,955</u>	<u>774,077</u>
Total Current Assets	<u>22,052,610</u>	<u>21,225,265</u>
Restricted Assets		
Cash and Cash Equivalents	571,706	456,469
Loans and Accounts Receivable - Net	<u>1,061,498</u>	<u>1,133,178</u>
Total Restricted Assets	<u>1,633,204</u>	<u>1,589,647</u>
Noncurrent Assets		
Leases Receivable, net of current portion	221,147,554	213,131,431
Subscription Asset	396,818	-
Capital Assets	<u>107,865,054</u>	<u>98,380,445</u>
Total Noncurrent Assets	<u>329,409,426</u>	<u>311,511,876</u>
Total Assets	<u>353,095,240</u>	<u>334,326,788</u>
Deferred Outflows of Resources		
Other Postemployment Benefits (OPEB)	1,367,728	1,621,805
Pension	<u>1,576,375</u>	<u>1,426,696</u>
Total Deferred Outflows of Resources	<u>2,944,103</u>	<u>3,048,501</u>
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	2,447,726	2,695,176
Accounts Payable for Capital Assets	2,233,729	1,800,134
Current Portion of Subscription Liability	51,929	-
Unearned Revenues	<u>617,468</u>	<u>723,956</u>
Total Current Liabilities	<u>5,350,852</u>	<u>5,219,266</u>
Noncurrent Liabilities		
Other Postemployment Benefits	4,094,308	5,835,603
Net Pension Liability	5,711,070	5,286,773
Subscription Liability, net of current portion	285,291	-
Other Noncurrent Liabilities	<u>357,356</u>	<u>344,228</u>
Total Noncurrent Liabilities	<u>10,448,025</u>	<u>11,466,604</u>
Total Liabilities	<u>15,798,877</u>	<u>16,685,870</u>
Deferred Inflows of Resources		
Other Postemployment Benefits	3,168,772	2,087,794
Pension	134,849	228,607
Lease Revenue	<u>216,666,835</u>	<u>210,941,329</u>
Total Deferred Inflows of Resources	<u>219,970,456</u>	<u>213,257,730</u>
Net Position		
Net Investment in Capital Assets	105,631,325	96,580,311
Restricted For:		
Revolving Loan Fishery Fund	1,286,326	1,266,572
Harbor Dredging and Pier Maintenance	76,859	55,694
Foreign Trade Zone	15,363	13,433
Unrestricted	<u>13,260,137</u>	<u>9,515,679</u>
Total Net Position	<u>\$ 120,270,010</u>	<u>\$ 107,431,689</u>

The accompanying notes are an integral part of these financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statement of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Rental of Facilities	\$ 7,410,743	\$ 7,293,260
Fee Revenues:		
Golf Course Operations	3,003,118	3,025,153
Mooring, Dockage, Pier Usage and Boat Registration	2,855,273	2,830,608
All Other	<u>120,444</u>	<u>112,609</u>
Total Fee Revenues	<u>5,978,835</u>	<u>5,968,370</u>
Fuel Sales	610,253	939,332
Concession and Other Miscellaneous	<u>1,631,898</u>	<u>1,530,402</u>
Total Operating Revenues	<u>15,631,759</u>	<u>15,731,364</u>
Operating Expenses		
Personnel Services and Benefits	9,171,228	8,155,642
Depreciation and Amortization	7,188,669	6,839,425
Building and Facilities Maintenance	2,213,525	2,193,211
General and Administrative	1,267,838	1,104,336
Utilities	817,604	1,137,393
Professional Services	1,125,022	656,926
All Other	<u>1,013,366</u>	<u>1,292,470</u>
Total Operating Expenses	<u>22,797,252</u>	<u>21,379,403</u>
Operating Loss	<u>(7,165,493)</u>	<u>(5,648,039)</u>
Nonoperating Income (Expense)		
CARES Act Funding	32,000	-
Interest Income - Leases	6,781,073	6,435,289
Interest Income - Other	561,524	107,659
Interest Expense	(2,721)	-
Gain on Disposition of Capital Assets	<u>4,000</u>	<u>-</u>
Net Operating Income	<u>7,375,876</u>	<u>6,542,948</u>
Gain before Contributed Capital	210,383	894,909
Contributed Capital	<u>12,627,938</u>	<u>7,278,842</u>
Change in Net Position	12,838,324	8,173,751
Net Position at Beginning of Year	<u>107,431,689</u>	<u>99,257,938</u>
Net Position at End of Year	<u>\$120,270,010</u>	<u>\$107,431,689</u>

The accompanying notes are an integral part of these financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statement of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ <u>12,964,468</u>	\$ 12,909,639
Cash Payments to Personnel for Services and Benefits	<u>(9,396,608)</u>	(8,753,652)
Cash Payments to Suppliers of Goods and Services	<u>(6,631,555)</u>	<u>(5,802,348)</u>
Net Cash Used by Operating Activities	<u>(3,063,695)</u>	<u>(1,646,361)</u>
Cash Flows From Noncapital Financing Activities		
CARES Act Funding Cash Received	<u>32,000</u>	<u>-</u>
Cash Flows From Capital And Related Financing Activities		
Contributed Capital Received	13,173,050	8,054,734
Payments for Acquisition of Capital Assets	<u>(16,228,346)</u>	<u>(9,546,756)</u>
Proceeds from Sale of Capital Assets	4,000	-
Interest on Subscription Liability	<u>(2,721)</u>	<u>-</u>
Principal Paid on Subscription Liability	<u>(70,936)</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	<u>(3,124,953)</u>	<u>(1,492,022)</u>
Cash Flows From Investing Activities		
Interest Income Received	<u>7,342,597</u>	<u>6,542,948</u>
Increase in Cash and Cash Equivalents	1,185,949	3,404,565
Cash and Restricted Cash - Beginning of Year	<u>12,442,108</u>	<u>9,037,543</u>
Cash and Restricted Cash - End of Year	<u>\$ 13,628,057</u>	<u>\$ 12,442,108</u>
Composition of Cash, Cash Equivalents, and Restricted Cash		
Cash and Cash Equivalents	\$ 13,056,351	\$ 11,985,639
Restricted Cash and Cash Equivalents	<u>571,706</u>	<u>456,469</u>
	<u>\$ 13,628,057</u>	<u>\$ 12,442,108</u>

The accompanying notes are an integral part of these financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statements of Cash Flows (Concluded)

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	\$ (7,165,493)	\$ (5,648,039)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	7,188,669	6,839,425
Compensated Absences - Net	13,129	1,683
Changes in Operating Assets, Deferred Outflow of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable	(8,286,310)	(15,148,303)
Other Current Assets	40,122	(61,709)
Deferred Outflows of Resources - OPEB	254,077	658,071
Deferred Outflows of Resources - Pension	(149,679)	(1,712)
Accounts Payable and Accrued Expenses	(247,450)	642,014
Unearned Revenues	(106,488)	(143,146)
Other Postemployment Benefits (OPEB)	(1,741,295)	(1,543,061)
Net Pension Liability	424,297	1,007,129
Deferred Inflows of Resources - Leases	5,725,506	12,469,724
Deferred Inflows of Resources - OPEB	1,080,978	435,910
Deferred Inflows of Resources - Pension	(93,758)	(1,154,347)
Net Cash Used by Operating Activities	<u>\$ (3,063,695)</u>	<u>\$ (1,646,361)</u>
Reconciliation of Noncash Activity:		
Contributed Capital Income	\$ 12,627,938	\$ 7,278,842
Less: Grants Receivable as of End of Year	(2,848,494)	(3,393,606)
Add: Grants Receivable as of Prior Year End	<u>3,393,606</u>	<u>4,169,498</u>
Contributed Capital Received	<u>\$ 13,173,050</u>	<u>\$ 8,054,734</u>
Acquisition of Capital Assets	\$ 16,661,941	\$ 9,118,918
Less: Accounts Payable for Capital Assets as of End of Year	(2,233,729)	(1,800,134)
Add: Payments of Short-Term Trade Accounts to Finance Acquisitions of Capital Assets	<u>1,800,134</u>	<u>2,227,972</u>
Payments for Acquisition of Capital Assets	<u>\$ 16,228,346</u>	<u>\$ 9,546,756</u>

The accompanying notes are an integral part of these financial statements.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2024 and 2023

1. Reporting Entity

The Pease Development Authority (PDA), a component unit of the State of New Hampshire (the State), is the successor entity to the Pease Redevelopment Commission (PRC). The PRC was created on March 21, 1989 by an act of the General Court of the State. The mandate of the PRC was to prepare a comprehensive plan for the conversion and redevelopment of Pease Air Force Base. The guiding principles of the plan were job creation, fiscal viability, economic development, and environmental quality.

Effective June 1, 1990, the PRC was dissolved and PDA was established as its successor with the goals of converting and redeveloping the Pease International Tradeport (Tradeport). PDA is a component unit of the State and is discretely presented in the Comprehensive Annual Financial Report of the State.

PDA is a body corporate and politic with a governing body of seven members. The Governor and State legislative leadership appoint four members and the City of Portsmouth (COP) appoints one member, the Town of Newington appoints one member and the Towns of Newington and Greenland jointly appoint one member.

Pursuant to Chapter 290, Laws of 2001, the New Hampshire State Port Authority (Port), a former agency of the primary State government, was transferred to PDA effective July 1, 2001. In doing so, the State authorized the transfer of functions, powers, and duties of the Port to PDA, acting through the Division of Ports and Harbors (PDA-DPH). The PDA-DPH is charged with the responsibility to: 1) plan for the maintenance and development of the ports, harbors, and navigable tidal rivers of the State; 2) foster and stimulate commerce and the shipment of freight; 3) aid in the development of salt water fisheries and associated industries; 4) cooperate with any federal agencies or departments in planning the maintenance, development, and use of the State ports, harbors, and navigable tidal rivers; and 5) plan, develop, maintain, use, and operate land transportation facilities within a 15 mile radius of the PDA-DPH headquarters in Portsmouth, New Hampshire.

As a result of the transfer of the Port to PDA, the Harbor Dredging and Pier Maintenance Fund was transferred to PDA. This fund was set up for the purposes of initiating and implementing harbor dredging projects and maintaining public piers. On July 1, 2001, also as a result of the transfer of the Port to the PDA, the Revolving Loan Fishery Fund was transferred to the PDA. The Revolving Loan Fishery Fund was established in July 1994 by the Port through a Federal Economic Development Administration grant in the amount of \$810,000. The grant funds and related interest earned thereon provide a revolving loan fund to offer direct assistance to the fishing industry and to aid in the creation of economic opportunities within the industry.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2024 and 2023

Pursuant to Chapter 356, Laws of 2008, House Bill 65 was enacted by the State Legislature on July 11, 2008. The bill: 1) provides that service of non-classified employees of PDA shall be credited as continuous State service for all purposes; 2) makes PDA fund a nonlapsing fund for the benefit of PDA-DPH; 3) requires a biennial report of the PDA-DPH; and 4) repeals provisions relative to coordination with the Department of Resources and Economic Development, reports on economic development programs, and the Harbor Management Fund.

On May 12, 2008, the State, through House Bill 1168-FN-LOCAL, passed legislation that required the New Hampshire Department of Transportation (NHDOT) to negotiate a lease, which became effective November 1, 2008, with PDA for the operation of Skyhaven Airport (DAW) located in Rochester, New Hampshire. With the passage of Chapter 113, Laws of 2009, enacted on June 22, 2009, the NHDOT was directed to convey ownership of DAW to PDA. The law required that PDA accept ownership of, manage and operate DAW, and act as the official Airport owner, operator, and sponsor. PDA accepted this transfer of ownership, from and after July 1, 2009, with no liability relative to any regulatory matters or causes of action arising prior to November 1, 2008.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of PDA were prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. PDA uses enterprise fund reporting, which uses the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents, for purposes of the Statements of Cash Flows, include cash which is either held in demand deposit or short-term money market accounts, and highly liquid savings deposits and investments with original maturities less than three months from the date acquired.

PDA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. PDA has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

Loans and Accounts Receivable

Loans and accounts receivable are carried at cost, less an allowance for doubtful accounts. Receivable balances also include outstanding loans from the Revolving Loan Fishery Fund, including principal plus accrued interest. Management provides an allowance for doubtful accounts based on an analysis of accounts that are delinquent based on payment terms. Accounts are written off when deemed uncollectible.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Notes to Financial Statements

June 30, 2024 and 2023

Capital Assets

Land, equipment, and buildings and facilities improvements are stated at cost. Depreciation is computed using a straight-line method over the estimated useful lives of the assets, which is principally five to thirty-five years. Capital asset acquisitions that equal or exceed \$5,000 are capitalized. The cost of maintenance and repairs is charged against income as incurred, while significant renewals and betterments are capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset</u>	<u>Years</u>
Buildings	35
Facilities Improvements	20
Equipment	5

Leases

In accordance with GASB Statement No. 87, Leases, the discounted value of future lease payments and receipts is included in deferred outflows or deferred inflows of resources, respectively. PDA has leases with third party tenants who lease portions of the Tradeport owned and operated by PDA. The present value of these leases is valued at inception and periodically revalued in accordance with Statement No. 87 and presented as a deferred inflow of resources. These deferred inflows are amortized as lease revenue in a systematic and rational manner over the life of the lease. During the years ended June 30, 2024 and 2023, \$6,933,287 and \$6,628,646, respectively, was recognized as lease revenue.

Subscription-Based Information Technology Arrangements

PDA is party to one subscription-based information technology arrangement (SBITAs). PDA recognizes a subscription liability and an intangible right of use subscription asset (subscription asset) in the statement of net position. PDA reports SBITA current expenditures in the statement of revenues, expenditures, and changes in net position. PDA recognizes subscription liabilities with an initial term greater than 12 months. PDA's SBITA has a subscription term of three years with annual options to renew. For SBITAs with a maximum possible term of 12 months or less at commencement, PDA recognizes expenses based on the provisions of the arrangement.

At the commencement of a SBITA, PDA initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2024 and 2023

Key estimates and judgments related to SBITAs include how PDA determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

PDA uses its current borrowing rate at the commencement date of the contract as the discount rate. The subscription term includes the noncancellable period during which PDA has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain PDA or vendor will exercise that option or to terminate if it is reasonably certain that PDA or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments only.

PDA monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported within noncurrent assets. Subscription liabilities are reported within current and long term liabilities on the statement of net position.

Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is an estimated amount based on the amount accumulated at the balance sheet date that would be paid upon retirement. The liability for sick leave is reflected within noncurrent liabilities while vacation leave is included in accounts payable and accrued expenses. The calculation is based on the salary rates in effect as of the date of the statements of net position.

Unearned Revenues

Unearned revenues include advance greens fees for the golf course, which are based upon a percentage allocation of the total days the course expects to operate. In addition, unearned revenues are recorded for mooring permits for the harbors and tidal waters and are based on the expiration date of the permit. Rental income received in advance is also classified as unearned revenues.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from the NHRS's fiduciary net position has been determined on the same basis as it is reported by the NHRS.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Notes to Financial Statements

June 30, 2024 and 2023

Other Postemployment Benefit

For the purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (OPEB), and OPEB expense, information about the fiduciary net position of the NHRS OPEB Plan and the State of New Hampshire OPEB Plan (the State OPEB Plan) have been determined on the same basis as they are reported by NHRS and the State OPEB Plan.

Net Position

Net position is presented in the following categories:

- *Net investment in capital assets* represents capital assets, net of long-and short-term debt that relates to the purchase of those assets.
- *Restricted for specific purpose* represents amounts that are expendable but whose use is subject to an externally imposed restriction.
- *Unrestricted* represents the remaining balances of net position after the above net position categories have been determined.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. PDA's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

Revenue Recognition

Income from rental of facilities is recognized over the term of the lease net of provisions for uncollectible accounts. Various other revenues are recorded when earned, which is generally when the related services are performed.

Operating and Nonoperating Income and Expenses

PDA distinguishes between operating revenues and expenses from nonoperating items in the preparation of its financial statements. PDA's principal operating revenues result from charges to tenants for the lease or license of property, providing services, and delivering goods.

Operating expenses for PDA include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating income (expense).

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Contributed Capital

Federal grants, received on a reimbursement basis, are recorded as contributed capital when the related expenditures are capital related. Non-capital related grants consist of funds from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) are recognized as grant revenue on the statements of revenues, expenses, and changes in net position as nonoperating income.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. *Change in Accounting Principle*

During the year ended June 30, 2023, PDA adopted new accounting guidance, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The adoption of the statement did not have a material impact of the financial statements of PDA.

During the year ended June 30, 2023, PDA adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption of the statement did not have a material impact of the financial statements of PDA as of June 30, 2023.

4. *Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, PDA's deposits may not be returned to it. State Statute RSA 12-G: 8 (XIII) empowers PDA to invest and reinvest its funds and take and hold property as security for the payment of funds so invested. PDA's investment policy is more restrictive than applicable New Hampshire law in that it restricts investments to the following: New Hampshire public deposit investment pool, federal agency securities, repurchase agreements, commercial paper, money market funds, and certificates of deposit. PDA's policy does not explicitly address custodial credit risk.

As of June 30, 2024 and 2023, substantially all of PDA's cash and equivalents were insured by the Federal Deposit Insurance Corporation and the Depositors Insurance Fund.

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5. Current Accounts and Grants Receivable - Net

Current accounts and grants receivable - net was comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Lease Revenue Receivable	\$ 4,519,975	\$ 4,291,505
Intergovernment	2,848,494	3,393,606
Tenants and Other	900,335	786,938
Allowance for Doubtful Accounts	<u>(6,500)</u>	<u>(6,500)</u>
	<u>\$ 8,262,304</u>	<u>\$ 8,465,549</u>

6. Other Current Assets

Other current assets was comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Inventories	\$ 434,075	\$ 471,833
Prepaid Insurance	246,882	214,831
All Other	<u>52,998</u>	<u>87,413</u>
	<u>\$ 733,955</u>	<u>\$ 774,077</u>

7. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents was comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Harbor Dredging and Pier Maintenance	\$ 328,143	\$ 249,229
Revolving Loan Fishery Fund	226,577	193,808
Foreign Trade Zone	<u>16,986</u>	<u>13,432</u>
	<u>\$ 571,706</u>	<u>\$ 456,469</u>

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8. Restricted Loans and Accounts Receivable

Restricted loans and accounts receivable was comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Revolving Loan Fishery Fund		
Due Within One Year	\$ 126,250	\$ 117,494
Due in More Than One Year	934,282	954,121
Tenants	<u>966</u>	<u>61,563</u>
	<u>\$ 1,061,498</u>	<u>\$ 1,133,178</u>

9. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2024</u>
Land	\$ 7,520,786	\$ -	\$ -	\$ -	\$ 7,520,786
Land Improvements	-	-	-	316,850	316,850
Construction in Process	<u>4,226,008</u>	<u>16,661,940</u>	<u>-</u>	<u>(11,988,236)</u>	<u>8,899,712</u>
Total Non-Depreciable Assets	<u>11,746,794</u>	<u>16,661,940</u>	<u>-</u>	<u>(11,671,386)</u>	<u>16,737,348</u>
Buildings and Facilities					
Improvements	203,082,246	-	-	9,532,602	212,614,848
Equipment	<u>17,193,239</u>	<u>-</u>	<u>(9,250)</u>	<u>2,138,784</u>	<u>19,322,773</u>
Total Depreciable Assets	<u>220,275,485</u>	<u>-</u>	<u>(9,250)</u>	<u>11,671,386</u>	<u>231,937,621</u>
Less Accumulated Depreciation For:					
Buildings and Facilities					
Improvements	(119,609,441)	(6,423,711)	-	-	(126,033,152)
Equipment	<u>(14,032,393)</u>	<u>(753,620)</u>	<u>9,250</u>	<u>-</u>	<u>(14,776,763)</u>
Total Accumulated Depreciation	<u>(133,641,834)</u>	<u>(7,177,331)</u>	<u>9,250</u>	<u>-</u>	<u>(140,809,915)</u>
	<u>\$ 98,380,445</u>	<u>\$ 9,484,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,865,054</u>

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Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance <u>July 1, 2022</u>	Additions	Disposals	Transfers	Balance <u>June 30, 2023</u>
Land	\$ 7,520,786	\$ -	\$ -	\$ -	\$ 7,520,786
Construction in Process	<u>10,464,718</u>	<u>9,118,918</u>	<u>-</u>	<u>(15,357,628)</u>	<u>4,226,008</u>
Total Non-Depreciable Assets	<u>17,985,504</u>	<u>9,118,918</u>	<u>-</u>	<u>(15,357,628)</u>	<u>11,746,794</u>
Buildings and Facilities Improvements	188,667,317	-	-	14,414,929	203,082,246
Equipment	<u>16,250,540</u>	<u>-</u>	<u>-</u>	<u>942,699</u>	<u>17,193,239</u>
Total Depreciable Assets	<u>204,917,857</u>	<u>-</u>	<u>-</u>	<u>15,357,628</u>	<u>220,275,485</u>
Less Accumulated Depreciation For:					
Buildings and Facilities Improvements	(113,488,156)	(6,121,285)	-	-	(119,609,441)
Equipment	<u>(13,314,253)</u>	<u>(718,140)</u>	<u>-</u>	<u>-</u>	<u>(14,032,393)</u>
Total Accumulated Depreciation	<u>(126,802,409)</u>	<u>(6,839,425)</u>	<u>-</u>	<u>-</u>	<u>(133,641,834)</u>
	<u>\$ 96,100,952</u>	<u>\$ 2,279,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,380,445</u>

10. Leases

The total lease receivables were \$225,667,529 and \$217,422,936 as of June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, PDA received \$6,781,073 and \$6,435,289, respectively, in interest revenue related to lease receivables.

The deferred inflows of resources represent principal payments to be received in the future. The total deferred inflows of resources amounted to \$216,666,835 and \$210,941,329 as of June 30, 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, PDA recognized \$6,933,287 and \$6,628,646, respectively, in rental revenue amortized from the deferred inflows of resources.

PDA presently has 78 active agreements for its long-term ground and building leases. The majority of the agreements are ground leases tied to a per acre rate with rent adjusted annually based on the Consumer Price Index (CPI) for All Urban Consumers in the Boston-Cambridge-Newton area.

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Initial ground lease terms range from 20 to 40 years, with option periods that can extend the total lease term to between 50 and 74 years.

Building leases are generally based on a square foot rate with annual increases based on the same CPI index. Typical building leases, including option periods, normally do not exceed 50 years.

As annual rent amounts are adjusted, or if a new lease agreement is executed, the lease receivable and deferred inflows of resources will need to be recalculated in accordance with GASB Statement No. 87.

Long-term lease agreements existing prior to the GASB Statement No. 87, Leases, implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the implementation date. Long-term lease agreements entered into subsequent to the implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the commencement date of the individual lease. The discount rate for leases as of June 30, 2024 and 2023 was 8% and 3%, respectively. The expected future payments include extension option periods, as their exercise is reasonably certain.

At June 30, 2024, the projected minimum future revenue and interest from noncancelable rental agreements is approximately:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 4,519,975	\$ 6,813,878
2026	4,520,148	6,678,314
2027	4,591,662	6,542,106
2028	4,680,599	6,420,553
2029	4,788,151	6,261,507
2030 - 2034	26,158,695	29,052,421
2035 - 2039	24,155,279	25,201,770
2040 - 2044	23,302,267	21,669,465
2045 - 2049	24,485,954	18,106,067
2050 - 2054	21,739,214	14,613,391
2055 - 2059	18,090,458	11,515,735
2060 - 2064	12,522,599	9,310,017
2065 - 2069	8,492,891	7,747,377
2070 - 2074	7,012,643	6,563,696
2075 - 2079	7,350,377	5,456,233
2080 - 2084	7,924,608	4,278,753
2085 - 2089	9,310,362	2,893,000
2090 - 2094	10,068,436	1,251,592
2095 - 2099	<u>1,953,211</u>	<u>112,932</u>
	<u>\$ 225,667,529</u>	<u>\$ 190,488,807</u>

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11. Software Subscriptions

The total subscription asset was \$396,818, net of accumulated amortization of \$11,338, as of June 30, 2024. During the year ended June 30, 2024, PDA incurred \$11,338 in SBITA amortization expense.

The following is a schedule by year of future minimum SBITA payments as of June 30, 2024:

<u>Year</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 79,918	\$ 27,989	\$ 51,929
2026	86,711	23,679	63,032
2027	86,711	18,447	68,264
2028	86,711	12,782	73,929
2029	<u>86,711</u>	<u>6,645</u>	<u>80,066</u>
Total minimum lease payments	<u>\$ 426,762</u>	<u>\$ 89,542</u>	<u>\$ 337,220</u>

12. Unearned Revenues

Unearned revenues (which are recognized when cash, receivables or other assets are recorded prior to their being earned) consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Mooring Permits	\$ 347,730	\$ 339,091
Golf Course Membership Fees	235,830	253,444
All Other	<u>33,908</u>	<u>131,421</u>
	<u>\$ 617,468</u>	<u>\$ 723,956</u>

Mooring permits and golf course membership fees are collected primarily during the months of January through March and amortized ratably over the corresponding seasons.

13. Revolving Line of Credit Facility

PDA currently has a \$7,000,000 unsecured Revolving Line of Credit Facility (RLOC) secured through The Provident Bank, which matures December 31, 2025. The terms of the RLOC provide that a) the loan shall bear interest at a per annum rate equal to the 30-day Federal Home Loan Bank rate plus 250 basis points; and b) PDA shall maintain various covenants that are to be reported on an annual basis. The proceeds of any draw on the RLOC are to be used for general working capital purposes of PDA and cash flow needs for capital projects. There were no amounts outstanding on this RLOC as of June 30, 2024 and 2023.

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14. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due in One Year
Other Postemployment Benefits	\$ 5,835,603	\$ -	\$ (1,741,295)	\$ 4,094,308	\$ -
Net Pension Liability State of New Hampshire	5,286,773	424,297	-	5,711,070	-
Account Payable	252,250	-	-	252,250	-
Subscription Liability	-	408,156	(122,865)	285,291	51,929
Compensated Absences - Net	91,977	13,129	-	105,106	-
	<u>\$ 11,466,603</u>	<u>\$ 845,582</u>	<u>\$ (1,864,160)</u>	<u>\$ 10,448,025</u>	<u>\$ 51,929</u>

Noncurrent liability activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due in One Year
Other Postemployment Benefits	\$ 7,378,664	\$ -	\$ (1,543,061)	\$ 5,835,603	\$ -
Net Pension Liability State of New Hampshire	4,279,644	1,007,129	-	5,286,773	-
Account Payable	252,250	-	-	252,250	-
Compensated Absences - Net	90,294	1,683	-	91,977	-
	<u>\$ 12,000,852</u>	<u>\$ 1,008,812</u>	<u>\$ (1,543,061)</u>	<u>\$ 11,466,603</u>	<u>\$ -</u>

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15. Municipal Service Fees

Effective July 1, 1998, PDA entered into an amended municipal services agreement with COP and the Town of Newington to provide various municipal services, including police, fire, and public works at the Tradeport. This agreement specifies that PDA, through its tenant's payments, shall pay COP a fee for the cost of services equal to the amount that would have been paid annually as *ad valorem* taxes excluding any school tax component in respect to such property within the Airport District. COP is responsible for service costs owed to the Town of Newington. This agreement excludes, as part of the allocated area, the space occupied by PDA and any space for public use in the PSM Terminal. The agreement includes completed facilities other than PDA's golf course or airport terminals within the Airport District operated by PDA for public or other use. This agreement shall continue to be in force until one of the parties terminates the agreement in writing.

Any tenant located outside the Airport District, unless otherwise exempt from taxation, shall pay to COP a payment in lieu of taxes in accordance with the provisions of the New Hampshire law.

16. Airport Joint Use Agreement

The Department of the Air Force and PDA are parties to an Airport Joint Use Agreement (Agreement) regarding the required use of the airport facilities at the Tradeport by the New Hampshire Air National Guard, as well as for other occasional government aircraft. Subject to the terms and conditions of the Agreement, the federal government has the use of the airport facilities in common with other users of the airport together with all necessary and conventional rights of ingress and egress to and from the related facilities located at the airport.

The federal government is responsible for the functions detailed in the Agreement, including, but not limited to, the following: air traffic control services, aircraft fire protection and crash rescue. PDA is responsible for certain services and functions, including, but not limited to, the following: maintenance of certain facilities, utilities, and other related services in connection with maintaining an airport facility in accordance with Federal Aviation Administration (FAA) requirements. The current Agreement, which expired on September 30, 2018, is currently under review by both parties.

17. Risk Management

PDA is exposed to various risks of loss at the Tradeport and DAW related to torts; theft of, damage to and destruction of assets; and natural disaster for which the PDA carries insurance.

PDA has a comprehensive airport liability insurance policy that will provide coverage generally up to \$50,000,000 for each occurrence and in the aggregate in any one annual period of insurance. Other insurance coverage includes automotive, crime, employment practices, fire, general liability, pollution, theft, and workers' compensation. Settlements did not exceed coverage amounts during fiscal years 2024 and 2023.

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In addition to purchasing insurance coverages, PDA maintains a risk transfer program. The PDA's agreements and leases include requirements to provide insurance coverage and coverage provisions, which include: 1) naming PDA as an additional insured; 2) naming PDA as loss payee on property coverage; 3) a waiver of subrogation; and 4) providing that such coverages be primary and non-contributing with respect to coverage PDA maintains.

18. Defined Benefit Pension Plan

Plan Description

PDA participates in the NHRS, which, as governed by RSA 100-A, is a cost-sharing multiple-employer contributory public employee defined benefit pension plan qualified under section 401(a) of the Internal Revenue Code (Code) and funded through a trust, which is exempt from tax under Code section 501(a). NHRS is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. NHRS retired members receive a lifetime pension. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State are eligible to participate in NHRS. RSA 100-A specifies the benefit terms provided to the members of NHRS.

Although benefits are funded by member contributions, employer contributions, and trust fund assets, NHRS computes benefits on the basis of members' Average Final Compensation (AFC) and years of creditable service. Unlike a defined contribution plan, NHRS benefits provided to members are not dependent upon the amount of contributions paid into NHRS or the investment return on trust assets.

To qualify for a normal service retirement, members must have attained the age of 60 years old. However, a member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 65. The member may receive a reduced allowance after age 60 if the member has at least 30 years of creditable service. The allowance shall be reduced based on a formula for each month by which the date on which benefits commence precedes the month after which the member attains 65 years of age, by $\frac{1}{4}$ of one percent.

For members retiring prior to the age of 65, the yearly pension amount is 1.67% of AFC, multiplied by years of creditable service. For members retiring at 65 or older, the yearly pension amount is 1.52% of AFC, multiplied by years of creditable service. For members vested prior to January 1, 2012, AFC is based on the highest three years of creditable service. For members not vested prior to January 1, 2012, or hired on or after July 1, 2011, AFC is based on a member's highest five years of creditable service. At age 65, the yearly pension amount is recalculated with an appropriate graduated reduction based on years and months of creditable service that the member has at the time of retirement.

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Contributions Required and Made

The Retirement Plan is financed by contributions from the members, PDA, and investment earnings. Contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the Retirement Plan's actuary. By statute, the Board of Trustees of NHRS administers the plan and is responsible for the certification of employer and member contribution rates.

Commencing July 1, 2011, all Group I employees are responsible to accrue contributions at 7.00% while Group II (Police) employees accrue contributions at a rate of 11.55%. In terms of the employer share of contributions made to the Retirement Plan, the pension contribution rate for Group I employees was 13.75% for the two-year period beginning July 1, 2021 and ending June 30, 2023 and 13.27% for the two-year period beginning July 1, 2023 and ending June 30, 2025. For Group II employees, effective July 1, 2021, the contribution rate was 30.67% and remained fixed through June 30, 2023. Effective July 1, 2023, the contribution rate was 28.68% and will remain fixed through June 30, 2025.

For the years ended June 30, 2024 and 2023 contributions to NHRS were \$714,317 and \$671,004, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, PDA reported a liability of \$5,711,070 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The net pension liability was rolled forward from June 30, 2022 to June 30, 2023. PDA's proportion of the net pension liability was based on a projection of PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2023, PDA's proportion of the net pension liability was 0.1020%.

At June 30, 2023, PDA reported a liability of \$5,286,773 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The net pension liability was rolled forward from June 30, 2021 to June 30, 2022. PDA's proportion of the net pension liability was based on a projection of PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2022, PDA's proportion of the net pension liability was 0.0922%.

For the years ended June 30, 2024 and 2023, PDA recognized pension expense of \$895,176 and \$522,074, respectively.

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At June 30, 2024, PDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ 82,592	\$ -
Change in assumptions	150,312	-
Difference between expected and actual experience	145,930	2,295
Changes in proportion and differences between employer contributions and share of contributions	483,224	132,554
Contributions subsequent to the measurement date	<u>714,317</u>	<u>-</u>
	<u>\$ 1,576,375</u>	<u>\$ 134,849</u>

At June 30, 2023, PDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings on pension plan investments	\$ 200,362	\$ -
Change in assumptions	281,214	-
Difference between expected and actual experience	99,223	20,295
Changes in proportion and differences between employer contributions and share of contributions	174,894	208,312
Contributions subsequent to the measurement date	<u>671,003</u>	<u>-</u>
	<u>\$ 1,426,696</u>	<u>\$ 228,607</u>

Amounts reported as deferred outflows related to pensions resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 337,926
2026	(47,424)
2027	368,757
2028	<u>67,950</u>
	<u>\$ 727,209</u>

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Actuarial Assumptions

The collective total pension liability at June 30, 2024 was determined by a roll forward of the actuarial valuation as of June 30, 2023, using the following actuarial assumptions, which apply to 2022 measurements:

Actuarial cost method	Entry- Age Normal
Amortization method	Level Percentage-of - Payroll, Closed
Remaining amortization period	Multiple periods of 17-20 years
Asset Valuation Method	5 Year smoothed market for funding purposes; 20% corridor
Investment Rate of Return	6.75% net plan investment expense, including inflation for 2023 and 2022 valuations
Salary Rate Increase	5.40% averages, including inflation, 2023 and 2022 valuations, respectively
Price Inflation	2.00% for the 2023 and 2022 valuations
Wage Inflation	2.75% for the 2023 and 2022 valuations

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2016 – June 30, 2019.

The actuarial assumptions for contributions made in the years ended June 30, 2023 and June 30, 2022 were based on the results of an actuarial experience study for the period from July 1, 2015 – June 30, 2019.

Long-Term Rates of Return

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and the geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target</u>	<u>Target</u>	<u>Weighted Average Long-</u>	
	<u>Allocation</u>	<u>Allocation</u>	<u>Term Expected Real</u>	<u>Rate of Return</u>
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Broad US Equity (1)	30.00 %	30.00 %	7.60 %	5.40 %
Global Ex-US Equity (2)	<u>20.00</u>	<u>20.00</u>	7.90	5.65
Total Public Equity	<u>50.00</u>	<u>50.00</u>		
Core US Fixed Income	<u>25.00</u>	<u>25.00</u>	3.60	2.15
Real Estate Equity	10.00	10.00	6.60	4.00
Private Equity	<u>10.00</u>	<u>10.00</u>	8.85	6.65
Total Private Market Equity	<u>20.00</u>	<u>20.00</u>		
Private Debt	<u>5.00</u>	<u>5.00</u>	7.25	5.05
Inflation	-	-	2.25	2.50
	<u>100.00 %</u>	<u>100.00 %</u>		

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Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the 2023 and 2022 valuations. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following presents PDA's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what PDA's proportionate share of the pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
PDA's Proportionate Share of the Net Pension Liability	<u>\$ 7,749,231</u>	<u>\$ 5,711,070</u>	<u>\$ 3,969,587</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at <https://www.nhrs.org>.

The pension plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

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Changes in Assumption for Purposes of Contribution Rates

On July 1, 2016, the Board of Trustees of NHRS announced a change to adopt revised actuarial assumptions based on the results of a five-year experience study conducted by the retirement systems consulting actuary. Included in these changes was the lowering of the assumed rate of return from 7.75% to 7.25%. This rate was used to set employer contribution rates for fiscal years 2022, 2023, and 2024. On June 9, 2020, the Board of Trustees voted to reduce the retirement system's investment assumptions, lowering the assumed rate of return from 7.25% to 6.75%. By statute, this valuation will determine employer contribution rates for fiscal years 2023 and 2024.

19. *Other Postemployment Benefits - New Hampshire Retirement System*

Plan Description

In addition to providing pension benefits, NHRS administers a cost-sharing multiple-employer defined postemployment medical subsidy healthcare plan designated in statute (RSA 100-A:52, RSA 100-A:52a and RSA 100-A:52-b) by membership type. The membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. The NHRS OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. For qualified retirees not eligible for Medicare the subsidy amounts were \$375.56 for a single-person plan and \$751.12 for a two-person plan. For those qualified retirees eligible for Medicare, the amounts were \$236.84 for a single-person plan and \$473.68 for a two-person plan. There have been no increases in the monthly maximum subsidy amounts since July 1, 2007. The plan is closed to new entrants.

Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of State service in order to qualify for health coverage benefits. These and similar benefits for active employees are authorized by RSA 21-I: 30 and provided through the Employee and Retiree Benefit Risk Management Fund (the Fund), which is the State's self-insurance fund implemented in October 2003 for active State employees and retirees.

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Contributions Required and Made

The State Legislature has indicated it plans to only partially fund (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate.

Plan members are not required to contribute to the OPEB Plans. PDA makes annual contributions to the OPEB Plans equal to the amount required by RSA 100-a: 52. For all Group I employees, effective July 1, 2021 the annual contribution rate was 0.78% and remained fixed through June 30, 2023. Effective July 1, 2023 the annual contribution rate was 0.58% and will remain fixed through June 30, 2025. Effective July 1, 2021, the contribution rate was 3.21% and remained fixed through June 30, 2023. Effective July 1, 2023, the contribution rate was 2.60% and will remain fixed through June 30, 2025.

PDA's contributions to NHRS for the OPEB Plans for the years ended June 30, 2024 and 2023 were \$36,168 and \$43,489, respectively, which were equal to its ARC.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, PDA reported a liability of \$271,712 for its proportionate share of the net OPEB liability. The net OPEB liability is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The net OPEB liability was rolled forward from June 30, 2022 to June 30, 2023. PDA's proportion of the net OPEB liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2023, PDA's proportion of the net OPEB liability was 0.0795%.

At June 30, 2023, PDA reported a liability of \$271,671 for its proportionate share of the net OPEB liability. The net OPEB liability is based on an actuarial valuation performed as of June 30, 2021 and a measurement date of June 30, 2022. The net OPEB liability was rolled forward from June 30, 2021 to June 30, 2022. PDA's proportion of the net OPEB liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2022, PDA's proportion of the net OPEB liability was 0.0719%.

For the years ended June 30, 2024 and 2023, PDA recognized OPEB expense (income) of \$43,945 and \$(42,046), respectively.

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At June 30, 2024, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual investment earnings on OPEB plan investments	\$ 327	\$ -
Contributions subsequent to the measurement date	<u>36,168</u>	<u>-</u>
	<u>\$ 36,495</u>	<u>\$ -</u>

At June 30, 2023, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual investment earnings on OPEB plan investments	\$ 742	\$ -
Contributions subsequent to the measurement date	<u>43,488</u>	<u>-</u>
	<u>\$ 44,230</u>	<u>\$ -</u>

Amounts reported as deferred outflows related to OPEB resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ (54)
2026	(413)
2027	883
2028	<u>(89)</u>
	<u>\$ 327</u>

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Actuarial Assumptions

The collective total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2023, using the following actuarial assumptions, which apply to 2022 measurements:

Actuarial cost method	Entry- Age Normal
Amortization method	Level Percentage-of - Payroll, Closed
Remaining amortization period	Not applicable, under statutory funding
Investment Rate of Return	6.75% net of investment expenses, including inflation
Salary Rate Increase	5.40% averages, including inflation, 2023 and 2022 valuations, respectively
Price Inflation	2.00% per year
Wage Inflation	2.75% per year
Healthcare cost trend rates	Not applicable, given the benefits are fixed stipends
Aging factors	Not applicable, given the benefits are fixed stipends

Mortality rates used in the June 30, 2021 valuation were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2015 – June 30, 2019.

Long-Term Rates of Return

The long-term expected rate of return on OPEB plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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Following is a table presenting target allocations and the geometric real rates of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation 2022</u>	<u>Target Allocation 2023</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>	
			<u>2022</u>	<u>2023</u>
Broad US Equity (1)	30.00 %	30.00 %	7.60 %	5.40 %
Global Ex-US Equity (2)	<u>20.00</u>	<u>20.00</u>	7.90	5.65
Total Public Equity	<u>50.00</u>	<u>50.00</u>		
Core US Fixed Income	<u>25.00</u>	<u>25.00</u>	3.60	2.15
Real Estate Equity	10.00	10.00	6.60	4.00
Private Equity	<u>10.00</u>	<u>10.00</u>	8.85	6.65
Total Private Market Equity	<u>20.00</u>	<u>20.00</u>		
Private Debt	<u>5.00</u>	<u>5.00</u>	7.25	5.05
Inflation	<u>-</u>	<u>-</u>	2.25	2.50
	<u>100.00 %</u>	<u>100.00 %</u>		

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75% for the 2023 and 2022 valuations. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the current statute by RSA 100-A:16. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

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Sensitivity Analysis

The following presents PDA's proportionate share of the net OPEB liability calculated using the discount rate of 6.75%, as well as what PDA's proportionate share of the pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
PDA's Proportionate Share of the Net Pension Liability	<u>\$ 295,106</u>	<u>\$ 271,712</u>	<u>\$ 251,302</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at <https://www.nhrs.org>.

The OPEB plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

20. Other Postemployment Benefits - The State of New Hampshire

Plan Description

RSA 21-I:30 specifies that the State provide certain health care benefits for retired employees and their spouses through a single-employer (primary government and component units) defined benefit plan. These benefits include group hospitalization, hospital medical care, surgical care, and other medical care. Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than in a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of state service in order to qualify for retiree health benefits. During fiscal year 2011, legislation was passed that requires Group II employees to have 20 years of State service to qualify for retiree health benefits. Additionally, during fiscal year 2012, legislation was passed requiring Group I employees hired after July 1, 2011 to have 25 years of State service and increasing Group I and II employees hired after July 1, 2011.

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These and similar benefits for active employees and retirees are authorized by RSA 21-I:30 and provided through the Employee and Retiree Benefit Risk Management Fund, which is the State's self-insurance internal service fund. The state OPEB Plan funds the cost of medical and prescription drug claims by charging actuarially developed working rates to State agencies for participating employees, retirees, and eligible spouses. An additional major source of funding for retiree benefits is from the NHRS medical subsidy payment described in Note 19. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The State administers the plan. It does not issue a separate stand-alone financial report.

Contributions Required and Made

The State Legislature has indicated it currently plans to only fund the plan to cover benefit payments (on a pay-as-you-go basis). PDA's contributions to the State for the OPEB Plans for the years ended June 30, 2024 and 2023 were \$132,384 and \$124,209, respectively, which were equal to PDA's share of benefit payments.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, PDA reported a liability of \$3,822,596 for its proportionate share of the State OPEB Plan liability. The OPEB liability is based on an actuarial valuation performed as of December 31, 2022 (adjusted forward using standard actuarial techniques), and a measurement date of June 30, 2023. The OPEB liability was rolled forward from December 31, 2022 to June 30, 2023. PDA's proportion of the OPEB liability was based on a projection of the PDA's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2023, PDA's proportion of the State OPEB Plan's liability was 0.3692%.

At June 30, 2023, PDA reported a liability of \$5,563,932 for its proportionate share of the State OPEB Plan liability. The OPEB liability is based on an actuarial valuation performed as of December 31, 2021 (adjusted forward using standard actuarial techniques), and a measurement date of June 30, 2022. The OPEB liability was rolled forward from December 31, 2021 to June 30, 2022. PDA's proportion of the OPEB liability was based on a projection of the PDA's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2022, PDA's proportion of the State OPEB Plan's liability was 0.3449%.

For the years ended June 30, 2024 and 2023, PDA recognized OPEB credits of \$281,634 and, \$239,336 respectively.

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At June 30, 2024, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 637,037	\$ 2,912,962
Differences between expected and actual experience	-	250,896
Changes in proportion and differences between employer contributions and share of contributions	561,813	4,914
Contributions subsequent to the measurement date	<u>132,384</u>	<u>-</u>
	<u>\$ 1,331,234</u>	<u>\$ 3,168,772</u>

At June 30, 2023, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 1,016,386	\$ 1,686,212
Differences between expected and actual experience	-	135,680
Changes in Proportion and differences between employer contributions and share of contributions	436,980	265,902
Contributions subsequent to the measurement date	<u>124,209</u>	<u>-</u>
	<u>\$ 1,577,575</u>	<u>\$ 2,087,794</u>

Amounts reported as deferred outflows related to OPEB resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ (178,801)
2026	(619,881)
2027	(776,825)
2028	<u>(394,415)</u>
	<u>\$ (1,969,922)</u>

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Actuarial Assumptions

The collective total OPEB liability was determined by a roll forward of the actuarial valuation as of December 31, 2022, using the following actuarial assumptions, which apply to 2023 measurements:

Actuarial cost method	Entry- Age Normal
Amortization method	Level Percentage-of - Payroll, Closed
Remaining amortization period	30 years
Investment Rate of Return	Not applicable as there are no invested assets
Salary Rate Increase - Group I	14.75% decreasing over 12 years to an ultimate level of 3.25%
Salary Rate Increase - Group II	27.75% decreasing over 8 years to an ultimate level of 4.25%
Discount rate	3.65% for the June 30, 2023 valuation, 3.54% for the June 30, 2022 valuation
Price Inflation	3.25% per year
Wage Inflation	2.75% per year

• **Medical**

- Non-Medicare: 7.50% decreasing by 0.25% each year to an ultimate level of 4.50% per year. For 2022, 0% for one year, then 17.1% for one year, then 5.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
- Medicare: N/A through the contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate of 4.50%. For 2022, n/a through the contract period, then 4.5% per year.

• **Prescription Drugs**

- Non-Medicare: 10.5% decreasing by 0.50% each year to an ultimate level of 4.50% per year. For 2022 valuation, 15.0% for one year, 25.70% for one year, then 7.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year.
- Medicare: N/A through the contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate of 4.50%. For 2022 valuation, 9.5% for one year, (2.6%) for one year, then 8.5% decreasing by 0.5% each year to an ultimate level of 4.5% per year.

• **Contributions**

- Retiree contributions are expected to increase with a blended medical, prescription drugs and administrative expense trend.

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Mortality rates were based on the following:

- Pre-retirement - PubG-2010 Headcount - Weighted Employee General Mortality Tables for Group I and PubS-2010 Headcount - Weighted Employee Safety Mortality Tables for Group II projected generationally for males and females with scale MP-2019; the same mortality tables were used for the 2023 valuation.
- Postretirement:
 - Healthy: PubG-2010 Headcount-Weighted Healthy Retiree General Mortality Tables for Group I and PubS-2010 Headcount-Weighted Healthy Retiree Safety Mortality Tables for Group II projected generationally for males and females with Scale MP-2019; the same mortality tables were used for the 2023 valuation.
 - Disabled: PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Tables for Group I and PubS-2010 Headcount-Weighted Safety Disabled Retiree Mortality Tables for Group II projected generationally for males and females with Scale MP-2019; the same mortality tables were used for the 2023 valuation.
- The following scale factors for each member classification are applied to all mortality tables:

	<u>Group I</u>	<u>Group II</u>
Scale - Male	101%	96%
Scale - Female	109%	99%

Discount Rate

Because the State OPEB Plan is not funded, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index (3.65% as of June 30, 2023 and 3.54% as of June 30, 2022). This determination is in accordance with GASB Statement No. 75.

Changes in Assumptions

The discount rate was increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023. The trend assumptions were revised to reflect known changes in claims experience. For the 2022 assumptions, the discount rate was increased from 2.16% to 3.54% as of June 30, 2022. The trend assumptions were revised to reflect known changes in claims experience and future expectations. Per capita health costs and administrative expenses were recalculated based on more recent data.

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Sensitivity Analysis

The following presents PDA's proportionate share of the net OPEB liability at June 30, 2024 calculated using the discount rate of 3.65%, as well as what PDA's proportionate share of the OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
PDA's Proportionate Share of the Net OPEB Liability	<u>\$ 4,404,346</u>	<u>\$ 3,822,596</u>	<u>\$ 3,351,791</u>

The following presents PDA's proportionate share of the net OPEB liability calculated using the current trend rates, as well as what PDA's proportionate share of the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Trend Rates	1% Increase
PDA's Proportionate Share of the Net OPEB Liability	<u>\$ 3,249,281</u>	<u>\$ 3,822,596</u>	<u>\$ 4,554,646</u>

21. Commitments and Contingencies

Subsurface Investigation

During site subsurface investigations conducted at the Market Street Terminal (performed, in part, to support storm water system improvements), the PDA-DPH's environmental consultant found several areas of subsurface soils contaminated with significant levels of the heavy metal mercury. Initial investigations reveal that this contamination is most likely associated with a commercial wood preservation process that was located on a portion of the site and probably operated on the site sometime after 1875 and terminated operations before the State acquired title to the property in the 1960's and prior to July 1, 2001 when PDA-DPH operations were transferred from the State to the PDA. The completed study has been submitted to the New Hampshire Department of Environmental Services and management is awaiting its review and comment. As of June 30, 2024, no liability has been recorded for future pollution remediation obligations, as the amount of any such liability is not reasonably determinable.

Grant Administration

PDA receives federal grants, which are subject to review and audit by the grantor agencies. Although these audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements would not have a material effect on the financial statements.

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Construction Contracts

PDA had commitments under construction contracts associated with federal grants totaling approximately \$8,866,000 and \$17,332,000 at June 30, 2024 and 2023, respectively. The more significant commitments under construction contracts at June 30, 2024 included \$2.6 million for the DPH Functional Replacement of the Barge Dock, \$2.0 million for improvements to Rye Harbor and Portsmouth Fish Pier, \$1.6 million for the DAW Terminal Apron Reconstruction and \$1.4 million for the PSM Arrivals Hall project.

Litigation

From time to time, PDA is involved in pending or threatened lawsuits encountered in the normal course of business. Management of PDA believes that the ultimate outcome of these matters, to the extent not covered by insurance, will not have a material impact on PDA's financial position or operations.

Joint Stipulation of Dismissal - Conservation Law Foundation

On November 10, 2016, in an action brought under the Citizen Suit provision of the Clean Water Act (CWA), the Conservation Law Foundation (CLF) filed a complaint in the United States District Court for the District of New Hampshire (the "court") against PDA, its Executive Director, and Board Members, alleging certain violations of the CWA's permitting requirements. The matter is captioned Conservation Law Foundation, Inc. v. Pease Development Authority, et al., Civil Action No. 1:16-cv-00493-SM. In particular, the complaint alleged PDA failed to obtain and comply with a Small Municipal Separate Storm Sewer System (Small MS4) permit and the associated permit requirements. CLF's Complaint sought injunctive relief and civil penalties.

On January 11, 2019, the Court issued a Joint Notice of Settlement. Elements of the Settlement, which became effective March 9, 2019, (the Effective Date), require that the PDA shall:

1. Design and implement various measures concerning the PDA small MS4 including:
 - Submit an application for and supplementary information related to a NPDES Permit, renewal, or modification, for coverage of discharges subject to the Small MS4 permitting program;
 - Design and implement:
 - ◆ A public education and outreach program;
 - ◆ An illicit discharge detection and elimination system;
 - ◆ A construction and post-construction runoff and control programs;
 - ◆ A pollution prevention and good housekeeping program; and
 - Provide annual reporting to the CLF

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2. Within five years of the Effective Date, remove a minimum of five acres of Impervious Surface, as defined. As of June 30, 2020, the five acres had been removed.
3. Pay to CLF \$800,000 as full and complete satisfaction of CLF's claim for attorneys' fees and costs incurred or to be incurred, including any future attorneys' fees and costs related to the implementation or monitoring of compliance with the Settlement. As of June 30, 2020, the full \$800,000 had been paid.

As of June 30, 2024, the application and supplementary information noted above has been submitted to the EPA for review. The noted programs have been designed and their implementation continues.

On October 6, 2020, the Conservation Law Foundation and the Pease Development Authority filed a Stipulation of Dismissal in the case of Conservation Law Foundation, Inc. v. Pease Development Authority, et al, case number 1:16-cv-00493-SM, in the United States District Court for the District of New Hampshire. This filing concluded the ongoing litigation between the parties concerning the permitting and handling of stormwater at the Pease Tradeport, which had been stayed during the implementation of the parties' settlement agreement reached in early 2019. The District Court entered the dismissal as a judgment on October 19, 2020.

22. COVID-19 Considerations

In November 2021, PDA was awarded a grant from the State of New Hampshire's Governor's Office for Emergency Relief and Recovery (GOFERR) under the American Rescue Plan Act's (ARPA) State and Local Fiscal Recovery Funds (SLFRF) in the amount of \$1,450,064. In June 2024 and 2023, an additional \$2,000,000 and \$2,820,310 was awarded to PDA under the SLFRF, respectively. The grants were to be spent on various projects at the Division of Ports and Harbors as outlined in the grant agreements. At June 30, 2024 and 2023, PDA has expended \$884,548 and \$895,173, respectively. As of June 30, 2024, PDA has \$2,994,650 remaining to be expended through December 30, 2026. The grant revenues are recorded within Contributed Capital on the Statements of Revenue, Expenses, and Changes in Net Position.

In August 2023, PDA was awarded \$32,000 in Airport Rescue Grant funding through the FAA for Skyhaven airport. At June 30, 2024, PDA has expended and received the full award of the Airport Rescue Grant funding.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited)

Schedule of Collective Net Pension Liability

The following information is as of June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer Proportion of the Collective Net Pension Liability	0.1020%	0.0922%	0.0966%	0.0965%	0.0872%	0.1014%	0.1014%	0.1032%	0.1074%	0.0982%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 5,711,070	\$ 5,286,773	\$ 4,279,644	\$ 6,170,435	\$ 4,197,804	\$ 4,384,392	\$ 4,986,400	\$ 5,489,977	\$ 4,255,991	\$ 3,687,154
Employer's Covered - Employee Payroll	\$ 4,748,871	\$ 4,323,000	\$ 4,515,000	\$ 4,261,000	\$ 3,735,000	\$ 3,765,000	\$ 3,803,000	\$ 3,848,000	\$ 3,430,000	\$ 3,029,000
Employer's Proportionate Share of the Collective Net Pension Liability as a % of the Employer's Covered	120.26%	122.29%	94.79%	144.81%	112.39%	116.45%	131.12%	142.67%	124.08%	121.73%
Plan Fiduciary Net Position as a % of the Total Pension Liability	67.18%	65.12%	72.22%	58.72%	65.59%	64.73%	62.26%	58.30%	65.47%	66.32%

Information above is presented as of the measurement date for the respective reporting periods.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited) (Continued)

Schedule of Employer Contributions

The following information is for the years ended June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Required Employer Contribution	\$ 714,317	\$ 671,003	\$ 593,320	\$ 499,733	\$ 489,081	\$ 439,882	\$ 452,516	\$ 413,003	\$ 417,908	\$ 360,425
Actual Employer Contribution	\$ 714,317	\$ 671,003	\$ 593,320	\$ 499,733	\$ 489,081	\$ 439,882	\$ 452,516	\$ 413,003	\$ 417,908	\$ 360,425
Excess / (Deficiency) of Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	\$ 5,011,000	\$ 4,748,871	\$ 4,323,000	\$ 4,515,000	\$ 4,211,000	\$ 3,735,000	\$ 3,765,000	\$ 3,803,000	\$ 3,848,000	\$ 3,430,000
Employer Contribution as a % of the Employer's Covered-Employee Payroll	14.25%	14.13%	13.72%	11.07%	11.48%	11.78%	12.02%	10.86%	10.86%	10.51%

Information above is presented as of the measurement date for the respective reporting periods.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited) (Continued)

Notes to the Required Supplementary Information (Pension Plan)

- Notes:** The roll-forward of the total pension liability from June 30, 2022 to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.
- The roll-forward of the total pension liability from June 30, 2015 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments.
- The roll-forward of the total pension liability from June 30, 2014 to June 30, 2015 reflects expected service cost and interest reduced by actual benefit payments.
- Actuarial determined contribution rates for the 2014-2015 biennium were determined based on the June 30, 2011 actuarial valuation.
- Actuarial determined contribution rates for the 2016-2017 biennium were determined based on the June 30, 2013 actuarial valuation.
- Actuarial determined contribution rates for the 2018-2019 biennium were determined based on the June 30, 2015 actuarial valuation.
- Actuarial determined contribution rates for the 2019-2020 biennium were determined based on the June 30, 2017 actuarial valuation.
- Actuarial determined contribution rates for the 2020-2021 biennium were determined based on the June 30, 2019 actuarial valuation.
- Actuarial determined contribution rates for the 2022-2023 biennium were determined based on the June 30, 2021 actuarial valuation.
- Actuarial determined contribution rates for the 2024-2025 biennium were determined based on the June 30, 2023 actuarial valuation.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Required Supplementary Information (Unaudited) (Continued)

Schedule of Collective Net Other Postemployment Benefits (OPEB) Liability (NHRS OPEB PLAN)

	2024	2023	2022	2021	2020	2019	2018	2017
Employer Proportion of the Collective Net OPEB Liability	0.0795%	0.0719%	0.1106%	0.0891%	0.0803%	0.0840%	0.0946%	0.0961%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$ 271,712	\$ 271,671	\$ 356,789	\$ 380,020	\$ 352,220	\$ 384,676	\$ 432,717	\$ 465,117
Employer's Covered Employee Payroll	\$ 2,526,999	\$ 2,212,535	\$ 2,648,784	\$ 2,579,327	\$ 2,269,615	\$ 2,311,755	\$ 2,523,561	\$ 2,499,949
Employer's Proportionate Share of the Collective Net OPEB Liability as a % of the Employer's Covered - Employee Payroll	10.75%	12.28%	13.47%	15.12%	15.52%	16.64%	17.15%	18.61%
Plan Fiduciary Net Position as a % of the Total OPEB Liability	12.00%	10.64%	11.06%	7.74%	7.75%	7.53%	7.91%	5.21%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited) (Continued)

Schedule of Employer Contributions (NHRS OPEB Plan)

The following information is as of June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Employer Contribution	\$ 36,168	\$ 43,489	\$ 39,283	\$ 51,285	\$ 50,499	\$ 45,758	\$ 45,795	\$ 56,092
Actual Employer Contributions	\$ 36,168	\$ 43,489	\$ 39,283	\$ 51,285	\$ 50,499	\$ 45,758	\$ 45,795	\$ 56,092
Excess/(Deficiency) of Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's Covered Employee Payroll	\$ 2,369,767	\$ 2,526,999	\$ 2,212,535	\$ 2,648,784	\$ 2,579,327	\$ 2,269,615	\$ 2,311,755	\$ 2,523,561
Employer Contribution as a % of the Employer's Covered-Employee Payroll	1.53%	1.72%	1.77%	1.94%	1.96%	2.02%	1.98%	2.22%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of PDA's fiscal year for the respective reporting periods.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Required Supplementary Information (Unaudited) (Continued)

Notes to the Required Supplementary Information (NHRS OPEB Plan)

Notes: The roll-forward of the total OPEB liability from June 30, 2022, to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Required Supplementary Information (Unaudited) (Continued)

Schedule of Collective Net OPEB Liability (STATE OPEB PLAN)

The following information is as of June 30:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer Proportion of the Collective Net OPEB Liability	0.3692%	0.3449%	0.3433%	0.3438%	0.2940%	0.3616%	0.3501%	0.3345%
Employer's Proportionate Share of the Collective Net OPEB Liability	\$ 3,822,596	\$ 5,563,932	\$ 7,021,875	\$ 7,651,974	\$ 5,277,888	\$ 6,907,205	\$ 7,806,000	\$ 9,618,388
Employer's Covered-Employee Payroll	\$ 4,748,871	\$ 4,323,000	\$ 4,515,000	\$ 4,261,000	\$ 3,735,000	\$ 3,765,000	\$ 3,803,000	\$ 3,848,000
Employer's Proportionate Share of the Collective Net OPEB Liability as a % of the Employer's Covered-Employee Payroll	80.49 %	128.71 %	155.52 %	179.58 %	141.31 %	183.46 %	205.26 %	249.96 %
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Required Supplementary Information (Unaudited) (Concluded)

Notes to the Required Supplementary Information (State OPEB Plan)

There are no assets accumulated in a trust that meets the criteria in GASB 75 paragraph 4 to pay related benefits.

Changes of assumptions: Changes in assumptions reflect trend assumption revisions to reflect current experience and future expectations. The discount rate increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023. The discount rate increased from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

Notes: The roll-forward of the total OPEB liability from December 31, 2022 to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise PDA's basic financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PDA's internal control. Accordingly, we do not express an opinion on the effectiveness of PDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of PDA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manchester, New Hampshire
REPORT DATE

DRAFT

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Section II
Reports Required by *Government Auditing*
Standards and Uniform Guidance

Year ended June 30, 2024



PEASE
INTERNATIONAL
PEASE DEVELOPMENT AUTHORITY
PORTSMOUTH, NH

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Reports Required by *Government Auditing Standards*
and Uniform Guidance

Year Ended June 30, 2024

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PDA's internal control. Accordingly, we do not express an opinion on the effectiveness of PDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of PDA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manchester, New Hampshire
REPORT DATE

DRAFT



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pease Development Authority's (PDA) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of PDA's major federal programs for the year ended June 30, 2024. PDA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, PDA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PDA and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the PDA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to PDA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the PDA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the PDA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the PDA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the PDA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the PDA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of PDA as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements. We have issued our report thereon dated REPORT DATE, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Manchester, New Hampshire
REPORT DATE

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>U.S Department of Transportation</u>			
Direct:			
Airport Improvement Program			
3-33-0016-069-2021	20.106		\$ 525,990
3-33-0016-074-2022	20.106		616,898
X-A004(979)	20.106		53,397
3-33-0016-075-2023	20.106		218,361
3-33-0016-076-2023	20.106		3,790,059
SBG-15-12-2023	20.106		32,000
SBG-15-XX-2023	20.106		7,953
SBG-15-XX-2024	20.106		12,610
3-33-0016-XXX-2024	20.106		13,959
SBG-15-13-2023	20.106		22,804
SBG-15-15-2023	20.106		<u>11,558</u>
Total AL 20.106			5,305,589
National Infrastructure Investments			
693JF71910009	20.933		<u>3,552,065</u>
Total U.S Department of Transportation			<u>8,857,654</u>
<u>Department of Treasury</u>			
Passed Through State of New Hampshire:			
Coronavirus – State and Local Fiscal Recovery Funds	21.027	N/A	<u>884,548</u>
Total Expenditures of Federal Awards			<u>\$ 9,742,202</u>

The accompanying notes are an integral part of this schedule.

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Pease Development Authority (PDA) during the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of PDA, it is not intended to, and does not, present the net position, changes in net position or cash flows of PDA.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

PDA has not elected to use the 10% de minimis indirect cost rate.

DRAFT

**PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified
 Internal control over financial reporting:
 Material weakness(es) identified? ___ Yes X No
 Significant deficiency(ies) identified that are not
 considered to be material weaknesses? ___ Yes X None Reported
 Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? ___ Yes X No
 Significant deficiency(ies) identified that are not
 considered to be material weaknesses? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ___ Yes X No

Identification of Major Programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	U.S. Department of Transportation: Airport Improvement Program
21.027	U.S. Department of Treasury Coronavirus - State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes ___ No

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Schedule of Findings and Questioned Costs (Concluded)

Year Ended June 30, 2024

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards

None noted.

Section III. Findings for Each Major Federal Program

None noted.

DRAFT

MEMORANDUM

TO: Pease Development Authority Board of Directors

FROM: Paul E. Brean, Executive Director *PEB*

DATE: October 7, 2024

SUBJECT: Licenses / ROEs / Easements / Rights of Way


In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of License Agreements," PDA entered into the following Right-of-Entry:

1. Name: Lonza Biologics, Inc.
License: Right of Entry
Location: 55 International Drive, Portsmouth International Airport at Pease
Purpose: Company outing
Term: Thursday, September 12, 2024, at 8:00 a.m. to 5:00 p.m.

2. Name: IB ABEL, Inc.
License: Right of Entry
Location: 119 Arboretum Drive, Portsmouth International Airport at Pease
Purpose: Laydown Area
Term: October 1, 2024, through December 31, 2024

Director Fournier was consulted and granted his consent regarding these Rights of Entry.

MEMORANDUM

TO: Pease Development Authority Board of Directors
FROM: Paul E. Brean, Executive Director 
DATE: October 3, 2024
SUBJECT: Lease Report

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

1. Tenant: Trigger House, LLC
Space: 130 International Drive
Use: General warehouse and distribution (including fabrication) and ancillary office use thereto
Term: Ten (10) years with two (2) additional periods of five (5) years each.
2. Tenant: 1635 Realty, LLC (aka Rochester Electronics)
(assigned from GEB, Inc.)
Space: 20 Durham Street
Term: Exercise second of three (3) five-year options to October 31, 2030
3. Tenant: SubCom, LLC
Space: 200 International Drive
Use: Office and Light Industrial Uses
Term: Five (5) Years and Four (4) Months
4. Tenant: 30 International Drive, LLC
Space: 30 International Drive
Term: Exercise fourth of five renewal options to June 30, 2027
5. Tenant: KOALD Design, LLC
Space: 47 Durham Street
Term: Exercise first of two one-year options to 10/31/2026

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Fournier was consulted and granted his consent.

P:\BOARDMTG\2024\Lease Report (10-17-24).doc

MEMORANDUM

TO: Pease Development Authority Board of Directors

FROM: Paul E. Brean, Executive Director *Ray*

DATE: October 3, 2024

SUBJECT: Contract Reports

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

1. Project Name: Sunbelt Rentals
Board Authority: Director Ferrini
Cost: \$409.32
Summary: Rental of two vertical mast lighting carts to be utilized for night painting at Portsmouth International Airport at Pease

2. Project Name: Republic Services (f/k/a NRC East Environmental Services, Inc.)
Board Authority: Director Ferrini
Cost: Estimated at \$20,061.25
Summary: Catch Basin and Down Stream Defender Cleaning and Disposal of Solids at the Division of Ports and Harbors located at 555 Market Street

3. Project Name: Republic Services (f/k/a NRC East Environmental Services, Inc.)
Board Authority: Director Ferrini
Cost: Estimated at \$3,107.16
Summary: Routine Maintenance pump out and cleaning of 7 Lee Street Oil Water Separator

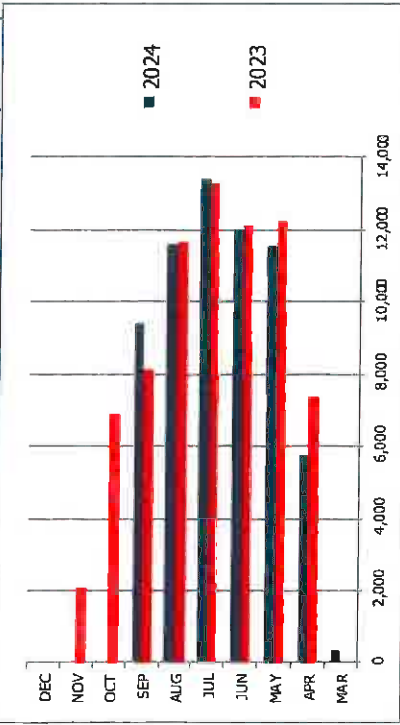
4. Project Name: Ransom Consulting
Board Authority: Director Ferrini
Cost: Estimated at \$3,425.00
Summary: Granulated Active Carbon Treatment Sampling (3 rounds) as part of the Eversource dewatering project, under the City of Portsmouth Sewer Discharge Permit

5. Project Name: Sunbelt Rentals
Board Authority: Director Ferrini
Cost: \$2,812.05
Summary: Rental of an excavator to be utilized for the expansion of Parking Lot C and removal of concrete blocks on Echo ramp at Portsmouth International Airport at Pease.
6. Project Name: OAG Aviation Worldwide, LLC
Board Authority: Director Ferrini
Cost: \$559.08
Summary: Current provider of flight status feeds at Portsmouth International Airport at Pease; one-month service to cover gap between end of contract and onboarding of new provider.

KEY GOLF COURSE BENCHMARKING DATA – SEPT 2024

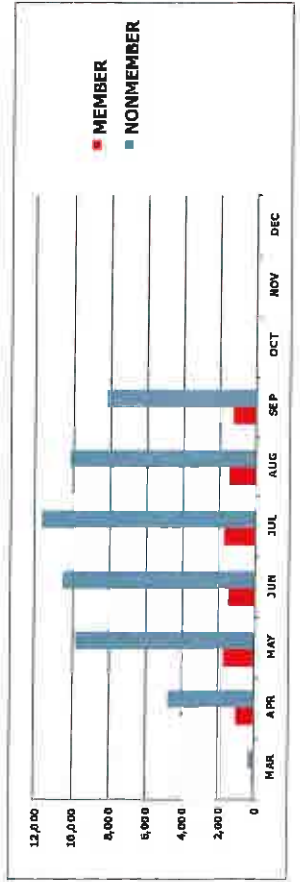


ROUNDS OF GOLF PLAYED (SEASON)



	2024 SEASON	2023 SEASON	2022 SEASON
ROUNDS PLAYED	64,099	73,897	71,985
RAIN DAYS	49	58	51

2023 MEMBER / NONMEMBER ROUNDS (SEASON)



2024 ROUNDS- SEASON

MEMBER	8,769
NONMEMBER	55,330
TOTAL	64,099

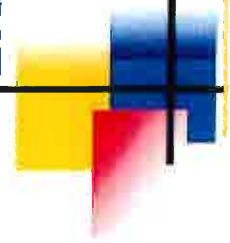
2023 ROUNDS- SEASON

MEMBER	15,805
NONMEMBER	58,092
TOTAL	73,897

GRILL 28 GROSS SALES	GOLF SIMULATOR REVENUES		CONCESSION FEES EARNED (17%)		CONCESSION FEES EARNED (17%)	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
JULY	\$120	\$1,799	282,315	327,065	47,994	55,601
AUGUST	\$165	\$1,107	299,823	348,564	50,970	59,256
SEPTEMBER	\$390	\$280	249,293	307,833	42,380	52,332
OCTOBER	\$0	\$3,403	0	243,213	0	41,346
NOVEMBER	\$0	\$15,547	0	142,063	0	24,151
DECEMBER	\$0	\$20,789	0	166,385	0	28,285
JANUARY	\$0	\$26,413	0	125,329	0	21,306
FEBRUARY	\$0	\$27,234	0	128,748	0	21,887
MARCH	\$0	\$23,756	0	148,462	0	25,239
APRIL	\$0	\$2,924	0	177,109	0	30,109
MAY	\$0	\$1,015	0	278,408	0	47,329
JUNE	\$0	\$240	0	315,276	0	53,597
TOTAL	\$675	\$124,507	\$831,431	\$2,708,455	\$141,343	\$460,437

CLUB/ COURSE FUNCTIONS	FY 2025 YTD	FY 2024 YTD
GROUPS 20-59	31,475	22,670
TOURNAMENT PLAY	157,656	126,871
LEAGUES	42,135	34,902
FOOD AND ROOM FEES	118,433	147,879

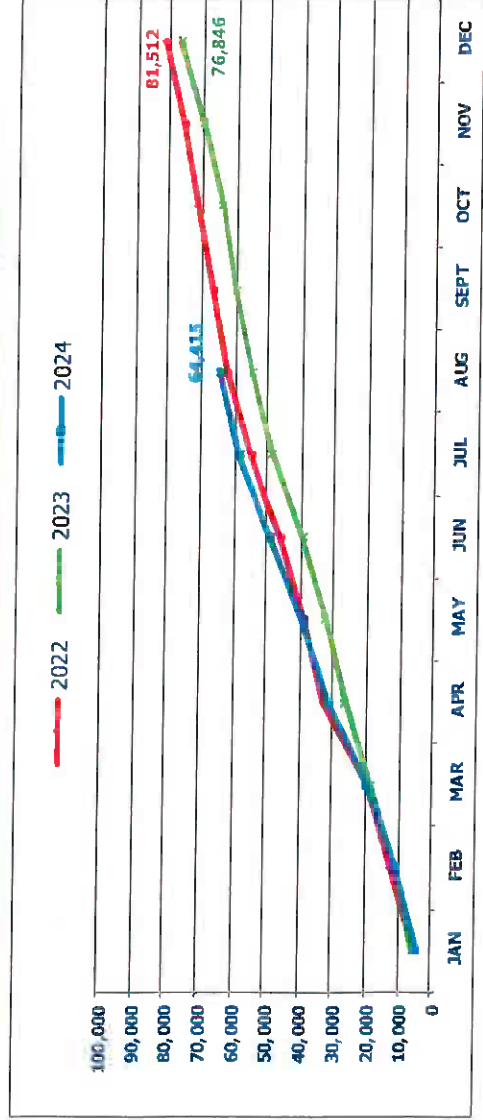
AIRPORT REPORT PERIOD ENDING SEPTEMBER 2024



AUGUST ENPLANEMENTS	2024
Scheduled Enplanements	3,736
Chartered Enplanements	2,161
Total Enplanements	5,897

2024 Enplanements YTD 64,415

REVENUE PARKING	\$20,790
518 Transactions @ \$40.13	
AUGUST FUEL FLOWAGE FEES	\$111,899
Total Gallons	1,864,990
CRAF and DOD	84%
Commercial	4%
General Aviation	12%



- **Fuel Pricing**
 - Port City Air Retail; \$5.90 Jet A
 - Port City Air Retail; \$6.45 100LL
 - Northeast Avg; \$6.81 Jet A, \$7.80 100LL
 - **Grant Projects**
 - Domestic Arrivals Hall Upgrades
 - Taxiway Alpha
 - **AAY Sarasota, FL Service**
 - **MX RSW and MCO Service**
 - **FAA Part 139 Inspection Fees:**
 - **Enterprise Concession Fees:**
- April, May, June - \$17,337.74





PEASE
AIRPORT
MANAGEMENT

36 Airline Ave., Portsmouth, NH 03801

603.433.6536

Memorandum

To: John Meehan, Airport Operations Manager 
From: Sandy McDonough, Airport Community Liaison 
Date: October 1, 2024
Re: Noise Report for September, 2024

Portsmouth International Airport at Pease ("PSM") received one noise inquiry in September 2024.

- September 29, 2024: A caller from Dover, NH called concerning a helicopter that was flying very low near Henry Law Avenue. The helicopter was a Hughes 369D turbo-shaft that was checking powerlines in Dover.




PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

To: Pease Development Authority Board of Directors
From:  Myles Greenway, Interim Director Ports and Harbors
Date: October 17, 2024

SUBJECT: PORTS AND HARBORS PDA BOARD NOTES, OCTOBER 17, 2024

Market Street Terminal:

- **The majority of tasks for the Main Wharf Rehabilitation Project (BUILD) have been completed, including:**
 - Updating and resubmitting the As-Built submittal and Record Drawing CAD files (submittal 235).
 - Revising and resubmitting the warranty plan (submittal 232).
 - Completing underwater debris removal (punch list item 20).

The only remaining task is the deck crack inspection results and repair plan per spec section 03 31 30, Paragraph 3.11.1.

- The Functional Replacement Barge Dock Project has had some movement. The estimates for the Dredge Analysis and Bid Services have been accepted by NH DOT and will be sent for FHWA for review and approval. Once those items are approved a Notice to Proceed will be provided by NHDOT. If approved, the target date for going out to bid date is end of March-early April 2025. This project is 100% Federally Funded.

○○○○ TAKING YOU THERE

ph: 603-436-8500 fax: 603-436-2780 www.peasedev.org

- October 2, 2024 – Last port call of the season for ACL with M/V AMERICAN GLORY.



Portsmouth Fish Pier:

- **Commercial Fish Pier Building:**
 - On Wednesday, September 25th, Tom Maciel and I attended the Governor and Council Meeting. The two previously tabled items were removed, and we are now submitting a new item (for G & C) that includes only the allocation and extension request for the Commercial Fish Pier Building.
 - On Wednesday, October 2nd, Appledore Marine, Oak Point and I attended a successful site walk for the Portsmouth Fish Pier project in conjunction with the City of Portsmouth's review of our NHDES Standard Dredge & Fill permit application. The Conservation Commission appreciated the opportunity to assess the site, which provided valuable insights into the project's impacts and the proposed structures.
 - Bid documents were made available to the public on October 3rd via the PDA website.

Rye Harbor: NSTR

Hampton Harbor:

- **Sink Hole:** Bulkhead patching is progressing; asphalt removal, stone packing, and monitoring will continue through winter.
- **107 Feasibility Study:** On October 2, 2024, I attended the Capital Project Overview Committee, where both requested actions were approved.
 - Approval to expend \$50,000 from the HDPM Fund to support the U.S. Army Corps of Engineers' Hampton Harbor 107 Dredging Feasibility Study. This funding helps close a \$34,000 gap in the State's portion of the study, which increased from an initial estimate of \$516,105 to approximately \$550,000.

General:

On September 19, the team participated in a U.S. Coast Guard Port Security Resiliency Assessment (PSRA) with representatives from Coast Guard Headquarters, West Virginia's Port Assessment Team and Sector Northern New England. The voluntary, non-regulatory assessment focuses on critical infrastructure from a terrorist/adversary perspective. The three-hour visit included discussions on daily operations, security protocols, and infrastructure support, followed by an inspection of specific areas of the pier.

On September 25, Adam Winkler attended the NH Dredge Management Task Force Meeting. Pilots have reported shoaling concerns within the Piscataqua River, particularly near Fort Point, which could impact vessel navigation.

To ensure compliance with federal regulations and environmental requirements, we started discussions with the US Coast Guard First District/ USCG Sector Northern New England WWM. The pilots suggest initiating efforts to address shoaling, with potential removal in 3-5 years. Funding could involve both states and the U.S. Navy, with the possibility of engaging representatives to prioritize the project with USACE.

On September 26, I attended the **Committee to Study Fish and Game Department Funding and Partnerships (SB 542)**.

Representative James Spillane had requested input on the following:

- **Number of moorings?** 1521 Active Permits.
- **Revenue opportunities:** Is there potential to take over existing moorings to generate revenue? Not without a statutory change and a significant economic impact on DPH. Commercial moorings may be transferred to a new owner in conjunction with the sale of a business associated with the mooring at the time of the transaction.
- **Federal funding:** Are there federal funds involved in projects where Fish and Game resources are consulted, such as harbor dredging or reconstruction? Fish and Game participate in the Dredge Management Task Force, focusing primarily on species

protection. However, they do not contribute financially. By law, the DPH serves as the local sponsor for dredging and is responsible for providing the required cost share, which we typically secure through appropriations in Concord.

Mooring details:

- **Price per foot:** \$12, plus a one-time initial application fee of \$50.
- **Waitlist:** The current active mooring waitlist is 366, 13 of those are listed as businesses.

The committee is considering a proposal to allocate 5-10 mooring permits through a lottery, like the "NH Moose Hunt Lottery". Little Bay/Piscataqua River is suggested as the best location for these moorings.

Fish and Game participation:

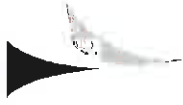
- Involved in the Dredge Management Task Force, focusing on species protection.
- Fish and Game has not been compensated for their participation or services rendered to date.
- Currently holds two non-revenue moorings (White Island & Oyster River).

On October 2, I attended the Offshore Wind Industry Workforce Training Center Committee meeting. This committee, established by legislation, examines the workforce needs of the Gulf of Maine offshore wind industry, and makes recommendations on workforce training, including collaboration with union and apprenticeship programs.

Committee members include representatives from state departments, organized labor, public utilities, education, and the offshore wind industry.

The meeting agenda covered introductions, a review of meeting protocols, an overview of offshore wind development, and discussions on the committee's roles and responsibilities.

October 15, 2024, I am attending the initial Port Resilience Assessment virtual meeting with USCG Sector Northern New England.




PEASE

INTERNATIONAL

555 Market Street, Suite 1 Portsmouth, NH 03801

PORTS AND HARBORS

To: Pease Development Authority ("PDA"), Board of Directors
From:  Myles Greenway, Interim Director of Ports and Harbors
Date: September 26, 2024
Subject: Appledore Marine Engineering, Inc. – Project Closeout Report - Rye Harbor Retail Platform Project

Following a vote at its meeting on September 12, 2024, the PDA Board of Directors ceased any additional work on the Rye Harbor Marine Facility Retail Platform Project. Attached is a final report from Appledore Marine Engineering, Inc., closing out the captioned project.



Appledore Marine Engineering, LLC

600 State Street, Suite E | Portsmouth New Hampshire 03801

September 23, 2024

Myles Greenway
Acting Director
Pease Development Authority – Division of Ports and
Harbors 555 Market Street
Portsmouth NH 03801

Email: M.Greenway@peasedev.org

Re: Summary of Engineering Services
Rye Harbor -Retail Platform Design

Dear Mr. Greenway:

Appledore Marine Engineering, LLC (AME) is pleased to present this summary of work completed prior to the stop work direction issued by the Pease Development Authority.

Services Completed to Date

At the time AME received the direction to stop work, the design had been progressed to the Pre-Final stage. The items below represent a summary of the work completed at the time of receipt of direction to stop work:

1. *Site Surveys and Investigations*

The following site surveys and investigations were completed to define existing conditions to support the development of contract documents for construction:

1. A topographic survey and production of CAD drawings of the project area, including the location of wetland flags by a Wetland Scientist, the location of the Highest Observable Tide Line outside and along the limit of the survey area, and the location of apparent property boundary monuments.

2. Geotechnical subsurface investigations consisting of (5) borings. Samples were taken from the borings and evaluated for geotechnical properties. Geotechnical recommendations were provided for the project, including foundation type and requirements, subgrade preparation, and reuse of on-site materials; and
3. Identification and field delineation of jurisdictional wetlands and the highest observable tide line within 100 feet of the project area.

2. Design Services and Preparation of Contract Documents

Drawings, Specifications, and Cost Estimates including civil, structural, mechanical, and electrical engineering, as well as architectural were progressed to the Pre-Final stage.

Associated design elements included the following:

1. Removals drawings depicting selective demolition of components that will be removed;
2. Structural plans, elevations, and details following program requirements;
3. Design of foundation and structure;
4. Design of plumbing systems & electrical systems;
5. Design of site facilities, pavements, grading, and erosion control;
6. Design of utility services according to utility company standards and requirements;
7. Preparation of an opinion of probable construction costs;
8. Preparation of Contract Specifications including Division 00 and 01.

3. Permitting Services

Preparation of the required NHDES Wetland and Shoreline permit documents was completed to the prefinal stage and included consultation with regulators and preparation of an application package for the Owner's signature.

4. Meetings

The design team held, attended, or presented at several meetings to support the development of the design, including the meetings below:

1. Pre-design (kick-off) meeting with Owner representatives to discuss project requirements;

2. PDA Port Committee Meetings for the purpose of sharing initial scope and project details.
3. PDA Board Meetings for the purpose of sharing the project details with the PDA as a whole and gaining public input.
4. Individual design review/development meetings with PDA representatives.

Please do not hesitate to contact me with any questions about this proposal.

Regards,



Noah J Elwood, PE, BC. PE, BC. OE
President



Travis Baker, PE
Sr. Engineer



*Division of Ports and Harbors Advisory Council
555 Market St.
Portsmouth, NH 03801
Tel 603-436-8500
Fax 603-436-2780*

PORT ADVISORY COUNCIL MEETING MINUTES
WEDNESDAY, SEPTEMBER 4, 2024 4:00 PM

PRESENT: Brad Cook, Chair
Mike Donahue, Vice-Chair
Erik Anderson – until 4:40 PM
Chris Holt
Chris Snow
Jeff Gilbert – arrived at 4:15 PM
Myles Greenway, Assistant Director, PDA-DPH
Suzy Anzalone, Finance Director, PDA

1. CALL TO ORDER

The meeting was called to order at 4:05 PM.

2. APPROVE MINUTES

Donahue made a motion to approve the May 1, 2024 minutes, Anderson seconded. No discussion, a vote was taken, all members were in favor and the motion passed.

3. FINANCE REPORT

Part 1- The finance report for FY 24, period ending June 30, 2024, was included in the meeting packet. Finance Director Suzy Anzalone was present and explained the actual results for the year and how they compared to the budget. Discussion included dockage and wharfage revenue, fuel sale revenue vs fuel purchase numbers, wages and benefits, and buildings and facilities (which also includes wage transfers-in). Wage transfers occur because PDA funds cannot be used to support the Port Operations or co-mingled with Port funds due to FAA regulations so administrative expenses for PDA services are transferred to the Port once a year at year end, the amount to be transferred is figured on an average and are not budgeted because the budget is done at a consolidated level. A lengthy discussion ensued and among other things, included the process of putting the budget together for the PDA's review and approval, the budget variances, the approval of budgeting a loss, the actual financial results, possible fee structure and expense changes. Also noted that there are many items that fluctuate from year to year and will impact the revenues and expenses, like wharfage and dockage and storm damage. Discussion on the Port as a whole, as in some business units lose money, but it's made up for in other units, so should look at the Division as a whole. Discussion on the balance sheet, which shows \$1.4 million in cash and assets. Gilbert brought up the fact that one of the major roles of the Council is to act as a conduit of information between members of the public and various constituencies that they represent, the citizens of the State. That role as advocates and conduits puts the Council in a position to have a good understanding and a voice in changing services and changing costs for those services so that they can be helpful and supportive, when it makes

sense. In the end it was requested that the Port Advisory Council have more involvement in the budgeting process prior to it being published. The Council will be provided with the FY 2025 budget at their next meeting. Further discussion on funding for the Capital Improvement projects at the various facilities that are not going to be funded by the State.

Part 2- The Council was provided with a spreadsheet that compared actual finance numbers from FYE 2020-2024. Gilbert suggested it might be useful to have an overview analysis of why we made money on a cash-on-cash basis over the course of the previous year and why we lost money this past year. Further discussion on depreciation and capital improvements. Things are starting to catch up and needing repairs and replacement.

4. PISCATAQUA RIVER VESSEL TRANSIT REPORT

Holt reported on the May, June, July and August transit reports. The usual, bulk, liquid, asphalt, road salt.

5. DIRECTOR'S REPORT

Greenway gave a facilities update:

- **Market St.** MAS finished up punch list and construction wharf project, just waiting on final administrative documents. Salt ship Columbia for Morton came in. The cruise lines came in 3 times, there were no issues on the river or tying up. Feedback from the city mentioned the buses are a bit to large to bring into the city. The heavy lift condenser and related cargo is gone.
- **PFP-Bracing** and decking project is ongoing with a couple of change orders in the works
- **Rye Harbor-** Rec pier fuel pumps are near completion, waiting on State inspection
- **Hampton Harbor** – sump for the gasoline tank failed, walk through with contractor and looking at spring of 25 for repairs. Sinkholes are being repaired on the seawall.
- **Rye and Hampton** Storm damage repair are on track to be reimbursed by FEMA to include personnel hours

Myles reported on the following items from past meeting:

- From the May 23, 2024 PDA Board meeting
 1. Reports:
 1. Piscataqua Maritime Commission, 2024 Sail Portsmouth Event, CGC “Eagle”
 2. New Charter Rights of Entry-Rye & Hampton
 3. Commercial Mooring Transfers
 - a. Ricker to Hutchinson
 - b. Collins to Perkins
 - c. Moge to Crawshaw
 4. PFP Bait Cooler Users, Right of Entry, final option
 2. Approvals:
 1. Star Island/ Shoals Marine Lab Right of Entry-Correction for price per foot amount

- From the June 3, 2024 PDA Port Committee meeting
 1. Agenda
 2. Draft Minutes

- From the June 13, 2024 PDA Board meeting
 1. Reports:
 1. American Cruise Line Right of Entry, Market St. Terminal
 2. Commercial Mooring Transfers
 - a. Elwell to Falzarano
 - b. Murphy to Desrosiers
 - c. MacDonald to Ribblett
 3. Commercial Mooring for Hire
 - a. Esther's Marina
 2. Approvals:
 1. Portsmouth Fish Pier-Replacement Building-Appledore Marine Proposal
 2. Rye Harbor Marine Facility
 - a. Revetment Work-Capital Improvement Budget
 - b. Retail Platform-Appledore Marine Proposal
 3. Mooring Permit Appeal, Wickson, Rye

- From the July 15 & July 22 Port Committee Meetings (PFP Building, Rye Retail Platform)
 1. Agenda
 2. Draft Minutes

- From the August 8, 2024 PDA Board meeting
 1. Reports:
 1. Biennial Report FYE 2022, 2023
 2. DPH Facility Report
 3. 30 Fathom Charters, Right of Entry, Hampton
 2. Approvals:
 1. Star Island Right of Entry
 2. Shoals Marine Lab Right of Entry
 3. Accept & Expend ARPA Funds, Hampton/Seabrook Feasibility Study
 4. Second Nature Pit Invoices-FEMA reimbursement eligible

Following the end of Greenway's report, discussion ensued on the fish pier building- the construction estimate is at \$1.3 million. Myles attended the Aug 30 Governor and Council meeting, where the Division asked for an extension of the ARPA funding date. The item was tabled due to controversy with one of the projects. The PFP and Rye projects were bundled together so this impacts both projects. The plan is to go back to G & C at their next meeting on 9/25. There was discussion on possible outcomes should the extension not be approved, no one seems to know exactly what will happen if the date is not extended. Cook described a conversation he had with Councilor Stevens about this. Gilbert spoke about a scathing commentary in the Rye newsletter about the retail platform project. Snow has also had conversations with Councilor Stevens and described his interpretation of her intentions. The general consensus is that the Councilor is working hard so the funds are not lost, mainly for the

PFM Building project. The PAC Council has brought forth their, and the public, concerns about the platform project several times with the Port Committee and PDA, mainly regarding the impact it will have to the existing limited parking, boat storage etc. Discussion on why the projects were bundled into one request, it was per the direction of the PDA Board. Either way, there appears to be no support for the retail platform amongst the users of the facility, the residents of Rye, the Rye Selectboard, and other stakeholders. Cook stated that Rye Harbor has finally arrived at a successful parking program that is working, and there is a peaceful coexistence going on. Also the area they are planning to use for the platform is the prime location for winter boat storage for the larger commercial vessels. Donahue showed a graphic of the existing facility and pointed out the boat launch area in relation to the proposed platform location, and that the boat launch area is also in need of repair work and upgrades. After several more minutes of discussion, Donahue made a motion to “recommend to the Pease Development Authority that the PFM Replacement Building Project, with ARPA and any other funding available, be made a priority of the Division of Ports and Harbors and the Pease Development Authority” Snow seconded the motion, a vote was taken and all members present voted to unanimously pass the motion.

6. NEW BUSINESS-

No new business

7. COMMITTEE REPORTS

- Business Development/FTZ- Donahue reported that the Gulf of Maine offshore wind research area has been approved by BOEM and handed out a graphic showing the 15,000 acres available to plan for up to 12 test floating turbines for research purposes. They have 5 years to get everything up and running, and after that the lease could run for up to 25 years. Donahue reported that he heard from the former PAC chair that Senators Watters and Kwoka were at a meeting and reported that NH DOT is in the process of doing another cost comparison for the Wentworth Bascule Bridge replacement project, per request of the Coast Guard. What this will mean for the future of a fixed bridge or a lift bridge still remains to be seen, but it is a good indication that the advocacy that the people engaged in had an impact on the final decision. It appears that the prior cost comparison did not take planning for sea level rise into account. Discussion turned to the Hampton/Seabrook Bridge replacement and how it will impact road traffic.
- Dredging- Holt reported there is a dredge meeting at the end of this month. The rock in the turning basin may be discussed. Holt further reported that navigation wise, we should start the process for another dredging project down at Fort Point off New Castle light that has a shoal that reaches out to the range lines which is impacting the ship traffic routes. Holt also mentioned there is a spot that has trees blocking a view in the Kittery Point Ranges so they will be raising the range lights about 20' rather than pruning the trees in that particular section.
- Fisheries- Anderson not present, no report
- Government- McQuillen not present, no report

- Moorings- Snow present but had no report
- PDA- Cook reported on the 2025 PDA Board meeting schedule and plans to continue to attend these meetings and the Port Committee meetings.
- Recreational Piers- Ward not present, no report

8. OLD BUSINESS

9. PUBLIC COMMENT

Anzalone asked about where the funding comes from for dredging projects. Typically, dredging projects are funded by the State and the Army Corp, depending on where they are.

10. PRESS QUESTIONS

No Press present.

11. ADJOURNMENT

Holt made a motion to adjourn the meeting, Snow seconded and the meeting adjourned at 5:45 PM.

MOTION

Director Parker:

The Pease Development Authority Board of Directors hereby moves that item numbers _____ from the Division of Ports and Harbors consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.

1. On-Call Snow Plowing Service Agreement * **(Semprini)**
2. DiTucci dba Lawrence Tank – Right of Entry – Hampton Harbor * **(Conard)**
3. Coastal Conservation Organization of NH – Right of Entry – Market Street Terminal * **(Levesque)**

MOTION

Director Semprini:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to negotiate and execute a contract with Northeast Landcare LLC of Rochester, NH, for the purpose of plowing and salting at the Portsmouth Commercial Fish Pier and the Marine Facilities at Rye and Hampton Harbors for a period of three (3) years, including two (2) one-year options to renew exercisable at the sole discretion of the Executive Director; all in accordance with the memorandum of Myles Greenway, Interim Director of Ports and Harbors, dated October 8, 2024; attached hereto.

N:\RESOLVES\2024\DPH - Snow Plow Contract (10-17-24).docx



PEASE


INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

Date: October 8, 2024

To: Pease Development Authority ("PDA") Board of Directors

From:  Myles Greenway, Interim Director Ports and Harbors

Subject: Snow Plow and Salting Bid

The Division of Ports and Harbors (the "Division") advertised a public bid for **On Call Snow Plowing Services**, to include salt services, at the Division's facilities at the Portsmouth Commercial Fish Pier and the Marine Facilities at Rye and Hampton Harbor.

Along with posting on the PDA website, and the State of New Hampshire website, an "Advertisement for Bids" was placed in a newspaper of general state circulation. On September 19, 2024, mandatory pre-bid site visits were held at the three (3) facilities. Bids closed at 2:00 PM on October 4th. Below are the results of the bid process.

- Number of Registered Bidders: 4
- Attendees at mandatory pre-bid site visit: 4
- Number of qualified bids received: 2

Northeast Landcare, LLC of Rochester, NH, the lowest, responsive, qualifying bid was submitted by Mr. Brian Bentley. The Division reviewed the Bidder's qualifications and experience and found them to be well qualified. The following is the price quoted by the Bidder:

- \$175.00 /per hour

The Division has reviewed the bid prices and found them fair and consistent with previous snow plowing costs incurred by the Division. The contract term would begin this fall and last for three (3) years, with two (2), one-year options to extend at the discretion of the Executive Director.

Therefore, the Division of Ports and Harbors recommends that the PDA Board of Directors authorize the Executive Director to complete negotiations and enter a contract with Northeast Landcare, LLC for snow plowing services to be performed at the Portsmouth Commercial Fish Pier and the Marine Facilities at Rye and Hampton Harbors.

MOTION

Director Conard:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to finalize and execute a Right of Entry with DiTucci Petroleum Carriers Inc. dba Lawrence Tank of East Kingston, NH, for the purpose of filling its tankers with salt water at the Hampton Harbor Marine Facility; effective January 1, 2025 through December 31, 2026, with two (2) one-year options to extend subject to the approval of the Executive Director, all in accordance with the terms and conditions contained in the memorandum from Myles Greenway, Interim Director of Ports and Harbors, dated October 8, 2024; attached hereto.

N\Resolves\2024\DPH - DiTucci ROE at HH (10-17-24)



PEASE


INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

Date: October 8, 2024

To: Pease Development Authority ("PDA"), Board of Directors

From:  Mylea Greenway, Interim Director Ports and Harbors

Subject: DiTucci Petroleum Carriers, Inc. dba Lawrence Tank, Hampton Harbor Marine Facility, Right of Entry request

The Division of Ports and Harbors (the "Division") received a request from DiTucci Petroleum Carriers, Inc. dba Lawrence Tank ("DiTucci") to renew its Right of Entry to the Hampton Harbor Marine Facility ("Premises") for the purpose of filling its tankers with salt water. DiTucci is on record with the State of New Hampshire as a Bulk Water Carrier. The Division recommends that the PDA Board of Directors approve the request and grant a non-exclusive right for DiTucci to fill its tankers with salt water at the Premises in accordance with the following terms and conditions:

PREMISES: Hampton Harbor Marine Facility

PURPOSE: To access state property to fill tankers with salt water

TERM: Two (2) years commencing January 1, 2025, through December 31, 2026. DiTucci may exercise its right to extend for two (2) one (1) year options subject to the approval of the PDA Executive Director.

FEES: For the first year, \$2,400. The fee for each option year shall be the fee for the prior year plus the annual adjustment equal to the lesser of CPI for all Urban Consumers for the Boston-Cambridge-Newton area or 3% per year.

INSURANCE: Minimum insurance coverage as outlined in the attached Exhibit A.

EXHIBIT A

TO: ALL CONTRACTORS, SUBCONTRACTORS AND/OR AGENTS

RE: MINIMUM REQUIREMENTS OF CERTIFICATES OF INSURANCE FOR CONTRACTORS/SUBCONTRACTORS WORKING ON PROPERTY OF PEASE DEVELOPMENT AUTHORITY-DIVISION OF PORTS AND HARBORS

All contractors, subcontractors and/or any agents thereof are required to provide proof of insurance to the Pease Development Authority-Division of Ports and Harbors (PDA-DPH) before the commencement of any work on PDA-DPH property. The following are the minimum requirements for insurance coverage:

1. **Commercial General Liability:** Two (2) million dollars commercial general liability coverage per occurrence; and Two (2) million dollars per project aggregate.
2. **Automobile Liability:** One (1) million dollars automobile liability coverage.
3. **Workers Compensation:** Coverage equal to minimum statutory levels as required by New Hampshire State law.
4. **Longshore and Harbor Workers Compensation Act Insurance:** *To the extent applicable* and to limits as required by Federal and State law.
5. **Environmental/Pollution Liability:** As required by activities which give rise to the necessity for such coverage and in such amounts as determined by PDA-DPH from time to time.
6. **Additional Insureds:** Pease Development Authority Division of Ports and Harbors and the State of New Hampshire must be named as additional insureds under all liability coverages.
7. **Certificate Holder:** Pease Development Authority, Division of Ports of Harbors
555 Market St.
Portsmouth, NH 03801
8. **Professional Liability:** As required by activities which give rise to the necessity for such coverage and in a minimum amount of One (1) million dollars.
9. **Notice of Cancellation:** A 30 day notice of cancellation (with the exception of a 10 day notice for non-payment of premium) must be provided.
10. **Waiver of Subrogation:** With the exception of workers compensation coverage, a statement that a waiver of subrogation is included with respect to applicable coverage.
11. **Primary Insurance:** A provision that any liability coverage required to be carried shall be primary and noncontributing with respect to any insurance carried by the PDA.


For questions, please contact the Pease Development Authority Legal Department at (603) 433-6348.

MOTION

Director Levesque:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to finalize and execute a Right of Entry with the Coastal Conservation Association of NH ("CCANH"), to allow for the storage of two (2) containers, a utility trailer and pallet at the Market Street Marine Terminal facility associated with the CCANH Oyster Shell Recycling Program to benefit Great Bay, effective October 17, 2024, through October 31, 2027, including the waiver of any associated charge; all in accordance with the terms and conditions contained in the memorandum from Myles Greenway, Interim Director of Ports and Harbors, dated September 26, 2024; attached hereto.

N\Resolves\2024\DPH - Coastal Conservation of NH ROE at Market St Terminal (10-17-24)

TO: Pease Development Authority ("PDA"), Board of Directors
FROM: 
Myles Greenway, Interim Director of Ports and Harbors
DATE: September 26, 2024
RE: Coastal Conservation Association of New Hampshire, Right of Entry,
Market St. Marine Terminal

The Division of Ports and Harbors (the "Division") received a request from the Coastal Conservation Association of New Hampshire ("CCANH") to provide a portion of the Market St. Terminal to be used in support its Oyster Shell Recycling Program. The detailed request is attached for reference. CCANH is a NH registered, 501(c)(3) non-profit organization, part of a national organization based in Houston, Texas, and is fully insured through the National Coastal Conservation Organization.

The Division reviewed the request and recommends approval based on the following terms and conditions:

Premises: A defined area within the Market St. Marine Terminal, 555 Market St. Portsmouth, NH.

Purpose of ROE: Providing an area not to exceed 1000 sq. ft. of the premises for storage of two (2) containers to store oyster shells, a utility trailer, a pallet to hold tools, and allow weekly volunteer access to the facility for the purpose of delivering and removing shells from the premises.

Term: Three (3) years, beginning upon approval through October 31, 2027.

Insurance: As outlined in Exhibit A, attached.

Therefore, the Division recommends approval of a Right of Entry and, whereas CCANH is a registered, non-profit organization participating in a valuable marine conservation effort involving Great Bay, the Division recommends waiving any fees that would normally be assessed for use of the Premises.



Coastal Conservation Association Of New Hampshire

Post Office Box 4372 • Portsmouth, NH 03802
Phone: (603) 731-2669 • E-mail - info@ccanh.org
Web Address - ccanh.org

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Matthew Wheeler

September 26, 2024

Re: Proposal for oyster shell storage at NH Port Authority.

To NH Port Authority,

The Coastal Conservation Association of New Hampshire (CCANH) is requesting a right of entry to the Port of New Hampshire at the Market Street Terminal to support its Oyster Shell Program, which is explained in the attached page.

Beginning in 1996, CCANH is a registered, non-profit chapter which is part of a national organization based in Houston, Texas. CCANH uses the national Coastal Conservation Association 501(c)(3) registration, and is fully insured through the national organization as well.

The CCANH mission is to conserve and enhance NH coastal marine resources, along with protecting public access to these resources. CCANH membership is made up of recreational fishermen, commercial fishermen, kayakers, and others interested in marine conservation. The CCANH has engaged in many local projects since its formation, including dam removal, assisting in the purchase of lands providing public access to coastal waters, and restoration of oyster beds in Great Bay (with a public education component).

The CCANH Shell Recycling Program has been a real benefit to the water quality and environment in Great Bay. Each oyster which grows in Great Bay filters about 50 gallons of Great Bay water per day.

We appreciate the Port of New Hampshire's support in this critical program which is totally volunteer driven and supports the environment here in New Hampshire.

Additionally, being a registered 501(c)(3) organization, CCANH respectfully requests any Right of Entry fees to be waived to allow any funds to be dedicated to other important aspects of the program.

Sincerely,

Zakary Robinson, President CCA NH

DEDICATED TO CONSERVING NEW HAMPSHIRE'S MARINE RESOURCES

The Coastal Conservation Association of NH ("CCA NH") is an unincorporated state chapter of the Coastal Conservation Association ("CCA"), which has over 96,000 members in seventeen states. CCA is a nonprofit, public charity corporation that is qualified under IRC §501(c)(3).

Donations to CCA NH are tax deductible under IRC §170.

Program Description: CCANH Oyster Shell Recycling Program

The Oyster Shell Recycling Program was started in 2008 and has utilized Scamman's Home and Garden Center in Stratham, NH as a base of operations. The Scamman's owner is selling the property and has given CCANH plenty of notice to find another location. Since 2008, Scamman's has been a great partner with CCANH in this nationally recognized program. At this location we store oyster shells, which are collected weekly by CCANH volunteers (usually 2 at a time) from local restaurants that participate in the recycling program, in 20-30 yard roll off containers. The volunteers utilize a small trailer which carries 20-gallon container buckets and some small tools. The weekly pickups from the restaurants are usually done on Wednesday mornings, and brought to Scammon's the same morning to be dumped into a roll off container. Once a 20-30 yard roll-off container is full, it remains at the site for approximately six months while a second container is filled.

The next step is a coordinated effort with The Nature Conservancy, UNH, and NH Fish and Game where the shell is deployed to build new, or to enhance existing, oyster reefs in Great Bay. This project has been a critical piece of oyster restoration in Great Bay and is a major part of restoring a healthy bay.

Our requested right of entry request would begin as soon as possible, and include the following:

1. Storage of two 20-30 yard containers and a utility trailer on-site at the 555 Market Street location.
2. Weekly access, usually on Tuesday or Wednesday mornings, to the area in order to access the trailer there and, after collection, to transfer the collected oyster shells into the roll off container.
3. We would store some hand tools, a small ladder, and extra buckets on a small pallet near the container.

Contact information for the program is as follows:

Dave Beattie

Program Manager: CCANH Oyster Shell Recycling Program

Cell: (603) 686-9431

bflytide@comcast.net



EXHIBIT A

**MINIMUM INSURANCE REQUIREMENTS
RIGHT OF ENTRY HOLDERS, LAND USE,
ON THE PROPERTY OF THE STATE OF NH,
PEASE DEVELOPMENT AUTHORITY-DIVISION OF PORTS AND HARBORS (PDA-DPH)**

All Right of Entry holders for land use are required to provide a Certificate of Insurance ("COI") to the Pease Development Authority-Division of Ports and Harbors ("PDA-DPH") before the commencement of business on PDA-DPH property and to maintain such insurance while conducting such business. ROE holder shall ensure renewal certificates of insurance are on file with PDA-DPH prior to policy expiration dates. Failure to comply with the requirements set forth herein may cause a delay in opening for business on schedule or result in the immediate termination of this contract.

The following are the minimum requirements for insurance coverage:

1. **Commercial General Liability:** shall provide for a liability limit on account of each accident resulting in bodily injury, death, or property damage to a limit of not less than \$1,000,000.00 per occurrence.
2. **Automobile Liability:** \$1,000,000.00 automobile liability coverage.
3. **Workers Compensation:** Coverage equal to minimum statutory levels as required by New Hampshire State law.
4. **Additional Insureds:** State of New Hampshire, Pease Development Authority, and Division of Ports and Harbors, must be named as additional insureds under all liability coverages
5. **Certificate Holder:**
Pease Development Authority, Division of Ports of Harbors
555 Market St.
Portsmouth, NH 03801
6. **Notice of Cancellation:** A 30-day notice of cancellation (with the exception of a 10 day notice for non-payment of premium) must be provided.
7. **Waiver of Subrogation:** With the exception of workers compensation coverage, a statement that a waiver of subrogation is included with respect to applicable coverage
8. **Primary Insurance:** A provision that any liability coverage required to be carried shall be primary and noncontributing with respect to any insurance carried by the PDA.
9. **Renewed COI's to be forwarded to additional insured prior to previous COI expiration date.**

For questions, please contact the Pease Development Authority Legal Department at (603) 433-6348.



**NEW HAMPSHIRE AIR NATIONAL GUARD
HEADQUARTERS 157TH AIR REFUELING WING
PEASE AIR NATIONAL GUARD BASE NEW HAMPSHIRE**

23 September 2024

Col Nelson Perron, NHANG
Commander
157th Air Refueling Wing
302 Newmarket St.
Pease ANGB, NH 03803

Mr. Paul Brean
Executive Director
Pease Development Authority
55 International Dr.
Portsmouth, NH 03801

Dear Mr. Brean,

On behalf of the NH Air National Guard (NHANG), I am excited to share that the 157th Air Refueling Wing will be hosting the “Thunder Over New Hampshire” Air Show on September 06-07, 2025, featuring the Blue Angels Demonstration Team! With the support of the New Hampshire Military Assistance Foundation and other local community stakeholders, we will simultaneously display the most robust Science Technology Engineering and Mathematics (STEM) event we have ever held. There will be an Air Show practice day on September 05, 2025.

We sincerely appreciate the support and cooperation of the Pease Development Authority in years past. We could not have run this event as successfully and safely without the PDA’s support. We hope this event brings with it increased awareness of our great local commercial airport!

The impact of this our 2025 Air Show will be greater than ever, as we are expecting over 80,000 guests during the weekend. This event is critical to our recruiting efforts as evidenced by the multiple applicant leads we ascertained in 2021 and 2023. Additionally, we are always looking for ways to give back to the community that has continually supported the military and aviation disciplines.

I am again requesting the support of the Pease Development Authority to put on a successful Air Show in 2025. We rely upon you to allow us to use your land and share your air space, assist us in complying with FAA security requirements, grant us permission for pedestrian access, develop parking solutions, and stay in responsive communication with us throughout the planning and execution of the event. While the event is contained to the Air Force grounds, the NHANG recognizes the impact on the rest of the airfield and its tenants.

“Citizen soldiers building the nation’s most respected Air National Guard Unit-serving America, New Hampshire, and community..in partnership with family and employer.”


I look forward to your continued support and collaboration in years to come. Questions and concerns may be directed to the Thunder Over New Hampshire Air Show Director, Maj Michelle Mastrobattista, at 603-430-2468 or michelle.mastrobattista.1@us.af.mil.

PERRON.NELSON. Digitally signed by
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Date: 2024.09.24 12:42:46 -04'00'

NELSON E. PERRON, Colonel, NHANG
Commander

“Citizen soldiers building the nation’s most respected Air National Guard Unit-serving America,
New Hampshire, and community..in partnership with family and employer.”

MEMORANDUM

To: Pease Development Authority Board of Directors
From: Paul E. Brean, Executive Director 
Date: October 3, 2024
Re: Special Event

I am pleased to report on the following special event:

1. New England Seacoast Region Chapter 225 of the Experimental Aircraft Association ("EAA") entered upon a portion of Skyhaven Airport to host an Annual EAA225 Young Eagle Pancake Breakfast held on October 12, 2024.