

**Time:** 8:00 a.m.  
**Place:** 55 International Drive, Pease International Tradeport  
Portsmouth, New Hampshire

**AGENDA**

- I. Call to Order (Nickless)
- II. Acceptance of Minutes: April 24, 2014 and May 15, 2014\*
- III. Public Comment
- IV. Old Business
- V. Audit Committee Report\* (Loughlin)
- VI. Finance Report
  - A. Finance Reports
    1. Operating Results for Ten Month Period ending April 30, 2014\*
    2. Nine Month Cash Flow Projections to February 28, 2015\*
  - B. Approvals
    1. Operating and Maintenance Budget – FY 2015 – FY 2017\* (Lamson)
    2. Information Technology Servers – Replacement\* (Allard)
- VII. Licenses/Easements/Rights of Way/Options
  - A. Approvals
    1. Seacoast Aviation Security Screening Company – ROE\* (Preston)
    2. NH ANG – KC 46A Memorandum of Understanding\* (Torr)
    3. City of Portsmouth – Water Tank Concept Plan\* (Loughlin)
- VIII. Leases
  - A. Approvals
    1. C & J Bus Lines – 42 Durham St. Parking Lot\* (Allard)
    2. Skyhaven Airport - Restaurant\*\*\*(Torr)
    3. 68 NH Ave, LLC - Lot Line Adjustment, Building Sale and Expansion\*\*\* (Preston)
- IX. Contracts/Agreements
  - A. Approvals
    1. 55 International Drive - Building Improvements\* (Lamson)
    2. Honeywell Building Solutions- Security System Update\* (Loughlin)





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X. Executive Director's Reports/Approvals

A. Reports

1. Golf Course Operations
2. Airport Operations
  - a) Skyhaven Airport
  - b) PSM
  - c) Noise Line\*

B. Approvals

1. Bills for Legal Services\* (Preston)

XI. Division of Ports and Harbors

A. Reports

1. Port Advisory Council\*
2. Waiver of Wharfage and Dockage - Piscataqua Maritime Commission\*
3. NH DOT/ME DOT\* (*Presentation regarding Sarah Long Bridge Construction*)

B. Approvals

1. Schedule of Pilotage Fees and Unit Rates – Adoption\* (Loughin)
2. Bills for Legal Services\* (Allard)

XII. Special Events – Report\*

1. NH ANG – Pease Minuteman Fund 7k Road Race
2. St. Charles Children's Home – 5k Road Race

XIII. New Business

XIV. Upcoming Meetings

Port Committee Meeting  
Board Meeting

July 10, 2014  
August 21, 2014

@ 555 Market Street

**All Committee Meetings begin at 8 a.m. unless otherwise posted**

XV. Directors' Comments

XVI. Adjournment

XVII. Press Questions

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



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

**Thursday, April 24, 2014**

Presiding: Arthur H. Nickless, Jr., Chairman  
Present: Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman; and Franklin G. Torr  
Absent: Robert F. Preston  
Attending: David R. Mullen, PDA Executive Director; Lynn Marie Hinchee, PDA General Counsel; PDA staff members; and members of the public.

**I. Call to Order**

Chairman Nickless called the meeting to order at 11:07 a.m. in the Board conference room, 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

**II. Acceptance of Board Meeting Minutes: March 20, 2014**

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the March 20, 2014 Board meeting.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried.

**III. Public Comment**

Tom Carroll, Nobles Island, Portsmouth, NH, made comments regarding: scrap metal operations at the Market Street Terminal (“Terminal”); fugitive rust dust problems; truck operations at the Terminal; dust suppression operations; Save Our Working Port (“SOWP”) actions; proposed parking lot on the Terminal; redevelopment of Market Street and views to the river; maritime study for parking; and solutions to the environmental issues.

Director Lamson asked Director Bohenko if the City Council is interested in studying parking at the Market Street Terminal. Director Bohenko reported that the City Council has not taken a position on the parking. Director Bohenko provided the Board with information from SOWP regarding SOWP’s proposal for parking at the Terminal. Director Bohenko advised SOWP that the Grimmel Industries, LLC (“Grimmel”) contract is a policy decision for the Board. If the Grimmel contract is not extended, other options need to be explored within the statutory regulations for the operation of the Port. Director Bohenko requested that the Executive Director continue to explore all options for the use of the Port including temporary parking options.

Chairman Nickless expressed his concerns regarding the use of the Terminal for parking and the definition of “temporary”. The Board and PDA staff needs to explore the matter more thoroughly. Chairman Nickless suggested that a Board workshop may be helpful.

**IV. Old Business**

**A. Approvals**

**1. Optima Bank & Trust - Bank Account**

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to open a banking account with Optima Bank & Trust (Optima) and incorporates the banking resolutions set forth in Optima’s resolution form attached hereto.**





The following appointed official and employees are authorized to endorse all checks, drafts, depository agreements and/or other related bank documents in accordance with the powers so granted in the attached resolution form:

Robert Allard	Treasurer
David Mullen	Executive Director
Lynn Hinchee	General Counsel
Maria Stowell	Manager of Engineering

The authority hereby conferred upon the above named Agents shall be and remain in full force and effect until written notice of the revocation is presented. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## V. Finance Report

### 1. Operating Results for Eight Month Period Ending February 28, 2014

Irving Canner, Director of Finance reported on the status of PDA FY 2014 finances for the eight month period ending February 28, 2014. Operating revenues are in line with the budget. Mr. Canner reviewed the variances in the Buildings and Facilities Maintenance expenses (including the effect of winter snow removal operations) and the GSA account which resulted in operating costs exceeding the budget by approximately 8%. Mr. Canner reviewed various sources of revenues including fuel sales and Golf Course operations. Wages and benefits remain on budget. Summer seasonal employees are being hired for Golf Course and Division of Ports and Harbors' (DPH) operations. PDA cash balances have reduced by approximately \$3.1 million dollars since June 30, 2013 due to payment for capital projects, debt repayment, and increases in accounts payable. PDA has drawn from its short term line of credit as needed while awaiting FAA grant reimbursements. Mr. Canner reviewed some of the ongoing capital projects. A review of the business units' analyses showed that as of March 31, 2014, enplanements were 12,700. The Golf Course opened for the season in April and the simulator operations and the bar and grill revenues have increased by approximately 10% for the same period last year. DPH unrestricted funds includes approximately \$1.6 million in total revenues and operating expenses of \$1.7 million (excluding depreciation). The Revolving Loan Fund available loan funds balance is approximately \$43,000. The capital utilization rate is approximately 90%. With the next loan application, PDA may need to seek release of the sequestered funds held by EDA.

### 2. Nine Month Cash Flow Projections to December 31, 2014

Mr. Canner reviewed PDA cash flow projections for the nine month period ending December 31, 2014. PDA anticipates funding approximately \$9.6 million in capital improvements, including the Skyhaven Airport runway improvement project, the multi-use path project and the mitigation project at Portsmouth International Airport at Pease ("PSM"). Mr. Canner reviewed the effects of the timing of grant project reimbursements and the need to draw on the short term line of credit. Work has begun on the FY 2015 budgets. The Capital Improvement Plan for DPH through 2021 was filed with the State.

## VI. Leases

### A. Approvals

#### 1. 25, 29 Retail, LLC

Director Loughlin moved and Director Lamson seconded that The PDA Board of Directors hereby authorizes the Executive Director to accept the personal guarantees of Cyrus W. Gregg and Daniel L. Plummer to guaranty the obligations, financial or otherwise, under the 25, 29, Retail, LLC lease and to enter into non-disturbance and subordination agreements as may be requested by lending institutions and





purchasers of condominium units within the 25, 29, Retail, LLC complex, subject however to the review and approval of all related documentation by PDA's General Counsel and all otherwise in accordance with the Memorandum of Mark H. Gardner, Deputy General Counsel dated April 16, 2014 and attached hereto. Discussion: David Mullen, Executive Director, reported that the agreement will protect PDA's interest in the event of a default. The agreement also accommodates the interests of the condominium unit owners and lenders. In response to Director Allard, Mr. Mullen explained that this is the first of such condominium agreements that PDA has dealt with. Mr. Mullen anticipates more in the future. Disposition: Resolved by unanimous vote; motion carried.

## 2. Seaside Associates Temporary and Permanent Placement, LLC

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a two (2) year lease extension with Seaside Associates Temporary Permanent Placement, LLC for the continued use of the premises located at 16 Pease Boulevard; all otherwise in accordance with the April 15, 2014 memorandum from Irving Canner, Director of Finance attached hereto.** Discussion: Mr. Mullen reported that the initial lease was for three years. The lease will be extended on a short term basis as the building may be used as a Pease Air Base museum in the future. Disposition: Resolved by 5 votes for; 1 abstention (Allard); motion carried.

## VII. Contracts/Agreements

### A. Reports

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Mullen reported that PDA entered into the following contract:

#### 1. Norris, Inc. – Fire Alarm Panel

PDA contracted with Norris, Inc, for the replacement of the fire alarm panel at the Snow Removal shed at Skyhaven Airport. Director Loughlin approved the expenditure of \$1,709.00.

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Documents and Expenditures for Emergency Repairs", Mr. Mullen reported that PDA entered into the following contract:

#### 1. Jerry's Electric, Inc.

PDA contracted with Jerry's Electric, Inc. to replace a transformer that controls the navigational aids on the PSM airfield. Chairman Nickless approved the expenditure of \$11,325.00

### B. Approvals

#### 1. Skyhaven Airport – Runway Project

Director Allard moved and Director Torr seconded that **In connection with the Skyhaven Airport Runway Reconstruction project the Pease Development Authority Board of Directors authorizes the Executive Director to:**

1. Award a contract to Pike Industries, Inc. in the amount of \$2,853,785.35 for the base bid and alternates 1, 3 and 5;

2. Amend the existing on-call services contract with Jacob's Engineering by adding construction phase engineering services in the amount of \$262,553.00;



3. Appropriate \$15,083.00 for a flight check plus other sponsor administrative items;
4. Accept from FAA a grant in the amount of \$2,818,278.56 (90% of \$3,131,421.00);
5. Accept from NH DOT a grant of \$156,571.03 (5% of \$3,131,421.00);
6. Allow PDA to contribute \$156,571.95 (5% of \$3,131,421.00).

Furthermore, contingent upon additional FAA and NH DOT grant funds being made available to PDA, the PDA Board of Directors hereby authorizes the Executive Director to:

1. Execute a change order to the Pike Industries contract in the amount of \$358,957.00 for add alternates 2 and 4;
2. Authorize the expenditure of \$300,000.00 to relocate overhead utilities;
3. Accept from FAA a grant amount of \$593,061.30 (90% of \$658,957.00);
4. Accept from NH DOT a grant amount of \$32,947.85 (5% of \$658,957.00);
5. Allow PDA to contribute \$32,947.85 (5% of \$658,957.00);

all otherwise in accordance with the memorandum of Kim W. Hopper, A.A.E., Airport Manager dated April 23, 2014 and attached hereto. Discussion: Director Bohenko questioned the time frame of the FAA grant reimbursement for the project. Mr. Canner informed the Board that PDA expects a 45 day turnaround for payment. Mr. Mullen informed the Board that NH DOT increased its project contribution from 2.5% to 5%. In response to Director Lamson, Maria Stowell, PDA Engineer – Manager explained that all bids calculations were reviewed and Pike was the lowest qualified bidder. Disposition: Resolved by unanimous vote; motion carried.

## 2. East Coast Heating & A/C Inc. – 55 International Drive Chiller Replacement

Director Bohenko moved and Director Torr seconded that The Pease Development Authority Board of Directors authorizes the Executive Director to execute an agreement with East Coast Heating and Air Conditioning, Inc. in the amount of \$69,650.00 for the purpose of the purchase and installation of a chiller for the air conditioning unit which services 55 International Drive, Portsmouth, NH; all in accordance with the memorandum of Mark H. Gardner, Deputy General Counsel, dated April 15, 2014, and attached hereto.

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

1. East Coast Heating and Air Conditioning, Inc. is PDA's on call HVAC service provider and was selected as part of a competitive request for bid process; and
2. In light of the onset of warm weather and the eight week lead time to order the equipment, time is of the essence. Note: This motion requires 5 affirmative votes.

Discussion: Mr. Mullen reported that are ongoing issues with the HVAC system and the old system needs to be replaced. PDA staff is doing some of the labor. Disposition: Resolved by unanimous roll call vote; motion carried.





## VIII. Signs

### A. Approvals

#### 1. Teledyne DGO & FlexEnergy – 162 Corporate Drive

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby approves of the proposed sign for Teledyne DGO & FlexEnergy at 162 Corporate Drive; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated April 15, 2014 and attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## IX. Executive Director's Reports/Approvals

### A. Reports

#### 1. Golf Course Operations

Scott DeVito, PGA General Manager, reported on the activities at the Pease Golf Course. The revenue and usage during the past winter exceeded expectations. The driving range opened on April 11<sup>th</sup>. The Blue Course will open on April 25<sup>th</sup> for a total of 18 holes opened. Due to weather conditions, the Blue Course will use 2 – 3 temporary greens for a short period. Staff is working on getting the greens ready for a “banner year” of play. Director Bohenko reported that he has received compliments on the Golf Course staff. Mr. DeVito reported that a kick-off event for the lower 9 holes for season pass holders will be held on June 30, 2014. The course will be open to the public on July 1<sup>st</sup>. Chairman Nickless asked how the improvements weathered the winter. Mr. DeVito reported that the improvements and drainage worked very well. The first tournament on the new holes will be held on July 10<sup>th</sup>.

#### 2. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities.

##### a) Skyhaven Airport (“DAW”)

The runway project is expected to begin in June. Runways will be closed for about 10 days. The project is expected to be completed by the end of November. The Wings and Wheels event sponsored by the Rochester Police Department will be held on June 14<sup>th</sup>. Funds raised support Jerry's Food Pantry in Rochester, NH. In response to Chairman Nickless, Ms. Stowell reported that the Rochester Planning Board was pleased with the plans and that PDA needs to go before the Rochester City Council regarding the easements.

##### b) Portsmouth International Airport at Pease (“PSM”)

The ASR project to repair concrete will begin on May 1, 2014. The Pease Greeters will celebrate its 700<sup>th</sup> flight on April 26, 2014. Members of the New England Patriots, Miss New Hampshire, Miss Teen NH, and Miss Teen CT greeted an earlier flight. The Brain Injury Association will hold a “Peasefest” on August 9, 2014 that will include an airplane pull and a 5k road race. The Noise Exposure map was made available on April 23, 2014 for a 30 day public comment review period. A public presentation on the map will be held on May 8, 2014. Director Lamson asked that Board members attend the meeting. NH Helicopters is seeking to expand services to include fixed wing operations. Director Lamson asked what type of planes will be used. Bruce Cultrera, NH Helicopters, reported that a single engine and twin engine Cessna planes will be used.

##### c) Noise Line Report

Mr. Hopper reported that in March there were four telephone calls to the Noise Line. One call came from Greenland about a late night flight; two calls were received regarding the C-5 flights; one call was about a



C-17 flight that departed the runway from the north; and one call was about a helicopter flying in Newington that disturbed neighborhood dogs.

## **B. Approvals**

### **1. Clubhouse Patio Improvements**

Director Bohenko moved and Director Lamson seconded that **The PDA Board of Directors hereby approves of the plan to expand the outdoor patio at the Pease Golf Course Clubhouse and authorizes the Executive Director to allocate a budget of \$35,000.00 to:**

- 1.) **enter into a contract Pine Brook Corporation, Inc. in the amount of \$5,360.00 to perform the patio floor expansion work;**
- 2.) **purchase LED battery lighting and accessories for the bar in the approximate amount of \$4,000.00; and**
- 3.) **enter into a contract with the lowest qualified bidder for the purchase patio furnishings in an amount not to exceed \$25,000.00;**

**all in accordance with the memorandum of Scott DeVito, Pease Golf Course Manager, dated April 18, 2014 attached hereto. Discussion: Mr. Mullen informed the Board that the improvements will make the patio a destination for the public with food and bar service. Director Allard asked if a fan system will be installed to control insects. Mr. Mullen reported that mosquito repellent equipment and spraying will be used. Director Loughlin asked what is included in the expenditures. Mr. Mullen reported that the \$25,000 will cover all of the patio furnishings; and the \$10,000 is for the concrete and lighting. Mr. DeVito reported that the patio is open to all and that the restaurant will seat customers as needed and serviced by restaurant staff. Disposition: Resolved by unanimous vote; motion carried.**

### **2. Skyhaven Hangar Rates**

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to implement annual CPI adjustments effective at the start of each fiscal year to the T-Hangar rates at Skyhaven Airport in Rochester NH, subject to 1.) PDA staff completing an assessment of competing rates in the regional T-Hangar market, 2.) a determination that the market supports an increase and, 3.) the PDA Board approval of any proposed rate increases; all otherwise in accordance with the memorandum of Kim W. Hopper, A.A.E, Airport Manager dated April 16, 2014, and attached hereto. Discussion: Chairman Nickless reported that the motion allows PDA to institute a CPI adjustment on an annual basis. Mr. Mullen reported that an increase is not necessary this year. Director Allard asked about what airports were used as the basis for competing rates. Mr. Mullen reported that the current rates are competitive and there is a wait list for hangar space. Mr. Hopper reported that due to the conditions of one hangar, there is available space in the hangar, but there is no interest in using the space. Staff is reviewing what needs to be done to improve the hanger. Director Torr reported that SAAC was advised that the rates would not be increased this year. Director Torr requested that a line item be included in the SAAC report regarding the capital expenditures that PDA has made at Skyhaven. Disposition: Resolved by unanimous vote; motion carried.**

### **3. Bills for Legal Services**

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$2,910.00 for legal services rendered to the Pease Development Authority by:**





1.	<b>Anderson &amp; Kreiger LLP Through February 28, 2014</b>	<b>\$1,620.00</b>	
2.	<b>Sheehan Phinney Bass + Green Through February 28, 2014</b>	<b><u>\$1,290.00</u></b>	
			<b>Total <u>\$2,910.00</u></b>

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

**X. Division of Ports and Harbors**

**A. Division Director's Reports**

**1. Port Advisory Council**

Geno Marconi, Division Director, reported that the Port Advisory Council on April 16, 2014. The Council reviewed ongoing projects at Division facilities. The Council is working on revising and amending the Council by-laws.

*Note: Chairman Nickless left the room at 12:08 p.m. Vice-Chairman Loughlin conducted the meeting.*

**2. Commercial Moorings for Hire Mooring Permits**

Mr. Marconi reported that in accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Commercial Mooring for Hire Permits", PDA approved of the following Commercial Moorings for Hire permits:

<u>Applicant</u>	<u>Number of Permits</u>	<u>Business</u>	<u>Date of Approval</u>
Bayview Marina, LLC	10	Marina	4/1/14
Theresa Cote	1	Shorefront tenant	4/1/14
Esther's Marina, LLC	1	Marina	4/1/14
Charles Felch	1	Shorefront tenant	4/1/14
Great Bay Marina	73	Marina	4/1/14
Great Bay Yacht Club	11	Yacht Club	4/1/14
Hampton River Boat Club	2	Boat Club	4/1/14
Phyllis Carableas Holt	1	Shorefront Tenant	4/1/14
Island Club New Castle, Inc.	1	Boat Club	4/1/14
Jackson Hill Condo Association 1		Shorefront Condo	4/1/14
Kittery Point Yacht Club	7	Yacht Club	4/1/14
Lamprey River Marina	6	Marina	4/1/14
Little Bay Marina	8	Marina	4/1/14
Matthew Metivier	1	Shorefront tenant	4/1/14
Mud Cove Boat Yard	1	Shorefront tenant	4/1/14
Dorothy Oliver	1	Shorefront tenant	4/1/14
Portsmouth Yacht Club	14	Yacht Club	4/1/14
Sagamore Landing Homeowners Assn	1	Shorefront Condo	4/1/14
Split Rock Cove Ltd	1	Shorefront tenant	4/1/14
Warpath Family Farm, Inc.	1	Shorefront tenant	4/1/14
Wentworth by the Sea Dockside Condominium Association	1	Shorefront Condo	4/1/14
Wentworth By the Sea Marina (Pier People LLC)	2	Marina	4/1/14



### 3. Commercial Mooring Transfer

Mr. Marconi reported that in accordance with the "Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers", commercial moorings were transferred for:

	<u>Permit</u>	<u>Business</u>	<u>Date of Approval</u>
Seabrook Harbor Transferor: Transferee:	No. 7272 Luis Lima Joseph Lima	Commercial Fishing	4/1/14
Rye Harbor Transferor: Transferee:	No. 892 Derek Malila Charles Lamprey	Commercial Fishing	4/16/14

Director Allard asked if there were any problems with mooring permit applications. Mr. Marconi had a few inquiries regarding reconsideration requests, but has not received the necessary information for reconsideration. Mr. Marconi reviewed the mooring permit and wait lists processes. There are approximately 500 outstanding requests for mooring permits.

#### B. Approvals

##### 1. Rights of Entry – Charter Boat Operations and Retail Facilities

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute Extensions of Rights of Entry for the Rye Harbor and Hampton Harbor marine facilities' charter boat operations and retail operations for the businesses listed and on the terms and conditions set forth in the memorandum from Geno J. Marconi, Division Director, dated March 31, 2014 attached hereto. Disposition: Resolved by five votes for; motion carried.**

##### 2. F/V Aelin Mae – ROE/Charter Boat

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with F/V Aelin Mae Fishing Charters for marine charter vessel operations located at the Hampton Harbor Marine facility from June 1, 2014 through June 30, 2017; all in accordance with the terms and conditions set forth in the memo of Geno J. Marconi, Division Director, dated April 1, 2014, attached hereto. Disposition: Resolved by five votes for; motion carried.**

*Note: Chairman Nickless returned to the meeting at 12:15 p.m.*

##### 3. Sea Fever Charters – ROE/Charter Boat and Retail Sales

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Sea Fever Charters for the purpose of operating marine charter vessel service and a concession building for retail sales located at the Hampton Harbor Marine facility from June 1, 2014 through June 30, 2017; all otherwise in accordance with the terms and conditions set forth in the memo of Geno J. Marconi, Division Director, dated April 1, 2014, attached hereto. Disposition: Resolved by unanimous vote; motion carried.**





4. Nina May Fishing Charters – ROE/Charter Boat

Director Bohenko moved and Director Torr seconded that The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with F/V Nina May Fishing Charters for marine charter vessel operations located at the Hampton Harbor Marine facility from June 1, 2014 through June 30, 2017; all in accordance with the terms and conditions set forth in the memo of Geno J. Marconi, Division Director, dated April 17, 2014, attached hereto. Discussion: Director Loughlin abstained from the vote due to a conflict. Disposition: Resolved by five votes for; 1 abstention (Director Loughlin); motion carried.

5. Bills for Legal Services

Director Loughlin moved and Director Allard seconded that The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$15,785.00 for legal services rendered to the Division of Ports and Harbors by:

1. Sheehan Phinney Bass + Green		
Through February 28, 2014	\$8,231.00	
Through March 31, 2014	\$5,756.00	
	\$1,798.00	
	Total	\$15,785.00
		=====

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

XI. New Business

Director Bohenko reported that with respect to the Sea-3 propane gas terminal expansion in Newington and the related use of railroad lines, he received a letter from Pat Ford regarding the use of rail lines through the Tradeport. Director Bohenko reported that the Portsmouth City Council has requested that the PDA also examine the reactivation of the railroad route through the Tradeport. Director Bohenko asked that if the use of the railroad lines should be reviewed to determine what rights of way are available so that the Board is informed before any policy decisions are made. Director Bohenko felt that PDA staff input is needed.

Chairman Nickless informed the Board that PDA has not taken a position on the use of the rail lines and no information was previously presented to the Board.

Director Lamson noted that the former Pease Redevelopment Commission (“PRC”) had looked into the use of railroad lines. Discussion continued regarding the location of rail lines and rail beds on the Tradeport. Ms. Stowell reported that NH DOT will remove some old rail ties as part of the mitigation for the Spaulding Turnpike project. Director Allard questioned if the FAA would allow PDA to put in railroad lines. Mr. Mullen reported that PDA could not do so and a third party would have to make the proposal. Director Lamson felt that the rail lines should not be the responsibility of individual municipalities. Lynn Hinchee, PDA General Counsel, advised the Board that PDA could participate if the expenditure of funds was directly and substantially related to the actual air transportation of passengers or property. The proposal would have to come from a third party. Director Lamson noted that the PRC reached the same conclusion as Attorney Hinchee. Chairman Nickless noted that the State is looking into preserving railroad rights of way. Director Bohenko requested that regarding the parking issue at the Port and the railroad lines issue, PDA staff should make a report to the Board outlining the Board’s options. Attorney Hinchee informed the Board that the restrictions regarding use of railroad lines is part of the FAA written regulations. Chairman Nickless asked that staff write a letter to the City of Portsmouth and Newington regarding the matters.



## **XII. Upcoming Meetings**

Chairman Nickless reported that the following meetings are scheduled to be held on:

Finance Committee	May 12, 2014
Board Meeting	May 15, 2014
Audit Committee	June 17, 2014

All Board and Committee meetings begin at 8 a.m. unless otherwise posted. Chairman Nickless noted that the Board meeting may be rescheduled,

## **XIII. Directors' Comments**

There were no comments from the Directors.

## **XIV. Non-Public Session**

Director Allard moved and Director Bohenko seconded to **The Pease Development Authority Board of Directors will enter non-public session pursuant to:**

**1. NHRSA 91-A:3, Paragraph II(d) for the purpose of discussing the acquisition, sale or lease of property;**

**Note: Roll call vote required.** Discussion: None. Disposition: Resolved by unanimous roll call vote; motion carried. The Board entered into non-public session at 12:33 p.m. The Board returned to public session at 1:55 p.m.

## **XV. Adjournment**

Director Loughlin moved and Director Lamson seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 1:55 p.m.

## **XVI. Press Questions**

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen  
Executive Director/Secretary





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

**Thursday, May 15, 2014**

Presiding: Arthur H. Nickless, Jr., Chairman  
Present: Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman; and Robert F. Preston  
Absent: Franklin G. Torr  
Attending: David R. Mullen, PDA Executive Director; Lynn Marie Hinchee, PDA General Counsel; PDA staff members; and members of the public.

**I. Call to Order**

Chairman Nickless called the meeting to order at 9:12 a.m. in the Board conference room, 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

**II. Acceptance of Board Meeting Minutes:**

Chairman Nickless reported that the transcribed Minutes for the April 24, 2014 Board meeting will be presented at the June, 2014 Board meeting. Tapes of the April Board meeting are available upon request.

**III. Public Comment**

Tom Carroll, Nobles Island, Portsmouth, NH, made comments regarding: good management practices; scrap metal operations; water spraying; fugitive rust dust; reports to NH DES regarding scrap metal operations; use of containers for scrap metal; Save Our Working Port ("SOWP") actions; cargo container business at the Market Street Terminal; and Grimm Industries scrap metal contract requirements. Bob Hassold, Portsmouth, NH, made comments regarding: city life and beautification of Portsmouth; Tom Carroll's actions regarding scrap metal operations; scrap metal operations and rust dust; SOWP purposes and actions; work of PDA; scrap metal piles; beautification of Market Street; and need for PDA to take action regarding scrap metal operations.

**IV. Old Business**

**A. Approvals**

**1. Grimm Industries, LLC**

Director Allard moved and Director Bohenko seconded that:

**WHEREAS, on January 24, 2002 the PDA Board of Directors authorized the first agreement with Grimm Industries, LLC. (formerly known as Rensselaer Iron & Steel) to commence operations at the Division of Ports and Harbors (DPH) Market Street Terminal; and**

**WHEREAS, on August 20, 2009, Grimm Industries, LLC (Grimmel) requested and was granted a 4th Amendment to its License and Operating Agreement dated August 1, 2005, which amendment extended the contract term for a maximum five (5) year period through December 31, 2014; and**

**WHEREAS, on December 31, 2014, the License and Operating Agreement by and between the PDA DPH and Grimm will expire by its terms; and**

**WHEREAS, the PDA Board of Directors intends to provide to Grimm a minimum of six (6) months notice of its intent in order to permit an orderly termination of bulk cargo activities, removal of stored materials and equipment and restoration of the Licensed Premises; and**



WHEREAS, the PDA Board of Directors desires to continue to explore and to encourage opportunities for an increased variety of maritime commerce at the Market Street Terminal;

NOW, THEREFORE, the PDA Board of Directors resolves as follows:

1. The PDA will permit, without waiver of any existing terms and conditions, the License and Operating Agreement to expire by its terms on December 31, 2014 and, in connection with such expiration directs the Port Director to:

- a) send a written letter of notice to Grimmel that the License and Operating Agreement, as amended, will expire at midnight on December 31, 2014 and will not be renewed;
- b) negotiate with Grimmel a written plan for winding down operations at the Market Street Terminal and removal and transport on or before the expiration of the License and Operating Agreement of all stored materials and equipment from the Storage Area, Scale House; and any other location at the Market Street Terminal utilized by Grimmel;
- c) negotiate with Grimmel an agreement to provide that in the event Grimmel completes removal of all stored materials and equipment and cooperates with DPH with respect to inspections, required repairs, and restoring the pier deck, terminal pavement and Storage Area as required in Article 6 of the License and Operating Agreement, PDA will permit termination of the License and Operating Agreement prior to its expiration date and return any pre-paid rents to Grimmel pro-rated accordingly;
- d) engage Appledore Marine Engineering, Inc (AMEI) to perform field inspections to determine the condition of all structural and non-structural deficiencies requiring maintenance, repair or restoration in accordance with the terms of the License and Operating Agreement.

2. Consistent with the PDA's efforts to encourage diversification at the Market Street Terminal the PDA Board of Directors directs the PDA Staff and Port Director to identify and to record for the Board their continuing efforts to develop appropriate maritime uses consistent with expressed legislative intent and long standing recommendations for water dependent uses at this location, recognizing that existing conditions, proximity to residential uses, port capabilities, market opportunities and facility requirements and limitations do present unique challenges to maritime industry at this location.

3. Request the Executive Director, Port Director, and Director of Finance continue to review and to advise the PDA Board of Directors with respect to financial implications, budget recommendations and required operation modifications associated with the loss of revenue that will result from the expiration of the Grimmel License and Operating Agreement. Discussion: Director Bohenko advised the Board that he supported the last renewal of the Grimmel contract based on Grimmel using best management practices for its operations and that there is a need for diversification of activities at the Port. Director Lamson noted that she has supported Director Bohenko's position and the use of best management practices. Chairman Nickless stated that the Board and PDA staff has worked on the scrap metal issue for a long period of time. PDA has weighed the cost benefits analysis of the operations and determined that the operations were not cost effective. Disposition: Resolved by unanimous vote; motion carried.





## **V. Finance Report**

### **1. Operating Results for Nine Month Period Ending March 31, 2014**

Irving Canner, Director of Finance reported on the status of PDA FY 2014 finances for the nine month period ending March 31, 2014. Mr. Canner reviewed the variances that resulted in operating revenues to be below budget by 2.2% and higher operating costs of 6%, due in part to winter snow removal costs, delays in the start up of the Hampton Harbor fueling system, reduced play at the Golf Course, and the GSA accounts receivable bad debt adjustment. Fringe benefits costs have increased and seasonal employees are being hired for the Golf Course and the DPH facilities. Mr. Canner also reviewed the variances of the buildings and facilities maintenance budget due to the reallocation of administrative labor costs to the business units. Mr. Canner reviewed the Consolidated Statement of Net Position (balance sheet) including: the costs of capital improvement projects; reduction of cash due to payment of capital improvement projects; and reduction in accounts payable due, in part, to debt repayment. A review of the business units showed that enplanements at Portsmouth International Airport at Pease (PSM) have exceeded 12,000. The Golf Course opened on April 14<sup>th</sup>. Approximately 1,600 rounds of golf were played in April. The simulators and bar/grill sales have exceeded revenues for the same period last year. DPH unrestricted funds operating income (excluding depreciation) has decreased by approximately \$76,000. The Revolving Loan Fund has over \$1 million in loans outstanding and the capitalization ratio is at 90%. One new loan was issued in April.

### **2. Nine Month Cash Flow Projections to January 31, 2015**

Mr. Canner reviewed PDA cash flow projections for the nine month period ending January 31, 2015. PDA anticipates spending approximately \$9.8 million on capital improvement projects, including the Skyhaven Airport runway improvement project, the multi-use path project, and the mitigation project at Portsmouth International Airport at Pease ("PSM"). PDA will continue to draw on the short term line of credit with the Provident Bank to finance projects while awaiting grant reimbursements. Mr. Canner reviewed the interest rates paid for borrowings.

### **3. EDA Semi-Annual Filing – Revolving Loan Fund**

Mr. Canner reported that as required by the Economic Development Administration ("EDA"), PDA prepared and filed its semi-annual report on the Revolving Loan Fund ("RLF") for the period ending March 31, 2014. Since inception, PDA has made 82 loans to commercial fishermen totalling approximately \$3.5 million; 82 jobs were created; and 170 jobs were saved. Currently there are approximately \$1 million in loans outstanding. Cash available for loans is approximately \$50,000. PDA will seek release of EDA sequestered funds of \$43,000 if needed. Currently, there are 27 loans outstanding. Since the beginning of the program, only one bad debt was written off.

## **B. Approvals**

### **1. Investment Guidelines**

Director Bohenko moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby adopts the Investment Guidelines as presented by Irving Canner, PDA Director of Finance, dated May 1, 2014 and attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

### **2. Portsmouth Chevrolet – Pickup Truck**

Director Lamson moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Portsmouth Chevrolet of Portsmouth, NH in an amount not to exceed \$35,643.00 for the purchase of one pickup**



truck; all in accordance with the memorandum from Joseph McPherson, Facilities Resource Manager, dated March 6, 2014 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

### 3. Obstruction Mitigation Part – FAA Grant Acceptance and Contract

Director Preston moved and Director Lamson seconded that **In connection with the FAA grant to design the removal of airspace obstructions at Portsmouth International Airport at Pease and the additional review of affected acreage which necessitated the need to increase the scope of work required thereunder, the Pease Development Authority Board of Directors authorizes the Executive Director to:**

1. **Accept from FAA a grant amount of \$299,700 (90% of \$333,000);**
2. **Accept from NHDOT a grant amount of \$16,650 (5% of \$333,000);**
3. **Allow PDA to contribute \$16,650 (5% of \$333,000);**
4. **Amend the existing on-call services contract with Hoyle, Tanner & Associates to add engineering services for Obstruction Removal-Permitting and Design in the amount of \$192,000; and**
5. **Expend \$141,000 for permitting fees plus other sponsor administrative items;**

**all otherwise in accordance with the memorandum of Maria J. Stowell, P.E., Manager of Engineering dated May 7, 2014 and attached hereto. Discussion: Director Lamson asked about the increase in obstructions areas from 12 acres to 67 acres. Maria Stowell, PDA Engineer – Manger, explained that PDA met with the FAA to review the work. It was determined that the areas of imaginary penetration needed to be increased and the Part 77 surface needed to be reviewed. Bill Hopper, Airport Manager, reported that the Part 77 refers to the FAA regulation regarding obstructions to air navigation. Director Lamson confirmed the locations of the forest and the wetlands, which are near the Blue 9 golf course. Director Lamson questioned the fees for Hoyle Tanner & Associates. Ms. Stowell reviewed the work that will be included in the fees, including wetland delineations. Director Preston asked if the proposed work is repetition of past engineering services. Ms. Stowell reported that PDA Land Use Controls require that delineations older than three years must be redone. The area north of the Golf Course has not been delineated. Disposition: Resolved by unanimous vote; motion carried.**

### 4. Airport Operations Modular Office

Director Allard moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby approves of the cumulative expenditure an amount not to exceed \$25,000 for the purpose of attaching a modular trailer to the 36 Airline Avenue facility and otherwise undertaking such work as is required to create additional office space in the trailer for PDA's Airport Operations personnel; all in accordance with the memorandum of Kim W. Hopper, Airport Manager, dated May 8, 2014 and attached hereto. Discussion: Director Lamson is pleased that modular office will be added as additional space is needed at the facility. Director Lamson would like to see the landscape improved in front of the building. Disposition: Resolved by unanimous vote; motion carried.**





## VI. Leases

### A. Approvals

#### 1. Great Bay Community College Expansion

Director Preston moved and Director Allard seconded that **In connection with the planned expansion of Great Bay Community College and the construction of the Student Success Center, the Pease Development Authority Board of Directors hereby i) approves the Concept Plan, and ii) authorizes the Executive Director to negotiate and enter into a Lease Amendment with Great Bay Community College both subject to the terms and conditions recommended by Maria J. Stowell and set forth in her memorandum dated May 13, 2014, attached hereto and incorporated by reference.** Discussion: North Sturtevant of JSA Architects reviewed the proposed plan. Great Bay Community College (GBCC) wants construct a 26,000 square foot 2 story facility located at the west end of the current building to be used as a student success center. The building would include a gymnasium, locker rooms, fitness center, and student bookstore. Six thousand square feet of renovated space will also be used for a total of 30,000 square feet. Mr. Sturtevant reviewed the parking space plan for a total of 110 spaces; and the changes to the entrance. GBCC is seeking changes to the required setbacks. Mr. Sturtevant reviewed the use of the berm and elevation changes. Chairman Nickless viewed the berm and felt it provides sufficient buffer from traffic. Director Bohenko is pleased with the success of GBCC and the proposed project. Ms. Stowell reviewed the conditions attached to the concept plan, including the plan approval process; that GBCC obtain permission from PDA for uses outside the scope of the usual uses of a community college; that the parking conditions be reviewed annually to determine if there are parking shortages; that PDA's consultant would also review the parking and traffic data; the definition of the side yard; and that the Board grant approval of the front yard parking setback encroachment. Chairman Nickless felt that the side yard is not a problem. Director Loughlin asked if under the terms of the lease, PDA will retain the ability to work on the parking issues. Attorney Hinchee, PDA General Counsel, reported that PDA will seek to add amendments to the lease regarding the parking issues. Disposition: Resolved by unanimous vote; motion carried.

## VII. Contracts/Agreements

### A. Approvals

#### 1. Grounds Maintenance Agreement

Director Loughlin moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a contract with Elf's Landscaping, Inc. of Rochester, NH, to provide ground maintenance services for PDA maintained facilities at the Pease International Tradeport and Division of Ports and Harbors' properties for a period of three (3) years, to include two (2) one (1) year options which may be exercised in the sole discretion of the Executive Director, all in accordance with the memorandum of Joseph McPherson, PDA Facilities Resource Manager, dated May 12, 2014 and attached hereto.** Discussion: Mr. Mullen reviewed the areas that Elf's will maintain and the work periods under the terms of the contract. Director Lamson confirmed the number of employees and the rates that Elf's will charge. Disposition: Resolved by unanimous vote; motion carried.

## VIII. Signs

### A. Approvals

#### 1. Ballfield – Rye Street

Director Lamson moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby approves of the proposed sign requested by the City of Portsmouth for the Ballfield at Rye Street; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager -**



Engineering, dated May 7, 2014 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## **IX. Executive Director's Reports/Approvals**

### **A. Reports**

#### **1. Golf Course Operations**

Scott DeVito, PGA General Manager, reported on the activities at the Pease Golf Course. There are 8 leagues playing as of May 1<sup>st</sup>. Last year, the Golf Course hosted a total of 81 functions. This year to date, 15 functions have been held and 69 more are pre-booked through the end of the year. Grass overseeding is being done on some of the lower holes. Wadsworth Construction will come in to complete its punch list for the project. The lower nine will open July 1<sup>st</sup>. In response to Director Preston, Mr. DeVito reported that there are 221 adult members and a total membership of 235 including juniors and students. In 2012 there were approximately 280 members. Director Preston complimented the staff for the Golf Course web page. Mr. DeVito reported that there are 3,800 people in the Golf Course data base. The Golf Course staff continues to work on marketing and is expanding its marketing area. In response to Director Allard, Mr. DeVito informed the Board that the cap for membership is 350 total. Mr. DeVito reviewed the membership fees and the various golf course passes.

#### **2. Airport Operations**

Bill Hopper, Airport Manager, reported on aviation activities.

##### **a) Skyhaven Airport ("DAW")**

The Wings and Wheels event will be held on June 14<sup>th</sup>. Work will begin on rebuilding the runway.

##### **b) Portsmouth International Airport at Pease ("PSM")**

Construction is ongoing on the runway on the Alkaline Silicate Remediation program. Drainage work will begin next month. Allegiant Airlines is pleased with the PSM to Sanford, FL flights. Allegiant may consider resumption of the Punta Gorda, FL flights in the fall. Allegiant sponsored a marketing event at the Market Street Terminal. The Noise Compatibility Committee will meet on May 15, 2014. A meeting on the noise exposure map was previously held and was well attended by Portsmouth and Newington representatives. Director Lamson noted that the noise contour has shrunk and that the C-5 airplanes were very active. Director Lamson complimented Sandy McDonough, PDA Noise Liaison, for her efforts dealing with noise complaints.

##### **c) Noise Line Report**

Mr. Hopper reported that there were a total of 10 inquiries in April regarding overnight activities of the medical flights and the C-5 military flights. Director Loughlin noted that most complaints are because of the medical flights at night. Director Loughlin questioned if anything can be done to have the medical flight operators use a quieter type of airplane. Mr. Hopper told the Board that the medical flights have been very cooperative in trying to work within PDA's noise restrictions. Director Loughlin felt that the flights are very disruptive. Director Preston agreed with Director Loughlin regarding the noise created by the type of planes that used, but noted that the medical flights are for urgent medical needs.





**B. Approvals**

**1. Brain Injury of NH - Airfest**

Director Preston moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a license agreement with the Brain Injury Association of New Hampshire for the purpose of sponsoring an Airfest on Saturday, August 9, 2014 on that portion of the North Apron which is controlled by the PDA. Additionally, in consideration of the value of the community good will and promotion of the airport that the event will generate, the Board authorizes the Executive Director to adjust the fee charged for the event if and as may be appropriate; all in accordance with the memorandum from Bill Hopper, Airport Manager dated May 8, 2014 and attached hereto. Discussion:** Stephen Wade of the Brain Injury Foundation expressed his appreciation to the Board for the airfest. The event is not an air show, but a fair with an aviation theme. Mr. Wade reported on the proposed activities for the family event. The Brain Injury Foundation is partnering with the NH ANG Assistance Foundation. Disposition: Resolved by unanimous vote; motion carried.

**2. Bills for Legal Services**

Director Loughlin moved and Director Allard seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$1,935.00 for legal services rendered to the Pease Development Authority by:**

<b>1. Anderson &amp; Kreiger LLP</b>		
<b>Through March 31, 2014</b>	<b>\$1,935.00</b>	
		<b>Total \$1,935.00</b>
		<u>=====</u>

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

**X. Division of Ports and Harbors**

**A. Division Director's Reports**

**1. Port Advisory Council**

Geno Marconi, Division Director, reported that the Port Advisory Council will meet on May 21<sup>st</sup>. A public hearing will be held for the proposed schedule for the pilots' fees and the amendments to the pilots' fee schedule. The amendments will be brought to the Board for approval.

The Division facilities' are being readied for the summer season.

**B. Approvals**

**1. Harbor Dredging and Pier Maintenance Project – Capital Budget Overview Committee**

Director Bohenko moved and Director Lamson seconded that **In accordance with the approval of the Capital Budget Overview Committee, the Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to expend \$98,200 from the Harbor Dredging and Pier Maintenance Fund for payment of the Division's portion of a study by the US Army Corps of Engineers to identify dredge material disposal sites in connection with the expansion of the Piscataqua River**





Uppermost Turning Basin; all in accordance with the memorandum of Geno Marconi, Division Director, dated May 7, 2014 and attached hereto. Discussion: Director Preston asked if the proposed funding will affect the Hampton Harbor project. Mr. Marconi reported that the funding for the project will not affect the Hampton Harbor project and he reviewed the sources of funding for both projects. Director Preston confirmed that there will be sufficient funds kept in the Harbor Dredging and Pier Maintenance fund for future pier maintenance and repairs. Disposition: Resolved by unanimous vote; motion carried.

**2. Bills for Legal Services**

Director Allard moved and Director Preston seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$12,288.00 for legal services rendered to the Division of Ports and Harbors by:**

<b>1. Sheehan Phinney Bass + Green</b>		
<b>December 3 thru December 31, 2013:</b>	<b>\$6,396.00</b>	
	<b><u>\$5,892.00</u></b>	
	<b>Total</b>	<b>\$12,288.00</b>
		<b>=====</b>

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

**XI. New Business**

No new business was brought before the Board.

**XII. Upcoming Meetings**

Chairman Nickless reported that the following meetings will be held:

Audit Committee	June 17, 2014
Board Meeting	June 19, 2014

All Board and Committee meetings begin at 8 a.m. unless otherwise posted.

**XIII. Directors' Comments**

There were no Directors' comments.

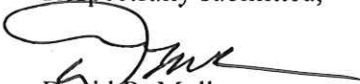
**XIV. Adjournment**

Director Loughlin moved and Director Lamson seconded to **adjourn the Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 10:27 a.m.

**XV. Press Questions**

No members of the press attended the meeting.

Respectfully submitted,



David R. Mullen  
Executive Director/Secretary



AUDIT COMMITTEE AGENDA

Time: 9:00 A.M.  
Place: 55 International Drive  
Pease International Tradeport  
Portsmouth, New Hampshire 03801

- I. Call to Order (Bohenko)
- II. Acceptance of Committee Meeting Minutes: October 15, 2013\*
- III. Reports (Canner)
  - A. Audit Engagement Letter (Runyon, Kersteen & Ouellette)\*
  - B. Audit Overview \*
    - 1. Staffing
    - 2. Internal Control Testing
    - 3. Circular OMB A-133 Audit
    - 4. Audit Engagement Fees
    - 5. Prior Year Management Letter- Status Update
- IV. Next Meeting- October 14, 2014
- V. Director's Comments
- VI. Adjournment
- VII. Press Questions

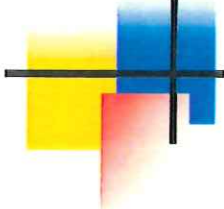
\* Related Materials Attached  
+ Proposed Motion

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# **FY 2014 FINANCIAL REPORT FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014**



**BOARD OF DIRECTORS MEETING  
JUNE 19, 2014**



# CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 AND 2013

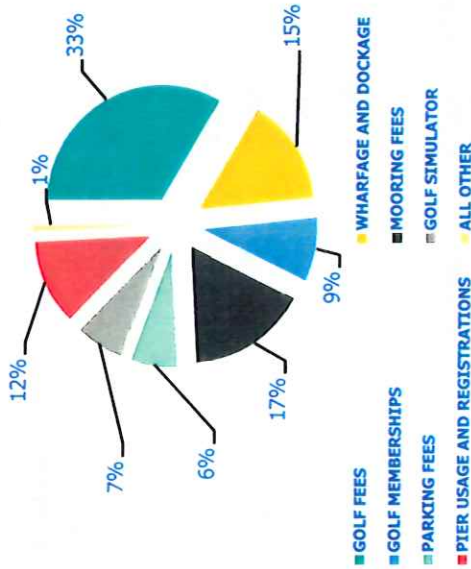
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	CURRENT YEAR TO DATE ACTUAL	CURRENT YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FY 2014 APPROVED BUDGET
<b>FY 2014 BUDGET VARIANCE ANALYSIS</b>						
▪ <b>OPERATING REVENUES- LOWER BY 6.5%</b>	10,610	11,353	(743)	11,347	(737)	13,592
▪ NO SIGNIFICANT VARIANCES OTHER THAN IN GOLF FEES- REDUCTION IN ROUNDS PLAYED	4,746	4,958	(212)	4,233	513	6,014
▪ COMPLETED NEGOTIATIONS WITH GSA.	1,720	1,193	527	1,915	(195)	1,393
▪ <b>OPERATING COSTS- HIGHER BY 4.3%</b>	1,072	571	501	546	526	685
▪ EXTENSIVE WINTER SEASON- CHEMICALS, SUPPLIES AND OVERTIME	701	591	110	680	21	733
▪ GSA ADJUSTMENT TO ALLOWANCE FOR DOUBTFUL ACCOUNTS- BAD DEBT. FY IMPACT OF \$474.	164	269	(105)	195	(31)	344
▪ INDIRECT LABOR ALLOCATION TO BUILDINGS AND FACILITIES NOT BUDGETED.	212	345	(133)	151	61	415
▪ <b>NONOPERATING (INCOME) AND EXPENSES</b>						
▪ DELAYED SHORT TERM BORROWINGS	899	1,193	(294)	914	(15)	1,431
	9,514	9,120	394	8,634	880	11,015
	1,096	2,233	(1,137)	2,713	(1,617)	2,577
	102	119	(17)	(459)	561	143
	4,990	5,174	(184)	5,063	(73)	6,209
	(3,996)	(3,060)	(936)	(1,891)	(2,105)	(3,775)
<b>NET OPERATING INCOME</b>						

# ANALYSIS OF OPERATING REVENUES FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 AND 2013

(\$ 000's)

FEE REVENUES YEAR TO DATE



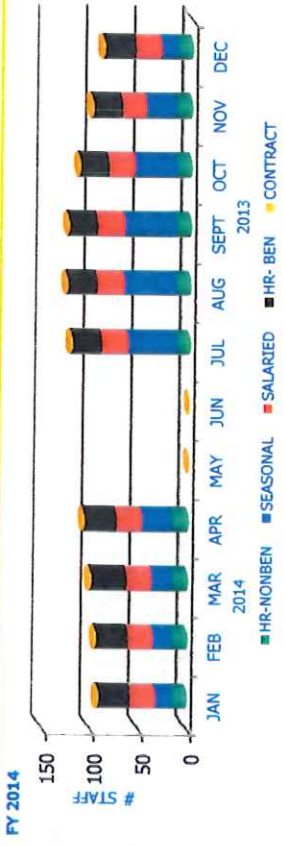
	CURRENT YEAR TO DATE ACTUAL	CURRENT YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	FY 2014 APPROVED BUDGET
RENTAL OF FACILITIES	7,516	7,729	(213)	7,720	(204)	9,084
FEE REVENUES (SEE CHART)	1,710	2,032	(322)	2,185	(475)	2,530
FUEL SALES (SEE CHART)	771	983	(212)	767	4	1,230
CONCESSION REVENUE	179	166	12	172	7	202
GOLF MERCHANDISE	99	129	(30)	122	(23)	160
ALL OTHER- NET	335	314	21	381	(46)	386
	<b>10,610</b>	<b>11,353</b>	<b>(743)</b>	<b>11,347</b>	<b>(737)</b>	<b>13,592</b>

FUEL ANALYSIS	SALES	COGS	NET MARGIN
SKYHAVEN AIRPORT	104	82	22
PORTSMOUTH FISH PIER	527	488	39
RYE HARBOR	140	129	11
HAMPTON HARBOR	-	-	-
	<b>771</b>	<b>699</b>	<b>72</b>



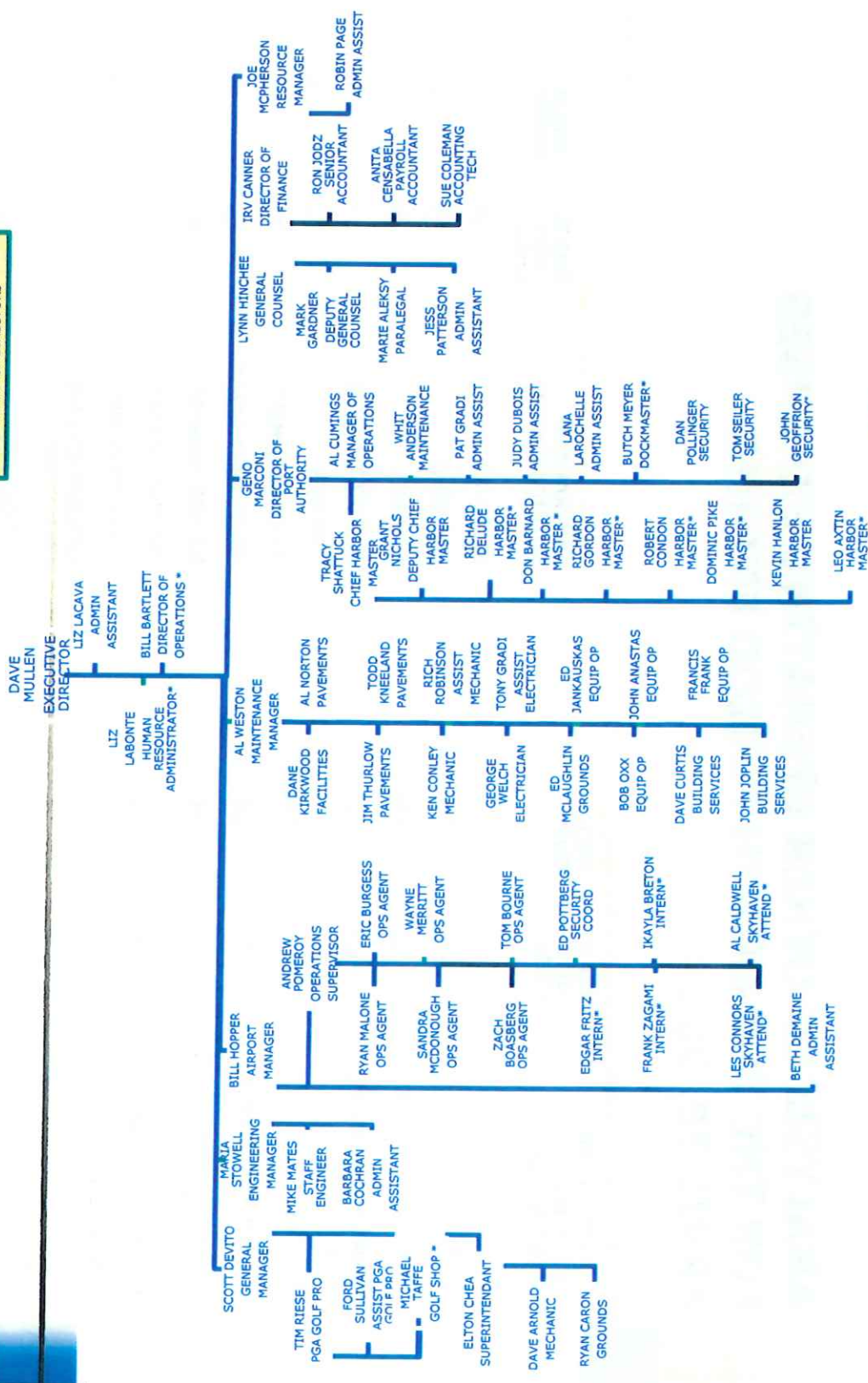
# ANALYSIS OF PERSONNEL SERVICES AND BENEFITS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014

	CURRENT YEAR		CURRENT YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	STAFF ANALYSIS											
	TO DATE ACTUAL	TO DATE BUDGET				SAL	HR/ BEN	HR/ NON	SE	CON	APR MONTH END	MAR MONTH END	FEB MONTH END				
(\$ 000's)						BUSINESS UNIT											
<b>WAGES</b>						GOLF COURSE	6	-	1	25	-	-	32	12	10		
BENEFITED	2,811	2,738	73	2,690	ENGINEERING	2	1	-	-	-	-	3	3	3			
NONBENEFITED	555	599	(44)	522	PORTSMOUTH AIRPORT	9	1	3	1	-	-	14	15	15			
OVERTIME	<u>189</u>	<u>186</u>	<u>3</u>	<u>178</u>	SKYHAVEN	-	-	2	1	-	-	3	3	3			
	3,555	3,523	32	3,390	MAINTENANCE	1	15	-	5	-	-	21	30	30			
TRANSFER OUT	<u>(356)</u>	=	<u>(356)</u>	<u>(584)</u>	RESOURCE MANAGEMENT	1	1	-	-	-	-	2	2	2			
	<u>3,199</u>	<u>3,523</u>	<u>(324)</u>	<u>2,806</u>	PORT AUTHORITY	1	10	9	-	1	1	21	20	20			
<b>FRINGE BENEFITS</b>					LEGAL	2	2	-	-	-	-	4	4	4			
HEALTH INSUR	824	713	111	790	EXECUTIVE	2	1	1	-	-	-	4	4	4			
RETIREMENT	347	295	52	273	FINANCE	2	2	-	-	1	1	5	5	5			
FICA	260	266	(6)	244		<b>26</b>	<b>33</b>	<b>16</b>	<b>32</b>	<b>2</b>	<b>2</b>	<b>109</b>	<b>98</b>	<b>96</b>			
DENTAL	52	47	5	52													
ALL OTHER	<u>91</u>	<u>114</u>	<u>(23)</u>	<u>97</u>													
	1,574	1,435	139	1,456													
TRANSFER OUT	<u>(27)</u>	=	<u>(27)</u>	<u>(29)</u>													
	<u>1,547</u>	<u>1,435</u>	<u>112</u>	<u>1,427</u>													
	<b>4,746</b>	<b>4,958</b>	<b>(212)</b>	<b>4,233</b>													



# PEASE DEVELOPMENT AUTHORITY CURRENT ORGANIZATION CHART

## BOARD OF DIRECTORS



**NOTE:**  
1. EXCLUDES CONTRACT AND SEASONAL EMPLOYEES.  
2. HOURLY NON-BENEFITED EMPLOYEES REPRESENTED \*



# ANALYSIS OF OTHER OPERATING EXPENSES FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014

(\$ 000's)

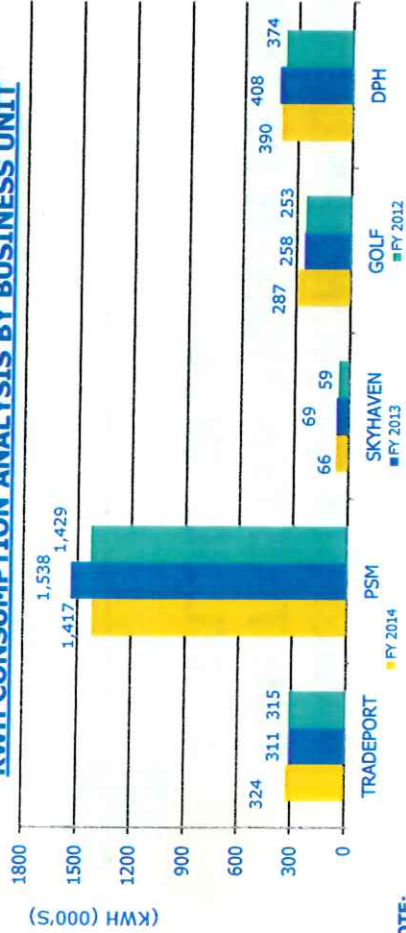
BUILDINGS AND FACILITIES MAINTENANCE	YEAR TO DATE ACTUAL	FISCAL BUDGET	GENERAL AND ADMINISTRATIVE	YEAR TO DATE ACTUAL	FISCAL BUDGET
SNOW REMOVAL	339	245	INSURANCE	150	182
DIESEL GASOLINE	216	232	TELEPHONE	75	81
CONTRACTOR SERVICES	126	184	SUPPLIES	56	78
EQUIPMENT AND VEHICLE PARTS	123	137	COMPUTER EXPENSE	53	55
SECURITY	111	134	BANK FEES	35	36
AIRFIELD MAINTENANCE	35	129	OFFICE EQUIPMENT	31	29
VEGETATION, PEST CONTROL AND FERT	78	96	TRAVEL AND MILEAGE	28	27
BUILDING MATERIALS	29	88	BAD DEBT EXPENSE	480	25
CLEANING SERVICE	74	71	FEES AND LICENSE'S	31	21
PAINT AND PAINT SUPPLIES	15	63	SAFETY EQUIPMENT	15	18
HVAC SERVICES	54	61	SUBSCRIPTIONS AND PUBLICATIONS	18	17
OPERATING EQUIPMENT RENTAL	26	44	CLOTHING AND UNIFORMS	14	17
WAGE AND BENEFIT TRANSFER IN	383	-	PROFESSIONAL DEVELOPMENT	16	15
ALL OTHER- NET	<u>111</u>	<u>(91)</u>	PRINTING AND PHOTO EQUIPMENT <\$5k	12	15
	<u>1,720</u>	<u>1,393</u>	ALL OTHER- NET	<u>36</u>	<u>69</u>
				<b>1,072</b>	<b>685</b>

# ANALYSIS OF OTHER OPERATING EXPENSES FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 (CONTINUED)

(\$ 000's)

UTILITIES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	PRIOR YEAR TO DATE ACTUAL	CURRENT YEAR BUDGET	PROFESSIONAL SERVICES	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	PRIOR YEAR TO DATE ACTUAL	CURRENT YEAR BUDGET
ELECTRICITY	354	346	369	440	LEGAL	27	115	34	130
WASTE DISPOSAL	143	109	165	127	INFORMATION TECHNOLOGY	75	102	93	122
NATURAL GAS	97	60	64	72	AUDIT	44	52	48	63
PROPANE	59	45	49	54	ALL OTHER- NET	18	-	20	29
WATER	48	31	33	40		<b>164</b>	<b>269</b>	<b>195</b>	<b>344</b>
	<b>701</b>	<b>591</b>	<b>680</b>	<b>733</b>					

### KWH CONSUMPTION ANALYSIS BY BUSINESS UNIT



**NOTE:** PSNH INCREASED USAGE CHARGE FROM 7.1 CENTS/ KWH TO 9.5 CENTS/ KWH IN JANUARY 2013. PDA CURRENTLY HAS OUTSOURCED ACTIVITY AT A RATE OF 6..9 CENTS/ KWH FOR THE 18 MONTH PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2014.

# ANALYSIS OF NONOPERATING (INCOME) EXPENSE FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014

(\$ 000's)

	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	\$ VARIANCE	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT YEAR BUDGET
INTEREST EXPENSE	109	124	(15)	96	13	149
INTEREST INCOME AND OTHER	(5)	(5)	-	(11)	6	(6)
(GAIN) / LOSS ON SALE OF ASSETS	(2)	-	(2)	(544)	542	-
	<u>102</u>	<u>119</u>	<u>(17)</u>	<u>(459)</u>	<u>561</u>	<u>143</u>

**INTEREST EXPENSE INCLUDES:**

	YEAR TO DATE	FISCAL BUDGET
PROVIDENT BANK	79	113
CITY OF PORTSMOUTH	30	36
TOTAL	<u>109</u>	<u>149</u>

**NOTE:**  
1. SEE PAGE #15 FOR FURTHER INFORMATION REGARDING THE PDA CURRENT DEBT STRUCTURE AND CURRENT INTEREST RATES.





# SUMMARY OF INTERGOVERNMENTAL RECEIVABLES AS OF APRIL 30, 2014

(\$ 000's)

PROJECT NAME	APPROVAL DATE	TOTAL PROJECT	GRANT AWARD	EXPENDED TO DATE	PDA SHARE	RECEIVED TO DATE	BALANCE DUE PDA	AMOUNT SUBMITTED
MULTI-USE PATH	11-20-08	802	642	368	(69)	247	52	49
OBSTRUCTION MITIGATION DESIGN (FAA #49)	05-23-11	318	318	227	-	213	14	-
PROPERTY ACQUISITION AND DEMOLITION	07-01-11	444	433	377	(10)	330	37	36
LAND IMPROVEMENT AND BUILDING DEMO (80 ROCHESTER)	12-21-11	800	400	749	(340)	291	74	-
NOISE EXPOSURE MAP UPDATE (FAA #52)	05-31-12	162	150	133	(10)	95	28	-
PAVEMENT AND DRAINAGE RESTORATION (FAA #54)	07-03-12	105	97	97	(7)	84	6	-
PSM AIRPORT MARKING AND SIGNAGE (FAA #55)	08-28-12	448	414	408	(31)	346	31	-
PSM RUNWAY DEMAND LENGTH ANALYSIS	04-16-13	78	74	59	(2)	48	9	-
PSM ASR CONSTRUCTION PROJECT	04-16-13	3,461	3,288	547	(27)	464	16	-
PSM PAVEMENT AND DRAINAGE	11-06-13	1,310	1,244	31	(1)	-	30	-
SKYHAVEN RUNWAY DESIGN AND RECONSTRUCTION	07-05-13	3,870	3,580	444	(22)	278	144	62
<b><u>PORT AUTHORITY OF NEW HAMPSHIRE</u></b>								
RYE HARBOR MARINA / COMMERCIAL FISH PIER			1,650	1,627	(66)	1,561	-	-
AND FLOATING DOCK REPLACEMENT								
SEABROOK / HAMPTON DREDGING*			1,579	1,430	(96)	1,334	-	-
SOUTH ACCESS BRIDGE REPLACEMENT			30	375	-	300	75	75
HAMPTON HARBOR PIER RENOVATIONS			1,500	1,473	3	1,413	-	-
HAMPTON HARBOR PIER PROJECT DESIGN**			140	182	(42)	140	-	-
WATER QUALITY IMPROVEMENT			1,000	1,810	(812)	998	-	-
							<b>516</b>	<b>222</b>

**NOTE:**  
\* FUNDING AUTHORIZATION INCLUDES \$200 AUTHORIZED FUNDS DRAWN FROM HARBOR DREDGING FUNDS.  
\*\* AUTHORIZED FUNDS (\$140) DRAWN FROM HARBOR DREDGING FUNDS.



# SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF APRIL 30, 2014

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-13	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 04-30-14
<b>PORTSMOUTH AIRPORT</b>					
OBSTRUCTION MITIGATION DESIGN (FAA #49)	185	42	-	42	227
NOISE EXPOSURE MAP UPDATE (FAA #52)	64	69	-	69	133
RUNWAY DEMAND AND LENGTH ANALYSIS (SBG 1601)	2	57	-	57	59
ASR CONSTRUCTION PROJECT (SBG 1602)	4	543	-	543	547
AIRFIELD MARKING AND SIGNAGE (FAA #55)	-	8	-	8	8
PAVEMENT AND DRAINAGE RESTORATION (SBG 1603)	-	31	-	31	31
JFE RUNWAY 16-34 PRE-DESIGN	-	2	-	2	2
FUEL TANK REPLACEMENT	-	47	-	47	47
PSM TERMINAL AWNING	-	18	-	18	18
GSD 1260 OFFICE TRAILER	-	9	9	-	-
BROOM CORE MOUNTING	-	9	9	-	-
TSA FACILITIES PROJECT	-	10	-	10	10
	<b>255</b>	<b>845</b>	<b>18</b>	<b>827</b>	<b>1,082</b>

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF APRIL 30, 2014

(CONTINUED):

(\$ 000's)

PROJECT NAME	BALANCE AT 06-30-13	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 04-30-14
<b>GOLF COURSE</b>					
COURSE IRRIGATION / DRAINAGE IMPROVEMENTS	2,321	979	-	979	3,300
PARKING LOT RENOVATIONS	30	877	-	877	907
CLUBHOUSE EXPANSION (DESIGN ONLY)	7	-	-	-	7
FLEX 5410 FAIRWAY MOWERS	-	112	112	-	-
EXGO CUSHMAN HAULER 1200	-	32	32	-	-
TRIPLEX GR 3150 MOWER	-	35	35	-	-
WORKMAN 4WD CART	-	27	27	-	-
BEDKNIFE GRINDER	-	18	18	-	-
SIMULATOR EQUIPMENT UPGRADE	-	24	24	-	-
	<b>2,358</b>	<b>2,104</b>	<b>248</b>	<b>1,856</b>	<b>4,214</b>
<b>MAINTENANCE</b>					
TORO GR 3150 MOWER	-	29	29	-	-
ZERO TURN MOWER COLLECTION SYSTEM	-	15	15	-	-
KOEHLER GENERATOR	-	32	32	-	-
	-	<b>44</b>	<b>44</b>	-	-

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF APRIL 30, 2014

(CONTINUED):

(\$ 000's)

<u>PROJECT NAME</u>	BALANCE AT 06-30-13	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 04-30-14
<b>TRADEPORT</b>					
MULTI-USE PATH	146	222	-	222	368
CORPORATE DRIVE RIGHT TURN LANE	246	37	270	(233)	13
AIRPORT ACCESS ROAD DESIGN	27	(27)	-	(27)	-
LAND IMPROVEMENT AND BUILDING DEMO (80 ROCHESTER)	496	253	-	253	749
ROUNDABOUT- BUILDING #90	8	-	-	-	8
ASBESTOS REMOVAL	2	(2)	-	(2)	-
ABOVE GROUND STORAGE TANK UPGRADE	31	17	3	14	45
SIDEWALKS- PEDESTRIAN FACILITIES	-	16	-	16	16
	<b>956</b>	<b>516</b>	<b>273</b>	<b>243</b>	<b>1,199</b>
<b>SKYHAVEN AIRPORT</b>					
HANGAR TWO ROOF REPLACEMENT	7	111	118	(7)	-
UNDERGROUND FUEL PIPE REPLACEMENT	10	-	10	(10)	-
RUNWAY DESIGN AND RECONSTRUCTION	77	368	-	368	445
PROPERTY ACQUISITION AND DEMOLITION	5	38	-	38	43
	<b>99</b>	<b>517</b>	<b>128</b>	<b>389</b>	<b>488</b>
<b>ADMINISTRATION</b>					
COMPUTER REPLACEMENTS	-	-	-	-	-

# SUMMARY OF CONSTRUCTION WORK IN PROGRESS AS OF APRIL 30, 2014

(CONTINUED):

(\$ 000's)

<u>PROJECT NAME</u>	BALANCE AT 06-30-13	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	BALANCE AT 04-30-14
<b>DIVISION OF PORTS AND HARBORS</b>					
MAIN WHARF EXPANSION PROJECT	1,267	-	-	-	1,267
WATER QUALITY IMPROVEMENT	1,624	186	-	186	1,810
HAMPTON HARBOR DESIGN AND RENOVATIONS	330	1,143	-	1,143	1,473
RYE FLOATING DOCK REPLACEMENT	251	(222)	29	(251)	-
HAMPTON HARBOR PIER PROJECT	-	12	12	-	-
SENTINEL POWER SWEEPER	-	166	166	-	-
CAMERA UPGRADES AT MARKET STREET	-	7	7	-	-
2014 FORD 250 PICK-UP RUCK	-	27	27	-	-
SOUTH ACCESS BRIDGE REPLACEMENT	-	375	-	375	375
	<b>3,472</b>	<b>1,694</b>	<b>241</b>	<b>1,453</b>	<b>4,925</b>
TOTAL	<b>7,140</b>	<b>5,720</b>	<b>952</b>	<b>4,768</b>	<b>11,908</b>

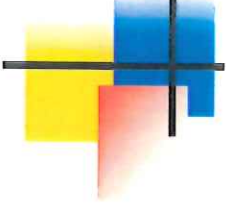


# ANALYSIS OF LONG TERM LIABILITIES AS OF APRIL 30, 2014

(\$ 000's)

## SCHEDULE OF DEBT SERVICE REPAYMENT

DEBT HOLDER / INTEREST RATE	CURRENT PORTION	LONG TERM PORTION	TOTAL AMOUNT DUE	FISCAL YEAR	THE PROVIDENT BANK @ 3.74%	THE PROVIDENT BANK @ 3.46%	THE PROVIDENT BANK @ 3.11%	CITY OF PORTS NH @ 4.50%	TOTAL DEBT
PROVIDENT BANK @ 3.46%	202	184	386	2014	664	202	281	116	1,263
PROVIDENT BANK @ 3.11%	281	985	1,266	2015	-	210	291	116	617
CITY OF PORTSMOUTH-WATER	116	581	697	2016	-	142	300	116	558
POLLUTION CONTROL NOTE @ 4.50%				2017	-	-	309	116	425
	599	1,750	2,349	2018-2021	=	=	319	350	669
TENANT ADVANCES (LONZA)	26	13	39	PAID IN FY 2014	(664)	(168)	(234)	(117)	(1,183)
TOTAL	<u>625</u>	<u>1,763</u>	<u>2,388</u>	TOTAL	=	<u>386</u>	<u>1,266</u>	<u>697</u>	<u>2,349</u>



# **BUSINESS UNIT ANALYSIS**

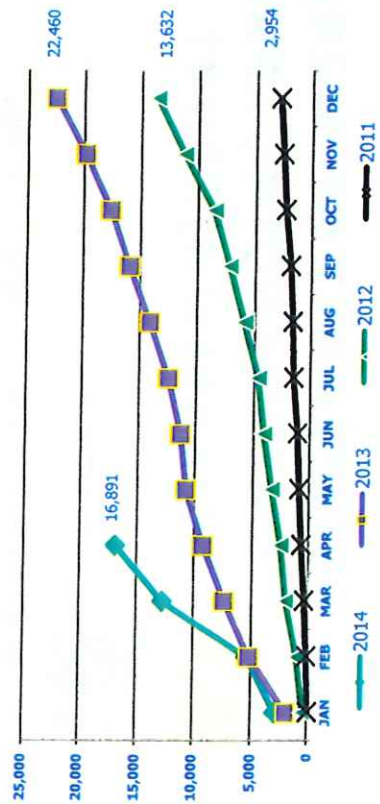
# STATEMENT OF OPERATIONS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 PORTSMOUTH AIRPORT

(\$ 000's)

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<u>614</u>	<u>704</u>	<u>(90)</u>	<u>807</u>
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	92	615	77	864
BUILDINGS AND FACILITIES MAINTENANCE	816	1,011	(195)	575
GENERAL AND ADMINISTRATIVE	148	126	22	143
UTILITIES	282	276	6	314
PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	15	9	6	12
ALL OTHER	-	-	-	-
<b>OPERATING INCOME</b>	<u>1,953</u>	<u>2,037</u>	<u>(84)</u>	<u>1,908</u>
<b>NONOPERATING (INCOME) AND EXPENSE</b>	<u>(1,339)</u>	<u>(1,333)</u>	<u>(6)</u>	<u>(1,101)</u>
<b>DEPRECIATION AND AMORTIZATION</b>	-	-	-	-
<b>NET OPERATING INCOME</b>	<u>(4,523)</u>	<u>(4,503)</u>	<u>(20)</u>	<u>(5,099)</u>

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	CURRENT FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b> (\$ 000's)			
FACILITIES RENT	451	439	550
CARGO AND HANGARS	111	94	137
CONCESSION REVENUES	5	3	3
FEE REVENUES	1	75	2
ALL OTHER	47	93	115
	<u>614</u>	<u>704</u>	<u>807</u>

### ENPLANEMENT DATA



# STATEMENT OF OPERATIONS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 SKYHAVEN AIRPORT

(\$ 000's)

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<u>226</u>	<u>234</u>	<u>(8)</u>	<u>226</u>
CARGO AND HANGARS	121	124		135
FUEL SALES	104	107		90
ALL OTHER	1	3		1
	<u>226</u>	<u>234</u>		<u>226</u>
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	42	38	4	50
BUILDINGS AND FACILITIES MAINTENANCE	79	111	(32)	102
GENERAL AND ADMINISTRATIVE	36	31	5	37
UTILITIES	32	28	4	26
PROFESSIONAL SERVICES	5	4	1	4
MARKETING AND PROMOTION	-	-	-	1
ALL OTHER- FUEL	82	92	(10)	77
	<u>276</u>	<u>304</u>	<u>(28)</u>	<u>297</u>
<b>OPERATING INCOME</b>	(50)	(70)	20	(71)
<b>NONOPERATING (INCOME) AND EXPENSE</b>	-	7	(7)	-
<b>DEPRECIATION AND AMORTIZATION</b>	205	214	(9)	245
<b>NET OPERATING INCOME</b>	<u>(255)</u>	<u>(291)</u>	<u>36</u>	<u>(316)</u>

(\$,000 \$)

	CURRENT MONTH	YEAR TO DATE	TOTAL YEAR	YTD AVE PRICE
<b>GALLONS OF FUEL SOLD</b>				
FY 2014	1,954	18,684	18,684	\$ 5.56
FY 2013	2,375	18,953	22,718	\$ 5.66

	OPERA	CAPITAL EXPEND	DEBT REPAY	GRANT FUNDS	TOTAL
<b>NET CASH FLOW</b>					
FY 2014	(50)	(517)	-	279	(288)
FY 2013	(81)	(106)	-	12	(175)
FY 2012	(50)	(8)	-	318	260
FY 2009- FY 2011	(369)	(411)	(100)	-	(880)
	<u>(550)</u>	<u>(1,042)</u>	<u>(100)</u>	<u>509</u>	<u>(1,083)</u>

(\$,000 \$)



# STATEMENT OF OPERATIONS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 TRADEPORT

(\$ 000's)

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>				
(\$ 000's)				
RENTAL OF FACILITIES	6,459	6,698		7,707
INTEREST INCOME ON LOANS	-	-	-	-
ALL OTHER- NET	63	76	35	134
	<u>6,522</u>	<u>6,774</u>	<u>(252)</u>	<u>7,792</u>
<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	264	229	35	134
GENERAL AND ADMINISTRATIVE	518	53	465	62
UTILITIES	146	127	19	138
PROFESSIONAL SERVICES	9	12	(3)	-
MARKETING AND PROMOTION	20	8	12	-
ALL OTHER	61	49	12	120
	<u>1,018</u>	<u>478</u>	<u>540</u>	<u>454</u>
<b>OPERATING INCOME</b>	5,504	6,296	(792)	7,338
<b>NONOPERATING (INCOME) AND EXPENSE</b>	(3)	(553)	550	-
<b>DEPRECIATION AND AMORTIZATION</b>	798	878	(80)	1,200
<b>NET OPERATING INCOME</b>	<u>4,709</u>	<u>5,971</u>	<u>(1,262)</u>	<u>6,138</u>

# STATEMENT OF OPERATIONS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 GOLF COURSE

(\$ 000's)

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET	OPERATING REVENUES	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	CURRENT FISCAL YEAR BUDGET
<b>OPERATING REVENUES</b>	<u>1,135</u>	<u>1,355</u>	<u>(220)</u>	<u>1,672</u>	CONCESSION REVENUES	172	167	195
<b>OPERATING EXPENSES</b>					FEE REVENUES			
PERSONNEL SERVICES AND BENEFITS	693	662	31	793	GOLF FEES	571	716	908
BUILDINGS AND FACILITIES MAINTENANCE	249	243	6	269	MEMBERSHIPS	153	244	296
GENERAL AND ADMINISTRATIVE	114	95	19	124	SIMULATOR	114	103	103
UTILITIES	104	91	13	104	GOLF LESSONS	<u>8</u>	<u>9</u>	<u>10</u>
PROFESSIONAL SERVICES	8	5	3	11		<u>846</u>	<u>1,072</u>	<u>1,317</u>
MARKETING AND PROMOTION	33	69	(36)	88	MERCHANDISE AND OTHER	117	116	160
ALL OTHER	139	156	(17)	174		<u>1,135</u>	<u>1,355</u>	<u>1,672</u>
	<u>1,340</u>	<u>1,321</u>	<u>19</u>	<u>1,563</u>				
<b>OPERATING INCOME</b>	(205)	34	(239)	109	<b>BUSINESS UNIT ANALYSIS</b>			
<b>NONOPERATING (INCOME) AND EXPENSE</b>	(2)	(1)	(1)	-	PRO SHOP	99	172	114
DEPRECIATION AND AMORTIZATION	235	256	(21)	1	COURSE OPERA	750	194	1,135
<b>NET OPERATING INCOME</b>	<u>(438)</u>	<u>(222)</u>	<u>(216)</u>	<u>(199)</u>	OPERATING REVENUES	1,002	27	1,340
					OPERATING EXPENSES (EXCLUDING DEPRECIATION)	(18)	(22)	(205)









# STATEMENT OF OPERATIONS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(\$ 000's)

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET	FOREIGN TRADE ZONE	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET
<b>HARBOR DREDGING</b>									
<b>OPERATING REVENUES</b>	91	86	5	110	<b>OPERATING REVENUES</b>	5	15	(10)	5
<b>OPERATING EXPENSES</b>					<b>OPERATING EXPENSES</b>				
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	PERSONNEL SERVICES AND BENEFITS	-	-	-	-
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	-	-	-	GENERAL AND ADMINISTRATIVE	1	1	-	2
UTILITIES	-	-	-	(5)	UTILITIES	-	-	-	-
PROFESSIONAL SERVICES	-	-	-	-	PROFESSIONAL SERVICES	-	-	-	-
MARKETING AND PROMOTION	-	-	-	-	MARKETING AND PROMOTION	7	9	(2)	3
ALL OTHER	-	-	-	-	ALL OTHER	-	-	-	-
	=	=	=	(5)		8	10	(2)	5
<b>OPERATING INCOME</b>	91	86	5	115	<b>OPERATING INCOME</b>	(3)	5	(8)	-
<b>NONOPERATING (INCOME) AND EXPENSE</b>	-	-	-	5	<b>NONOPERATING (INCOME) AND EXPENSE</b>	-	-	-	-
<b>DEPRECIATION AND AMORTIZATION</b>	11	5	6	6	<b>DEPRECIATION AND AMORTIZATION</b>	-	-	-	-
<b>NET OPERATING INCOME</b>	80	81	(1)	110	<b>NET OPERATING INCOME</b>	(3)	5	(8)	-

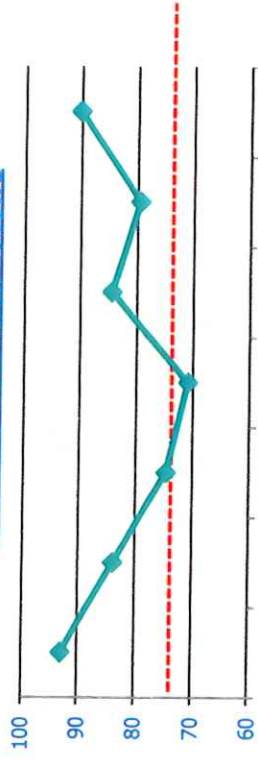
# STATEMENT OF OPERATIONS FOR THE TEN MONTH PERIOD ENDING APRIL 30, 2014 PORT AUTHORITY OF NEW HAMPSHIRE (RESTRICTED)

(CONTINUED)

(\$ 000's)

	CURRENT YEAR TO DATE ACTUAL	PRIOR YEAR TO DATE ACTUAL	YEAR TO YEAR VARIANCE	CURRENT FISCAL YEAR BUDGET	REVOLVING LOAN FUND RECONCILIATION		
					BALANCE, AT 04-30-2014	BALANCE, AT 06-30-2013	BALANCE AT 06-30-2012
<b>REVOLVING LOAN FUND</b>							
<b>OPERATING REVENUES</b>	33	28	5	34			
<b>OPERATING EXPENSES</b>							
PERSONNEL SERVICES AND BENEFITS	-	-	-	-	51	154	305
BUILDINGS AND FACILITIES MAINTENANCE	-	-	-	-	43	43	-
GENERAL AND ADMINISTRATIVE	1	-	1	-	94	197	305
UTILITIES	-	-	-	-			
PROFESSIONAL SERVICES	18	21	(3)	28			
MARKETING AND PROMOTION	-	-	-	-			
ALL OTHER	-	-	-	-			
<b>OPERATING INCOME</b>	19	21	(2)	28			
<b>NONOPERATING (INCOME) AND EXPENSE</b>	14	7	7	6			
<b>DEPRECIATION AND AMORTIZATION</b>	-	-	-	-			
<b>NET OPERATING INCOME</b>	14	7	7	6			
					91.7%	82.4%	72.5%

### CAPITAL UTILIZATION % RATE



MAR 11 SEP 11 MAR 12 SEP 12 MAR 13 SEP 13 MAR 14

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# **CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING FEBRUARY 28, 2015**

*(EXCLUDING THE DIVISION OF PORTS AND HARBORS)*



**BOARD OF DIRECTORS MEETING  
JUNE 19, 2014**



# PEASE DEVELOPMENT AUTHORITY PDA UNRESTRICTED CASH FLOW SUMMARY OVERVIEW JUNE 1, 2014 TO FEBRUARY 28, 2015

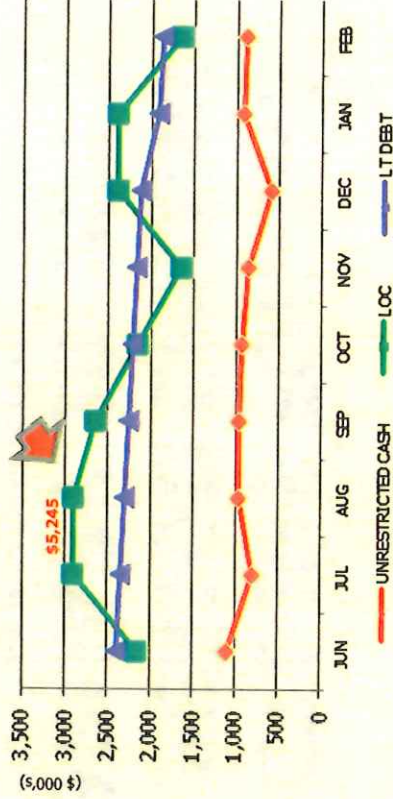
(\$ 000's)

	AMOUNT
<b>OPENING FUND BALANCE</b>	<b><u>1,355</u></b>
<b>SOURCES OF FUNDS</b>	
TRADEPORT RELATED BILLINGS	6,067
FEDERAL / STATE GRANT AWARDS	5,437
GOLF COURSE FEE AND CONCESSION REVENUES	1,450
MUNICIPAL SERVICE FEE (COP)- NET	1,134
PORTSMOUTH AIRPORT	417
SKYHAVEN AIRPORT HANGAR AND FUEL REVENUES	136
EXTERNAL BANK WORKING CAPITAL- NET	(500)
	<u>14,141</u>
<b>USES OF FUNDS</b>	
CAPITAL EXPENDITURES- GRANT RELATED	7,507
EMPLOYEE WAGES AND BENEFITS	3,537
CAPITAL EXPENDITURES- NON GRANT RELATED	1,562
OPERATING EXPENSES	1,420
LONG TERM DEBT RETIREMENT	558
	<u>14,584</u>
<b>NET CASH FLOW</b>	<b>(443)</b>
<b>CLOSING FUND BALANCE</b>	<b><u>912</u></b>

## DISCUSSION

THE PDA WILL NEED TO FURTHER UTILIZE IT'S SHORT TERM LINE OF CREDIT WITH THE PROVIDENT BANK DURING THE NEXT NINE MONTH PERIOD TO PRIMARILY FINANCE PROJECTED CAPITAL EXPENDITURES. THE CURRENT MAXIMUM CAPACITY OF \$5,000 WILL BE TARGETED.

CURRENT SENSITIVITIES TOWARD FUTURE PROJECTIONS INCLUDE 1) COMPLETION OF GOLF COURSE MEMBERSHIP RENEWAL, 2) RECEIPT OF FEDERAL / STATE GRANT AWARDS AND 3) ACCURACY OF CAPITAL EXPENDITURE FORECAST AND 4) TRADEPORT REVENUE STREAMS.



TOTAL FUND BALANCES	BALANCE AT 05-31-2014	BALANCE AT 06-30-2013
<b>PDA UNRESTRICTED</b>	<b>1,355</b>	<b>2,307</b>
PDA DESIGNATED	130	675
DPH UNRESTRICTED	606	1,014
DPH RESTRICTED	<u>664</u>	<u>695</u>
<b>TOTAL</b>	<b><u>2,755</u></b>	<b><u>4,691</u></b>



# PEASE DEVELOPMENT AUTHORITY STATEMENT OF CASH FLOW- PDA UNRESTRICTED FUNDS JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b>OPENING FUND BALANCE</b>	<u>1,355</u>	<u>1,053</u>	<u>763</u>	<u>926</u>	<u>931</u>	<u>900</u>	<u>880</u>	<u>612</u>	<u>941</u>	<u>1,355</u>
<b>SOURCES OF FUNDS</b>										
TRADEPORT RELATED BILLINGS	524	923	615	615	760	615	615	665	735	6,067
GRANT AWARDS (SEE PAGE #9)	20	475	942	987	992	796	493	386	346	5,437
MUNICIPAL SERVICE FEE (COP)	236	208	355	205	208	355	205	208	355	2,335
GOLF COURSE	225	275	275	275	150	100	50	50	50	1,450
PORTSMOUTH AIRPORT	35	35	69	30	40	69	35	35	69	417
SKYHAVEN AIRPORT	17	18	18	17	15	14	12	13	12	136
WORKING CAPITAL RLOC- NET	750	-	-	(250)	(500)	(500)	750	-	(750)	(500)
	<u>1,807</u>	<u>1,934</u>	<u>2,274</u>	<u>1,879</u>	<u>1,665</u>	<u>1,449</u>	<u>2,160</u>	<u>1,357</u>	<u>817</u>	<u>15,342</u>
<b>USE OF FUNDS</b>										
CAPITAL- GRANT RELATED (SEE PAGE #4)	1,055	1,446	1,262	1,029	1,016	725	494	250	230	7,507
CAPITAL- NONGRANT (SEE PAGES #5-#8)	255	180	271	279	139	208	160	45	25	1,562
EMPLOYEE WAGES AND BENEFITS	513	378	373	366	356	346	399	390	416	3,537
OPERATING EXPENSES	210	175	160	155	140	145	160	145	130	1,420
MUNICIPAL SERVICE FEE (COP)	31	-	-	-	-	-	1,170	-	-	1,201
LONG TERM DEBT RETIREMENT (SEE PAGES #10-#11)	45	45	45	45	45	45	45	198	45	558
	<u>2,109</u>	<u>2,224</u>	<u>2,111</u>	<u>1,874</u>	<u>1,696</u>	<u>1,469</u>	<u>2,428</u>	<u>1,028</u>	<u>846</u>	<u>15,785</u>
<b>NET CASH FLOW</b>	(302)	(290)	163	5	(31)	(20)	(268)	329	(29)	(443)
<b>CLOSING FUND BALANCE</b>	<u>1,053</u>	<u>763</u>	<u>926</u>	<u>931</u>	<u>900</u>	<u>880</u>	<u>612</u>	<u>941</u>	<u>912</u>	<u>912</u>

# PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b>GRANT REIMBURSEMENT</b>										
<b>PORTSMOUTH AIRPORT</b>										
OBSTRUCTION MITIGATION DESIGN (AIP #49)	10	20	21	21	-	-	-	-	-	72
OBSTRUCTION MITIGATION- PHASE II **	-	-	-	-	10	20	25	65	65	185
NOISE EXPOSURE MAP (AIP #52)	10	-	-	-	-	-	-	-	-	10
AIRPORT MARKING AND SIGNAGE (AIP #55)	10	-	-	-	-	-	-	-	-	10
RUNWAY FACILITY DESIGN STUDY (SBG 1)	10	-	-	-	-	-	-	-	-	10
ASR MITIGATION CONSTRUCTION (SBG 2)	810	361	29	-	-	-	-	-	-	1,200
ASR CONSTRUCTION (SBG 3)	-	200	287	333	156	205	100	29	15	1,325
RUNWAY PRE-DESIGN (GEOTECH)**	-	-	-	-	50	50	50	50	50	250
<b>SKYHAVEN AIRPORT</b>										
RUNWAY REHAB AND DESIGN	40	65	-	-	-	-	-	-	-	105
RUNWAY CONSTRUCTION	50	300	650	625	775	450	319	106	100	3,375
<b>TRADEPORT</b>										
BUILDING DEMO (80 ROCHESTER)	15	-	-	-	-	-	-	-	-	15
MULTI USE PATH (DESIGN AND CONSTRUCTION FOR GRAFTON DRIVE SECTION ONLY)	100	500	275	50	25	-	-	-	-	950
<b>TOTAL GRANT</b>	<b>1,055</b>	<b>1,446</b>	<b>1,262</b>	<b>1,029</b>	<b>1,016</b>	<b>725</b>	<b>494</b>	<b>250</b>	<b>230</b>	<b>7,507</b>



# PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

(CONTINUED):

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b>TRADEPORT</b>										
ROOF- 55 INTERNATIONAL DRIVE (ENGINEERING)	-	10	10	6	6	3	-	-	-	35
ROOF- 55 INTERNATIONAL DRIVE **	-	45	50	70	35	30	-	-	-	230
SOLAR PANELS- 55 INTERNATIONAL DRIVE**	-	-	-	-	-	-	35	45	-	80
TERMINAL DIRECTORY (INSIDE) **	-	-	-	-	-	-	5	-	-	5
TERMINAL SIGN GUIDES (ROADWAYS) **	-	-	-	-	-	20	30	-	-	50
AIRPORT ENTRANCE SIGN- EXETER STREET**	-	-	-	-	30	20	-	-	-	50
NORTH ENTRANCE WELCOME SIGN **	-	-	-	-	10	20	-	-	-	30
SIDEWALKS- PEDESTRIAN FACILITIES**	-	10	35	15	-	-	-	-	-	60
STREET LIGHTING AND CONSTRUCTION**	-	-	10	30	-	-	-	-	-	40
CHILLER REPLACEMENT- 55 INTERNATIONAL DRIVE	40	-	-	-	-	-	-	-	-	40
ABOVE GROUND STORAGE TANK UPGRADE	5	15	-	-	-	-	-	-	-	20
	<u>45</u>	<u>80</u>	<u>105</u>	<u>121</u>	<u>81</u>	<u>93</u>	<u>70</u>	<u>45</u>	<u>-</u>	<u>640</u>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

(CONTINUED):

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<b>SKYHAVEN AIRPORT</b>										
STORM DRAIN SURVEY **	-	-	-	-	20	-	-	-	-	20
HANGAR FIVE ROOF RENOVATIONS**	-	-	-	13	12	-	-	-	-	25
NEW SECURITY GATE- P1**	-	-	-	-	-	10	-	-	-	10
	=	=	=	13	32	10	=	=	=	55
<b>ADMINISTRATION</b>										
COMPUTERS / PRINTERS / SOFTWARE / SERVERS / TELECOMMUNICATIONS **	75	=	=	=	=	10	15	=	=	100



# PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

(CONTINUED):

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
<small>(CONTINUED):</small>										
<b>GOLF COURSE</b>										
COURSE RENOVATIONS	65	-	-	-	-	-	-	-	-	65
CLUBHOUSE PATIO UPGRADE	15	20	-	-	-	-	-	-	-	35
PARKING LOT RENOVATIONS	15	-	-	-	-	-	-	-	-	15
WALKING GREEN'S MOWER**	-	-	-	25	-	-	-	-	-	25
FUEL TANK PAD **	-	-	-	-	-	-	75	-	-	75
DEBRIS MOWER**	-	-	10	-	-	-	-	-	-	10
CLUBHOUSE FURNISHINGS AND KITCHEN EQUIPMENT **	-	-	-	50	-	-	-	-	-	50
GREEN TEE AREATOR **	-	-	-	-	26	-	-	-	-	26
POINT OF SALE SYSTEM UPGRADE **	-	-	-	-	-	-	-	-	25	25
RANGE CART WITH CAGE **	-	-	-	15	-	-	-	-	-	15
TRIM MOWERS**	-	-	-	25	-	-	-	-	-	25
WEBSITE ENHANCEMENTS **	-	-	20	-	-	-	-	-	-	20
	<u>95</u>	<u>20</u>	<u>30</u>	<u>115</u>	<u>26</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>25</u>	<u>386</u>

**NOTE:**  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY PROJECTED CAPITAL EXPENDITURES JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

(CONTINUED):

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b><u>NONGRANT REIMBURSEMENT</u></b>										
(CONTINUED):										
<b>PORTSMOUTH AIRPORT</b>										
TERMINAL IMPROVEMENTS**	-	-	40	-	-	-	-	-	-	40
BATHROOM RENOVATIONS** (OLD SECTION)	-	-	20	30	-	-	-	-	-	50
TSA TRAILER**	40	-	-	-	-	-	-	-	-	40
MODULAR OFFICE	-	25	-	-	-	-	-	-	-	25
REEROOFING OF HUT # 7 AND #8 **	-	-	-	-	-	65	-	-	-	65
ABOVE GROUND PETROLEUM TANKS	-	5	-	-	-	-	-	-	-	5
	<u>40</u>	<u>30</u>	<u>60</u>	<u>30</u>	<u>-</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225</u>
<b>MAINTENANCE</b>										
AIR CONDITIONING- 7 LEE STREET **	-	-	40	-	-	-	-	-	-	40
DUMP BODY SCHMIDT CHASSIS **	-	-	-	-	-	30	-	-	-	30
OPERATIONS VEHICLE (PD #53) **	-	-	36	-	-	-	-	-	-	36
75 ROCHESTER- FIRE ALARM **	-	50	-	-	-	-	-	-	-	50
	-	50	76	-	-	30	-	-	-	156
<b>TOTAL NONGRANT</b>	<b><u>255</u></b>	<b><u>180</u></b>	<b><u>271</u></b>	<b><u>279</u></b>	<b><u>139</u></b>	<b><u>208</u></b>	<b><u>160</u></b>	<b><u>45</u></b>	<b><u>25</u></b>	<b><u>1,562</u></b>

NOTE:  
\*\* PENDING BOARD APPROVAL

# PEASE DEVELOPMENT AUTHORITY PROJECTED RECEIPT GRANT AWARDS JUNE 1, 2014 TO FEBRUARY 28, 2015

(\$ 000's)

	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b><u>GRANT REIMBURSEMENT</u></b>										
<b>PORTSMOUTH AIRPORT</b>										
OBSTRUCTION MITIGATION DESIGN (AIP #49)	12	-	30	10	-	25	-	-	-	77
OBSTRUCTION MITIGATION- PHASE II	-	-	-	-	-	-	8	16	26	50
NOISE EXPOSURE MAP (AIP #52)	-	-	30	-	-	-	-	-	-	30
AIRPORT MARKING AND SIGNAGE (AIP #55)	-	-	-	7	-	-	-	-	-	7
RUNWAY FACILITY DESIGN STUDY (SBG 1)	-	-	20	-	-	-	-	-	-	20
ASR MITIGATION CONSTRUCTION (SBG 2)	8	300	770	325	303	-	-	-	-	1,665
ASR CONSTRUCTION (SBG 3)	-	-	-	-	182	258	300	140	185	1,065
<b>SKYHAVEN AIRPORT</b>										
PROPERTY ACQUISITION AND DEMOLITION	-	37	-	-	-	-	-	-	-	37
RUNWAY REHAB AND DESIGN	-	76	43	15	-	-	-	-	-	134
RUNWAY CONSTRUCTION	-	62	-	180	260	300	140	185	90	1,217
RUNWAY PRE-DESIGN (GEOTECH)	-	-	-	-	-	-	45	45	45	135
										<u>135</u>
<b>TRADEPORT</b>										
MULTI USE PATH (DESIGN AND CONSTRUCTION FOR GRAFTON DRIVE SECTION ONLY)	50	75	325	250	100	-	-	-	-	1,000
<b>TOTAL GRANT</b>	<b>20</b>	<b>475</b>	<b>942</b>	<b>987</b>	<b>992</b>	<b>796</b>	<b>493</b>	<b>386</b>	<b>346</b>	<b>5,437</b>



**PEASE DEVELOPMENT AUTHORITY  
 SCHEDULED OF LONG TERM DEBT RETIREMENT  
 JUNE 1, 2014 TO FEBRUARY 28, 2015**

(PRINCIPAL + INTEREST)  
 (\$ 000'S)

	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	TOTAL
<b>THE PROVIDENT BANK                      REVOLVING LOC # 1                      (STATE GUARANTEE-                      \$1,000,000)</b>	18	18	18	18	18	18	18	18	18	162
<b>THE PROVIDENT BANK                      REVOLVING LOC #2                      (STATE GUARANTEE-                      \$1,500,000)</b>	27	27	27	27	27	27	27	27	27	243
<b>CITY OF PORTSMOUTH</b>	-	-	-	-	-	-	-	153	-	153
<b>TOTAL</b>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>198</u>	<u>45</u>	<u>558</u>

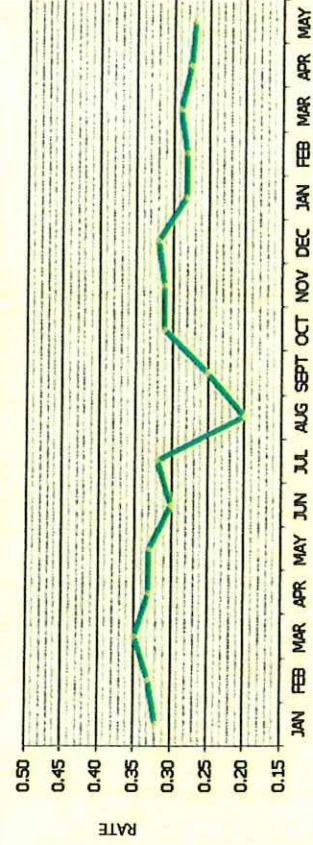


# PEASE DEVELOPMENT AUTHORITY CREDIT FACILITIES AND OUTSTANDING DEBT ANALYSIS MAY 31, 2014

(\$ 000's)

CREDIT FACILITIES	THE PROVIDENT BANK (RLOC)	THE PROVIDENT BANK (REVOL)	THE PROVIDENT BANK (BAN)	OUTSTANDING DEBT ANALYSIS	BALANCE AT 05-31-2014	BALANCE AT 06-30-2013	MATURITY DATE	INTEREST RATE %
AMOUNT OF CREDIT FACILITY	5,000	2,500	5,000	THE PROVIDENT BANK (RLOC)	2,150	-	12-31-2016	2.81
AMOUNT AVAILABLE	2,850	-	-	THE PROVIDENT BANK- (REVOL #2)	1,243	1,500	06-28-2018	3.11
EFFECTIVE DATE	03-10-2011	03-10-2011	02-25-2009	CITY OF PORTSMOUTH	698	814	12-31-2020	4.50
TERM DATE	12-31-2016	06-28-2018	02-25-2014	THE PROVIDENT BANK- (REVOL #1)	368	554	03-14-2016	3.46
PURPOSE	TO PROVIDE WORKING CAPITAL	TO FINANCE CAPITAL EXPENDITURES	DEBT REPAYMENT TO STATE OF NH	THE PROVIDENT BANK (BAN)	-	664	02-26-2014	-
INTEREST RATE	ONE MONTH FHLB + 250 BASIS POINTS	SEE TABLE	3.74%		<b>4,459</b>	<b>3,532</b>	<b>WEIGHTED AVERAGE</b>	<b>3.21</b>
MINIMUM SIZE OF DRAWDOWN	NO MINIMUM	500	5,000					
OTHER	DOES NOT CARRY THE STATE GUARANTEE	DOES CARRY GUARANTEE OF STATE	DOES CARRY GUARANTEE OF STATE					

TRENDING THE ONE MONTH FHLB INTEREST RATE



2013

2014



MOTION

Director Lamson:

The Pease Development Authority Board of Directors approves of and accepts the proposed FY2015 Operations and Maintenance ("O&M") Budget and FY 2015 – FY 2017 O&M Forecast in substantially the same form as attached hereto.

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# PEASE DEVELOPMENT AUTHORITY PROPOSED FY 2015 OPERATING BUDGET AND FY 2016 - FY 2017 FORECAST (CONDENSED)



**PEASE DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
JUNE 19, 2014**

# EXECUTIVE OVERVIEW

\$ (000's)

- THE PDA OPERATES WITHIN ITS OWN REVENUE STREAMS AND DERIVES NO FUNDING FROM THE STATE OTHER THAN FOR CAPITAL IMPROVEMENTS AT THE DIVISION OF PORTS AND HARBORS.
- COMPARING OUR PROJECTED FY 2014 ACTUALS, FY 2015 BUDGETED REVENUES ARE ESTIMATED TO INCREASE BY 6.9% (\$897) WHILE BUDGETED EXPENDITURES ARE ESTIMATED TO INCREASE BY 1.8% (\$212). THE PRIMARY VARIANCES INCLUDE:

◦ REVENUES	
• GOLF COURSE FEES, MEMBERSHIPS AND MERCHANDISE	\$ 467
• FACILITIES RENTALS	229
• HAMPTON HARBOR FUELING	140
• WHARFAGE AND DOCKAGE	(175)
• ALL OTHER- NET	236
◦ EXPENDITURES	
• LABOR AND FRINGE BENEFITS	\$ 372
• MARKETING AND PROMOTION	166
• PROFESSIONAL SERVICES (PRIMARY LEGAL)	109
• BAD DEBT EXPENSE	(441)
• SNOW REMOVAL	(69)
• ALL OTHER- NET	75

- THERE IS POTENTIAL FOR SEVERAL OPERATING BUDGET ISSUES THAT NEED TO BE FURTHER VETTED INCLUDING:

- WATER CONTAMINATION FOUND AT HAVEN WELL- PERFLUOROOCANE SULFONIC ACID
- REMEDIATION ACTIVITIES- MARKET STREET WATER QUALITY
- REPLACEMENT REVENUES DUE TO GRIMMEL INDUSTRIES CONTRACT EXPIRATION
- ENVIRONMENTAL PROTECTION AGENCY MUNICIPAL SEWER SYSTEM (MS4) REGULATORY COMPLIANCE- PEASE TRADEPORT
- PSM RUNWAY RECONSTRUCTION COST SHARING- FAA NEW ENGLAND REGION
- PENDING LEASE AGREEMENTS- FAIR MARKET APPRAISAL



# EXECUTIVE OVERVIEW (CONTINUED)

- KEY OPERATIONAL ACTIVITIES AND INITIATIVES TO BE UNDERTAKEN:
  - MAINTAINING AND EXPANDING CURRENT COMMERCIAL AIRLINE SERVICES
  - REVENUE REPLACEMENT ALTERNATIVES- GRIMMEL INDUSTRIES
  - SUCCESSION PLANNING MODELING
  - REGULATORY COMPLIANCE- STORMWATER MANAGEMENT AND REMEDIATION BUILDING AND LAND LEASE NEGOTIATIONS
    - LONZA BIOLOGICS
    - GSA- PASSPORT CENTER
    - AIR CARGO
  - ACHIEVEMENT OF ANNUAL 10,000 ENPLANEMENTS (PSM)
  - TRANSPORTATION TRAFFIC FLOW STUDY UPDATE
  - CONTINUED USE OF JOB COSTING- GREAT PLAINS SOFTWARE
  - COMMENCEMENT OF FUELING OPERATIONS- HAMPTON HARBOR
  - DEVELOPMENT OF AN INTERNAL STUDY FOR PARKING LOT MAINTENANCE AND RENOVATIONS
  - DEVELOPMENT OF A PREVENTIVE MAINTENANCE WORK SCHEDULE- GENERATORS
  - SERVICE CONTRACT RENEGOTIATIONS INCLUDE:
    - WASTE MANAGEMENT
    - ELECTRICITY SUPPLIER
    - EXTERNAL AUDITOR

# COMPOSITE BUDGET PROJECTIONS

\$ (000's)

	FY 2012 ACTUAL	FY 2013 ACTUAL	CURRENT FY 2014 FORECAST	PROPOSED FY 2015 BUDGET	PROPOSED FY 2016 FORECAST	PROPOSED FY 2017 FORECAST
<b>OPERATING REVENUES</b>	<u>15,118</u>	<u>15,039</u>	<u>13,006</u>	<u>13,903</u>	<u>14,295</u>	<u>14,547</u>
<b>OPERATING EXPENSES</b>						
WAGES AND BENEFITS	5,656	5,182	5,479	5,851	5,949	6,082
BUILDING AND FACILITIES	1,204	3,747	2,583	2,434	2,495	2,553
GENERAL ADMINISTRATION	756	1,771	1,237	796	810	826
UTILITIES	682	837	818	826	843	854
PROFESSIONAL SERVICES	105	243	212	321	283	239
MARKETING AND PROMOTION	225	174	250	416	396	397
OTHER OPERATING EXPENSES	1,173	1,121	1,154	1,301	1,315	1,325
<b>OPERATING INCOME</b>	<u>9,801</u>	<u>13,075</u>	<u>11,733</u>	<u>11,945</u>	<u>12,091</u>	<u>12,276</u>
DEPRECIATION	5,317	1,964	1,273	1,958	2,204	2,271
INTEREST EXPENSE	394	106	159	98	73	67
INTEREST INCOME AND OTHER	(46)	(556)	(8)	(6)	(7)	(7)
<b>NET OPERATING INCOME</b>	<u>(1,198)</u>	<u>(3,639)</u>	<u>(5,076)</u>	<u>(4,498)</u>	<u>(4,352)</u>	<u>(4,392)</u>



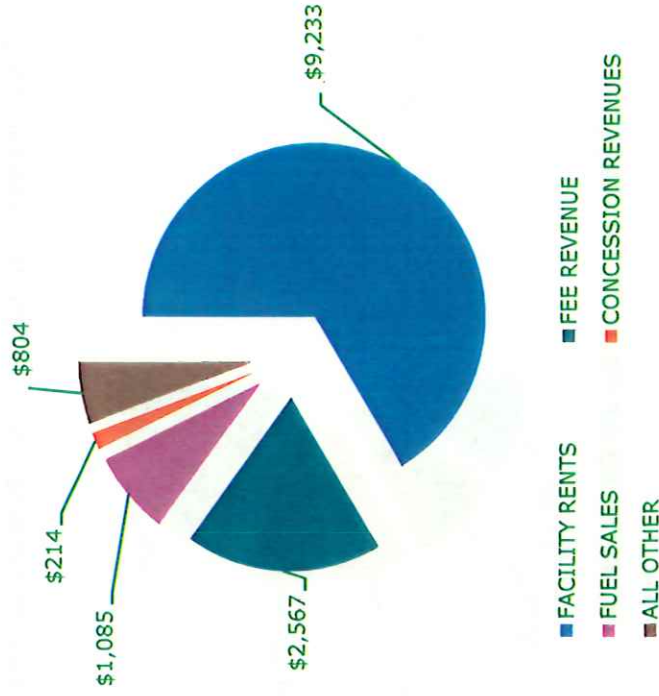
# BUDGET ANALYSIS- FY 2014 ACTUAL VERSUS FY 2015 BUDGET

\$(000's)

## • COMPOSITE OPERATING REVENUES

- GENERAL **INCREASE** OF APPROXIMATELY 6.9% (\$897) FROM PROJECTED FY 2014 ACTUALS. THE PRIMARY REASONS INCLUDE:
  - HAMPTON HARBOR FUELING OPERATIONS \$ 140
  - FACILITIES RENTALS (INCLUDING GSA AT \$114) 229
  - GOLF COURSE FEES AND MEMBERSHIPS 417
  - GOLF MERCHANDISE SALES 50
  - ALL OTHER- NET 61
- NO SIGNIFICANT VACANCIES ARE KNOWN OR HAVE BEEN PROJECTED RELATIVE TO BUILDING OR LAND RENTAL STREAMS.
  - 19 DURHAM
  - 75 ROCHESTER- UNIT #2
- PRIMARY INCREMENTAL REVENUES HAVE BEEN CAPTURED ASSOCIATED WITH THE FURTHER DEVELOPMENT WITHIN THE TRADEPORT.
  - TOWER HILL DEVELOPMENT (183-185 INTERNATIONAL DRIVE)
  - FAIRLEY WHITE (100 ARBORETUM)
  - GSA (PASSPORT CENTER)
- CONTRACT ESCALATION, WAS PROJECTED AT 1.5% (CPI).

## PORTFOLIO OF FY 2015 REVENUES



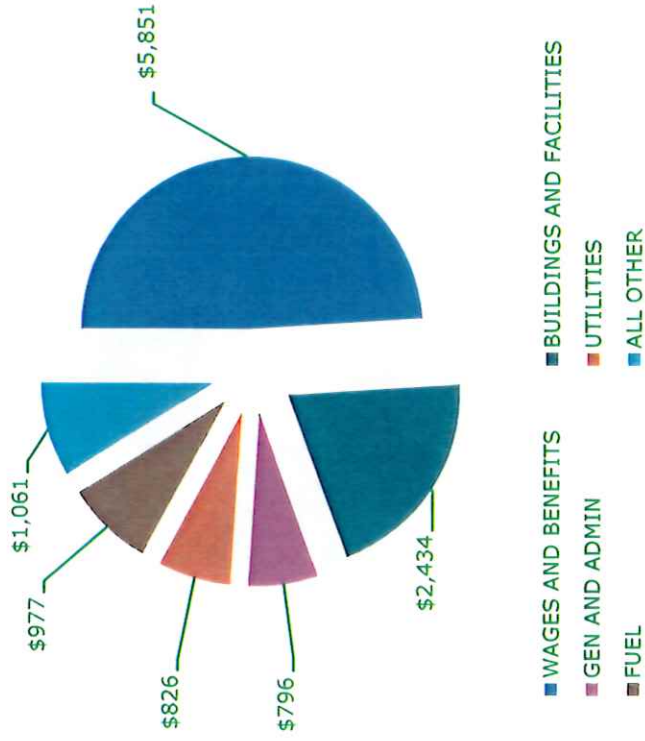
# BUDGET ANALYSIS- FY 2014 ACTUAL VERSUS FY 2015 BUDGET (CONTINUED)

\$ (000's)

## • COMPOSITE OPERATING EXPENSES

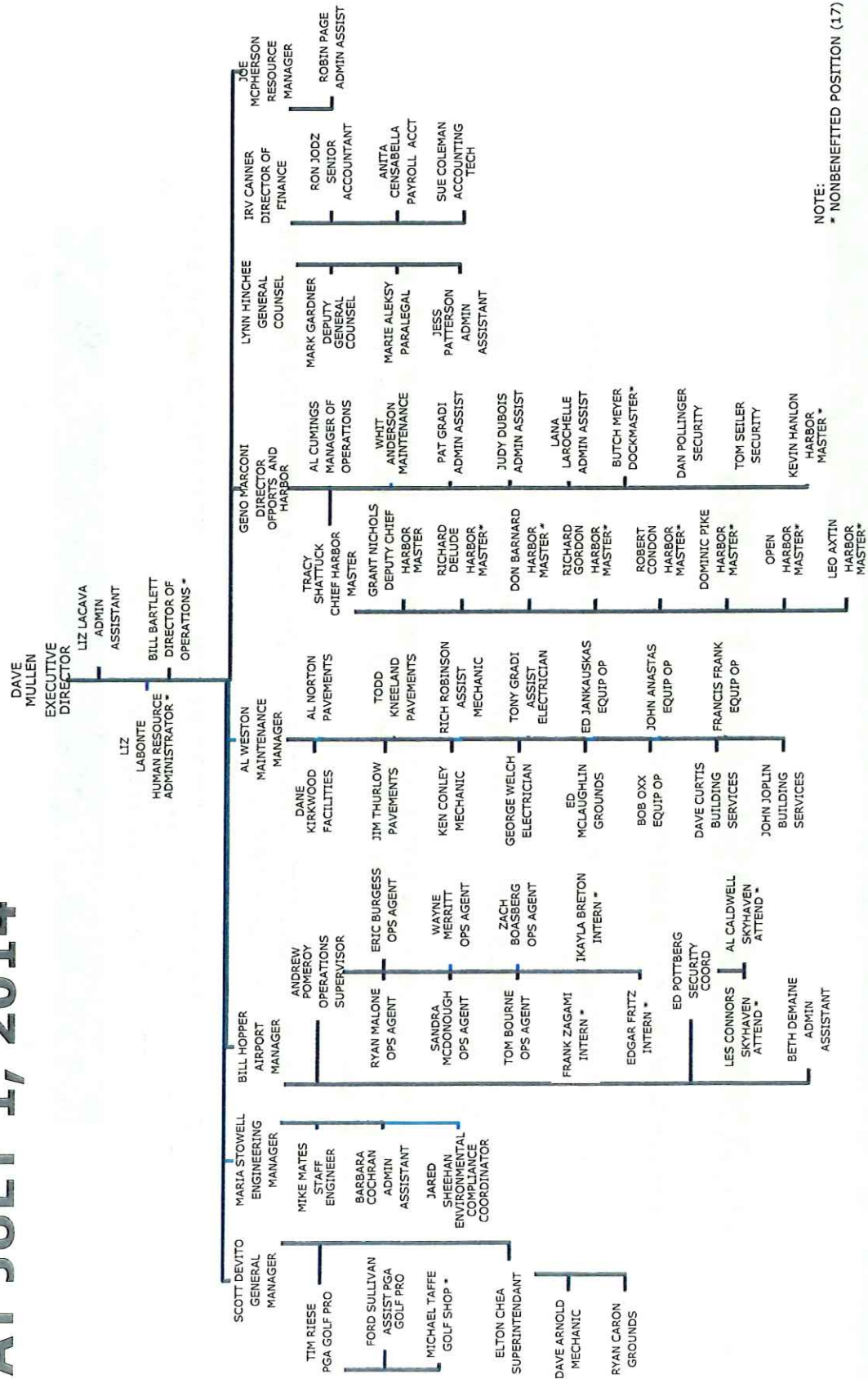
- GENERAL **DECREASE** OF APPROXIMATELY 1.8% (\$212) FROM PROJECTED FY 2014 ACTUALS. THE PRIMARY COST DRIVERS INCLUDE:
  - LABOR AND FRINGE BENEFITS \$ 372
  - MARKETING AND PROMOTION 166
  - PROFESSIONAL SERVICES- PRIMARILY LEGAL 109
  - FUEL PURCHASING- (HAMPTON HARBOR) 106
  - BUILDING AND FACILITIES (149)
  - BAD DEBT EXPENSE (441)
  - ALL OTHER-NET 49
  
- NO NEW PERMANENT STAFF POSITIONS. NET INCREASE OF \$372 REPRESENTED BY APPROXIMATELY \$157 IN LABOR AND \$215 IN FRINGE BENEFITS.
  
- HAMPTON HARBOR FUELING OPERATIONS HAD BEEN MANAGED BY A PRIVATE PARTY. OFFSETTING REVENUES OF APPROXIMATELY \$140.
  
- MARKETING AND PROMOTION EXPENSES IN SUPPORT OF MAINTAINING AND SECURING COMMERCIAL AIRLINE CARRIERS.
  
- GENERAL COST ESCALATION OF 2.0%.

PORTFOLIO OF FY 2015 EXPENSES





# PROJECTED ORGANIZATION CHART AT JULY 1, 2014



NOTE:  
\* NONBENEFITTED POSITION (17)

# KEY PLANNING ASSUMPTIONS

## STAFFING, WAGE AND BENEFIT ESCALATION

- NO INCREMENTAL PERMANENT STAFFING IS PROPOSED FROM CURRENT AUTHORIZED LEVELS.
- EMPLOYEE ANNUAL SALARY MERIT INCREASES CAPPED AT 2.00% FOR ALL ELIGIBLE EMPLOYEES.
- EMPLOYEE SALARY COLA INCREASES, AS APPROVED BY THE PDA BOARD ON AUGUST 15, 2013, INCLUDE 2.25% ON JULY 11, 2014 AND AN ADDITIONAL 2.25% ON JANUARY 9, 2015.
- HEALTH BENEFIT SAVINGS INCENTIVE OF \$300 TO QUALIFIED PDA EMPLOYEES ARE TO BE PAID ON JANUARY 9, 2015.
- FRINGE BENEFIT RATES HAVE YET TO BE FORMALLY ESTABLISHED BY THE STATE. FOR BUDGETING PURPOSES, SUBJECT TO CHANGE, THE FOLLOWING RATES, AS A PERCENTAGE OF ELIGIBLE WAGES, WERE UTILIZED:

	FY 2013 (ACTUAL)	FY 2014 (ACTUAL)	FY 2015	FY 2016	FY 2017
HEALTH INSURANCE	25.00	26.00	32.00	32.00	32.00
RETIREMENT					
GROUP I	10.08	12.13	14.00	14.00	14.00
GROUP II (POLICE)	19.95	25.40	28.00	28.00	28.00
DENTAL	0.19	0.19	0.24	0.24	0.24
LIFE INSURANCE	0.80	0.80	0.75	0.75	0.75



# KEY PLANNING ASSUMPTIONS (CONTINUED)

## STAFFING, WAGE AND BENEFIT ESCALATION (CONTINUED)

- POTENTIAL IMPACT OF THE AFFORDABLE CARE ACT TO THE PDA IS CURRENTLY UNDER REVIEW. THE PROPOSED BUDGET HAS NOT INCORPORATED ANY INCREMENTAL FUNDING. AT THIS TIME WE ARE WORKING JOINTLY WITH THE STATE'S DIVISION OF RISK MANAGEMENT IN MONITORING THE LABOR HOURS BEING INCURRED BY OUR PART TIME WORK FORCE SUCH THAT ELIGIBILITY TO BENEFITS IS LIMITED.
- FINANCIAL IMPLICATIONS WHICH SUPPORT SB 364-FN, IF ANY, HAVE NOT BEEN INCORPORATED AS IT IS VERY PREMATURE TO DETERMINE THE FINANCIAL IMPACT THIS MAY HAVE ON THE PDA AND OR OUR EMPLOYEES.
- REQUESTED BUDGET DOES NOT MAKE ANY PROVISIONS FOR POSSIBLE CHANGES IN THE MINIMUM WAGE. PRIMARY IMPACT TOWARD SEASONAL EMPLOYEES WOULD BE AT THE GOLF COURSE AND MARINAS.

# KEY PLANNING ASSUMPTIONS (CONTINUED)

## PORTSMOUTH INTERNATIONAL AIRPORT

- NO IMMEDIATE INCREMENTAL AIRPORT REVENUE STREAMS ASSOCIATED WITH ALEGIAANT AIRLINES SERVICES, PAY FOR PARKING, PASSENGER FACILITIES FEES, ETC. CONTINUED WAIVING OF LANDING AND FUEL FLOWAGE FEES AT PSM.
- CONTINUED MARKETING FINANCIAL COMMITMENT TO ATTRACT NEW AIRLINE(S) AND CONTINUATION OF CONSULTANT CONTRACT (DAN FORTNAM).
- ANNUAL PSM ENPLANEMENTS ARE PROJECTED TO MEET OR EXCEED 10,000.
- OUTSOURCING OF SCREENING SERVICES NOW PERFORMED BY TSA PERSONNEL ANTICIPATED TO BE IMPLEMENTED ON OR ABOUT APRIL 1, 2015. INCREMENTAL ANNUAL COSTS PROJECTED AT APPROXIMATELY \$10,000.
- POTENTIAL DELAY IN RECONSTRUCTION OF RUNWAY 16-34 PROJECT AND CAPITAL COST SHARING OF RENOVATIONS WITH FAA AND OR NATIONAL GUARD. POTENTIAL IMPACT TOWARD INCREMENTAL MAINTENANCE COSTS. CURRENT RUNWAY MEASURES 11,321 SQUARE FEET WITH APPROXIMATELY 32% IN QUESTION.
- FUEL FARM AGREEMENT WITH PORT CITY AIR WILL BE RENEGOTIATED UPON EXPIRATION OF CURRENT AGREEMENT AT JULY 31, 2015.

# KEY PLANNING ASSUMPTIONS (CONTINUED)

## SKYHAVEN AIRPORT

- SKYHAVEN AIRPORT HANGAR RATES PROPOSED INCREASE OF 2.0% ON JULY 1, 2015 AND EVERY SUBSEQUENT TWELVE MONTH PERIOD.
- BUDGETING FOR 90% OCCUPANCY OF PLANE HANGARS.
- FIXED BASED OPERATOR AND FLIGHT SCHOOL OPERATIONS ARE NOT EXPECTED TO BE REPLACED DURING THE THREE YEAR PERIOD.



# KEY PLANNING ASSUMPTIONS (CONTINUED)

## TRADEPORT

- LOWER ELECTRICITY SUPPLY RATES (\$0.06874) WHICH COMMENCED JULY 1, 2013 ARE SCHEDULED TO EXPIRE DECEMBER 31, 2014. FUTURE YEAR ELECTRICITY CONSUMPTION PROJECTED AT 3.4 MILLION KWH.
- GSA FUNDING- ANTICIPATED REVENUE STREAM COMMENCING IN OCTOBER 2014, AT THE NET RATE OF \$5.75 / PER SQUARE FOOT FOR THE NEXT 60 MONTHS. FOR THE SUBSEQUENT FIVE YEAR PERIOD, COMMENCING OCTOBER 2020, THE NET RATE OF \$6.00 PER SQUARE FOOT HAS BEEN ASSUMED.
- LONZA FUNDING- CURRENT IRON PARCEL OPTION SCHEDULED TO EXPIRE IN FY 2015. ANNUAL REVENUE STREAM NOW \$50,000. HAVE ASSUMED CONTINUATION THROUGH JUNE 30, 2019.
- LONZA FUNDING- BUILDING A (101 INTERNATIONAL)- CURRENT LEASE AGREEMENT EXPIRES ON JUNE 30, 2016. HAVE ASSUMED GENERAL ESCALATION TO APPROXIMATELY \$535,000 IN BUILDING RENT.
- NO PROVISION HAS BEEN BUDGETED RELATIVE TO THE WATER CONTAMINATION RECENTLY FOUND WITHIN THE HAVEN WELL.
- ANNUAL FUNDING SUPPORT TO COAST TROLLEY REMAINS AT \$120,000.



# KEY PLANNING ASSUMPTIONS (CONTINUED)

## GOLF COURSE

- CLUBHOUSE EXPANSION IN FY 2018 HAS BEEN INCORPORATED INTO PROPOSED OPERATIONAL ACTIVITIES.

- GRILL 28 GROSS SALES, WITH A 4.0% MENU PRICE INCREASE EFFECTIVE MAY 29, 2014, ARE PROJECTED AT:

◦ FY 2014	\$ 1,200,000
◦ FY 2015	1,260,000
◦ FY 2016 - FY 2018	1,500,000
◦ FY 2019 - FY 2020	1,750,000

- PHASED INCREASED TO CURRENT GOLF COURSE FEE STRUCTURE- MEMBERSHIPS, SIMULATORS AND PUBLIC PLAY. MOST RECENT INCREASE AUTHORIZED FOR THE 2014 SEASON.

- ROUNDS OF GOLF PLAYED ARE PROJECTED AT:

	2012 SEASON (ACTUAL)	2013 SEASON (ACTUAL)	2014 SEASON	2015 SEASON	2016 SEASON	2017 SEASON
ANNUAL PASS	19,632	10,500	13,500	13,950	14,400	14,850
PUBLIC PLAY	31,279	24,500	31,500	32,550	33,600	34,650
<b>TOTAL</b>	<b>51,001</b>	<b>35,000</b>	<b>45,000</b>	<b>46,500</b>	<b>48,000</b>	<b>49,500</b>

# KEY PLANNING ASSUMPTIONS (CONTINUED)

## DIVISION OF PORTS AND HARBORS

- GRIMMEL INDUSTRIES CONTRACT SCHEDULED TO EXPIRE ON DECEMBER 31, 2014. REVENUE PROJECTIONS HAVE REMAINED RELATIVELY "NEUTRAL" IN TERMS OF REPLACING THE LOST REVENUES.
- CURRENT DISCUSSIONS WITH THE DEPARTMENT OF TRANSPORTATION REMAIN ONGOING RELATIVE TO SECURING A LEASE AGREEMENT FOR A "LAY DOWN" AREA IN SUPPORT OF THE ANTICIPATED RENOVATIONS TO THE SARA MILDRED LONG BRIDGE.
- SECURITY OPERATIONS REMAIN IN-HOUSE DURING THE BUDGET PERIOD WITH NO INCREMENTAL STAFFING FROM CURRENT AUTHORIZED LEVELS.
- FUELING OPERATIONS ARE EXPECTED TO GENERATE APPROXIMATELY \$78,000 NET CASH FLOW PER FISCAL YEAR:

FY 2015 (\$000)	GROSS SALES	COST OF GOODS	NET MARGIN	FY 2016 (\$000)	GROSS SALES	COST OF GOODS	NET MARGIN	FY 2017 (\$000)	GROSS SALES	COST OF GOODS	NET MARGIN
PORTSMOUTH FISH PIER	635	584	51	PORTSMOUTH FISH PIER	645	593	52	PORTSMOUTH FISH PIER	650	598	52
RYE HARBOR	165	152	13	RYE HARBOR	165	152	13	RYE HARBOR	165	152	13
HAMPTON HARBOR	165	152	13	HAMPTON HARBOR	165	152	13	HAMPTON HARBOR	165	152	13
	<b>965</b>	<b>888</b>	<b>77</b>		<b>975</b>	<b>897</b>	<b>78</b>		<b>980</b>	<b>902</b>	<b>78</b>

MOTION

Director Allard:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to enter into a contract with Daystar Computer Services, Inc. ("Daystar") of Portsmouth, NH, in an amount not to exceed \$70,000 for the purchase and installation of five (5) information technology computer servers; all in accordance with the memorandum from Irving Canner, Director of Finance, dated June 12, 2014 attached hereto.

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

1. Time is of the essence for replacement of the servers due to ongoing problems that are causing disruption of computer services throughout the PDA and there is concern that the system may fail;
2. Daystar installed the current server system and has worked on the PDA computer server systems giving Daystar an intimate working knowledge of the servers;
3. A comparison of hourly service rates with three companies including Daystar showed that Daystar has the lowest hourly rates for computer services; and
4. Daystar can expeditiously make the necessary replacements.

Note: This motion requires 5 affirmative votes.

N:\RESOLVES\ITservers0614.wpd







**Date:** June 12, 2014

**To:** David Mullen- Executive Director

**From:** Irv Canner- Director of Finance

**Subject:** Information Technology Server Replacements- PDA

To follow-up on our recent discussions in support of our Information Technology Plan, we need to secure authorization from the Pease Development Authority Board of Directors on June 19, 2014 to allow us to proceed to replace our five Information Technology servers.

General Discussion

Approximately five years ago, and in parallel with the installation of our Great Plains accounting and payroll software, we made a financial commitment to replace and upgrade our internal servers. At the time, the then current server environment, had failed on several instances, was out of the warranty period and in fact no longer supported by the original manufacturer. Based on recommendations from several external consultants, replacement was the only alternative.

During the intervening five years, the internal environment has become more dependent upon technology, data retrieval and data retention. The corresponding impact has been an internal capacity issue in that our now current configuration is proving to be inadequate and we have witnessed deterioration in performance and connectivity rendering the "user" somewhat paralyzed, which is negatively impacting employee productivity. Correspondingly, due to the expiration of the original product warranty, support costs have started to accelerate inclusive of service calls and support agreements through our external technology partner (Daystar Computer Services). The proposed server replacements will increase the current server capacity by more than 150%, moving toward a combined 3.4 "terabytes" of capacity. Also included in the purchase price is a five year warranty.

### Information Technology Plan (ITP)

At the time of our initial conversion, we made a commitment to develop an ITP which would focus, amongst many sensitivities, a replacement strategy toward our internal servers. The general thinking at the time was that a "typical" life cycle, driven more by capacity issues than equipment failure, would be approximately 3-5 years. As anticipated, we started to witness a slow "deterioration" approximately twelve months ago and the condition has only worsened. From a budget perspective, we have carried a financial "placeholder" in our FY 2015 Capital Improvement Plan for the ultimate replacement of these units.

### Projected Installed Cost

Based on our preliminary discussions with Daystar Computer Services, the estimated installed cost is projected not to exceed \$70,000. We have evaluated both the direct purchase of the hardware as well as the procurement through an operating lease arrangement. Based upon our current cost of capital of less than 3.0%, the economics favor the direct purchase of such equipment. Implied interest rates contained within various proposed lease arrangements exceed 7.5% making the overall cost of procurement, with a five year operating lease, in excess of \$90,000.

Based upon the above discussion and analysis, I would like to proceed to address this issue with the PDA Board of Directors on June 19<sup>th</sup> in order to gain their authorization to spend up to \$70,000 to replace and upgrade our current servers. At your convenience, I would be pleased to address any questions or need for additional information that you might have.

MOTION

Director Preston:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with Seacoast Aviation Screening Company for use of a portion of the Airport Terminal at the Portsmouth International Airport at Pease to provide security screening of private charter aircraft on substantially the same terms and conditions set forth in the memorandum from Kim W. Hopper, Airport Manager, dated June 11, 2014 and attached hereto.

N:\RESOLVES\SeacoastAviation0614.wpd

# Memorandum

**To:** David R. Mullen, Executive Director

**From:** Kim W. Hopper, A.A.E., Airport Manager

**Date:** 6/11/2014

**Subj:** Seacoast Aviation Security Right of Entry

③

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Seacoast Aviation Security has requested to provide security screening services to private charter aircraft in the Airport Terminal Building. They have a fully qualified staff, regulated and approved by the Transportation Security Administration (TSA) for flights operated under the "Private Charter Standard Security Program". They are a dba under Seacoast Aviation, LLC and their offices are also located in the Airport Cargo Facility. They are presently operating under a short term agreement and are requesting a longer term agreement that requires approval from the PDA Board of Directors.

I request that you seek PDA Board of Directors' approval at their June 19, 2014 meeting for Seacoast Aviation, LLC dba Seacoast Aviation Security of 139 Flightline Avenue, Unit 3, Portsmouth, NH 03801, to provide Security Screening Services to Private Air Charter Operations in the Airport Terminal Building. The agreement will be for a one-year period commencing July 1, 2014 and terminate June 30, 2014, with two consecutive one-year options to ultimately end June 30, 2017.

Attached is a letter from Kathy Lawrence of Seacoast Aviation Security requesting to provide services. Please do not hesitate to contact me with any questions.

Attachment



June 11, 2014

David Mullen  
Pease Development Authority  
55 International Drive  
Portsmouth NH 03801

Dear David,

Please consider this permission to operation letter for Seacoast Aviation, LLC dba Seacoast Aviation Security as follows:

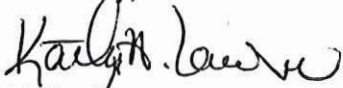
Seacoast Aviation, LLC dba Seacoast Aviation Security, (SAS). is a New Hampshire based company developed to provide quality security screening services. Our staff is fully qualified and trained by Premier Corporate Security, regulated and approved by the Transportation Security Aviation, TSA.

The motivation for the new business venture is to better serve airport Private Charter customers and surrounding communities by providing quality security screening services 24 hrs a day 7 days a week, in support of flights operated under the Private Charter Standard Security Program.

Seacoast Aviation Security (SAS) hereby requests the use of the PSM terminal to screen both domestic and international passengers. In addition, SAS also seeks permission to provide screening services on the premises of Port City Air and Seacoast Aviation, LLC for private charters which do not require the use of the terminal facilities.

Subject to PDA Board approval we would like permission to commence operations in the terminal effective June 15 2014 for a one year period (6/15/14 - 6/15/15) to include two (2) one (1) year options to extend through 6/15/17.

Sincerely,



Kathy Lawrence  
General Manager  
Seacoast Aviation Security  
139 Flightline Ave., Unit #3  
Portsmouth, NH 03801  
603-969-1550



June 6, 2014

Ms. Kathy Lawrence  
General Manager  
Seacoast Aviation, LLC  
d/b/a Seacoast Aviation Security  
139 Flightline Road  
Unite # 3  
Portsmouth, NH 03801

**Re: Right of Entry for Use of Terminal Building to Conduct Private Screening  
Portsmouth International Airport @ Pease, Portsmouth, NH**

Dear Ms Lawrence:

This Right of Entry will authorize Seacoast Aviation, LLC, d/b/a Seacoast Aviation Security ("Seacoast Aviation Security") its employess and/or any agents or contractors to enter upon and use the Terminal Building at Portsmouth International Airport at Pease for the period beginning June 10, 2014 through June 30 , 2014 for the purpose of conducting, at its sole risk, screening services for private non-scheduled air passenger charter flights and for no other use without the express written consent of the Pease Development Authority ("PDA"). Notwithstanding the foregoing, certain areas of the Terminal may be deemed to be off limits from time to time at the direction of the Airport Manager or his designee. The use, occupation and maintenance of the Premises shall be: (a) without cost or expense to the PDA; (b) subject to the general supervision and approval of the PDA; and (c) subject to such rules and regulations as the PDA may prescribe from time to time. Subject to the express approval of the PDA Board of Directors, this Right of Entry may be extended for a period of one (1) year from July 1, 2014 through June 30, 2015. Additionally, this Right of Entry may be extended for two (2) periods of one (1) year each (the "Options") which Options may be exercised provided Seacoast Aviation Security is not in default under the terms of this Agreement. This Right of Entry shall terminate at midnight on June, 30, 2014 unless the Board of Directors of the PDA approve of the extension of the Right of Entry at its June,19, 2014 meeting.

1. Seacoast Aviation Security understands and acknowledges that this Right of Entry; (a) allows only temporary use of the facilities; (b) is granted on a non-exclusive basis; and (c) may be revoked at will by PDA or terminated at will and that PDA need not state a reason for any such revocation or termination. The use of the Premises shall be orderly and efficient, shall not constitute a nuisance and shall not cause disruption to other Airport activities.

2. Seacoast Aviation Security's agreement herein 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 or contractors upon the premises and/or the exercise of any of the authorities granted herein. Seacoast Aviation Security expressly waives all claims against the PDA for any such loss, damage, personal injury or death caused by or occurring as a consequence of Seacoast Aviation Security's use of the Premises or the conduct of activities or the performance of responsibilities under this authorization. Seacoast



Kathy Lawrence, General Manager  
Seacoast Aviation Security  
June 6, 2014  
Page 2

Aviation Security further agrees to indemnify, save, hold harmless, and defend the PDA, 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 Seacoast Aviation Security's use of the Premises or any activities conducted or undertaken in connection with or pursuant to this authorization.

3. 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 Seacoast Aviation Security's officers, agents, servants or employees, or others who may be on the Premises at their invitation or the invitation of any one of them.

4. Seacoast Aviation Security and any agent or contractor of Seacoast Aviation Security providing PDA with satisfactory evidence of commercial general liability insurance to a limit of not less than Five Million Dollars (\$5,000,000) combined single limit, naming the PDA as additional insured. Seacoast Aviation Security and any agent or contractor of Seacoast Aviation Security providing PDA with satisfactory evidence of automobile liability insurance coverage in the amount of \$1,000,000.00 for its vehicles which operate within the fence on Airport propriety and workers' compensation coverage to State of NH 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 Seacoast Aviation Security 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) an agreement by the insurer that such policy shall not be canceled without at least thirty (30) days prior written notice by registered mail to PDA, (iii) provide, with the exception of workers compensation coverage, that the insurer shall have no right of subrogation against the PDA and (iv) 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.

5. Seacoast Aviation Security's agreement to coordinate with and obtain prior advance approval from the PDA Airport Management Department of its scheduled use of the Premises. Authorization for use of the Premises shall be granted on a "first come first served" basis to equal priority users. PDA reserves the right to schedule use of the Premises for high priority users whenever necessary.

6. Seacoast Aviation Security personnel abiding by and meeting SIDA requirements for Portsmouth International Airport at Pease as well as securing US Customs and Boarder Patrol access authorization if and as may be required.

7. This Right of Entry is subject to verification that the Transportation Security Administration (and/or any other federal government agency or entity having oversight over the services to be provided) has authorized Seacoast Aviation Security to provide private screening services to include the renewals of such authorization if and when such authorization has expired.

8. Seacoast Aviation Security's agreement that its operations will not impact normal airport operations nor cause delays to such operations.

9. Seacoast Aviation Security's agreement to abide by all security measures and protocol as may be applicable to operating out of the Terminal Building at Portsmouth International Airport at Pease.

Please indicate by your signature or the signature of a duly authorized representative, the consent of the Seacoast Aviation Security to the terms of this Right of Entry and return the same to me before testing begins.

Sincerely,

David R. Mullen  
Executive Director

Agreed and accepted this 12 day of JUNE, 2014

Seacoast Aviation, LLC  
d/b/a Seacoast Aviation Security

By:   
Duly Authorized

cc: Kim William Hopper, A.A.E., Airport Manager  
Mark H. Gardner, Deputy General Counsel



MOTION

Director Torr:

The PDA Board of Directors hereby authorizes the Executive Director to enter into a Memorandum of Understanding ("MOU") with the NH Air National Guard (NH ANG) in connection with the program to locate KC 46A airplanes at the Pease NH ANG airbase; all in accordance with the memorandum of Maria J. Stowell, P.E., Manager – Engineering, dated June 13, 2014 attached hereto.

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## MEMORANDUM

To: David R. Mullen, Executive Director  
From: Maria J. Stowell, P.E., Manager, Engineering *Maria*  
Date: June 13, 2014  
Subject: MOA for Air National Guard Taxiway Reconfigurations

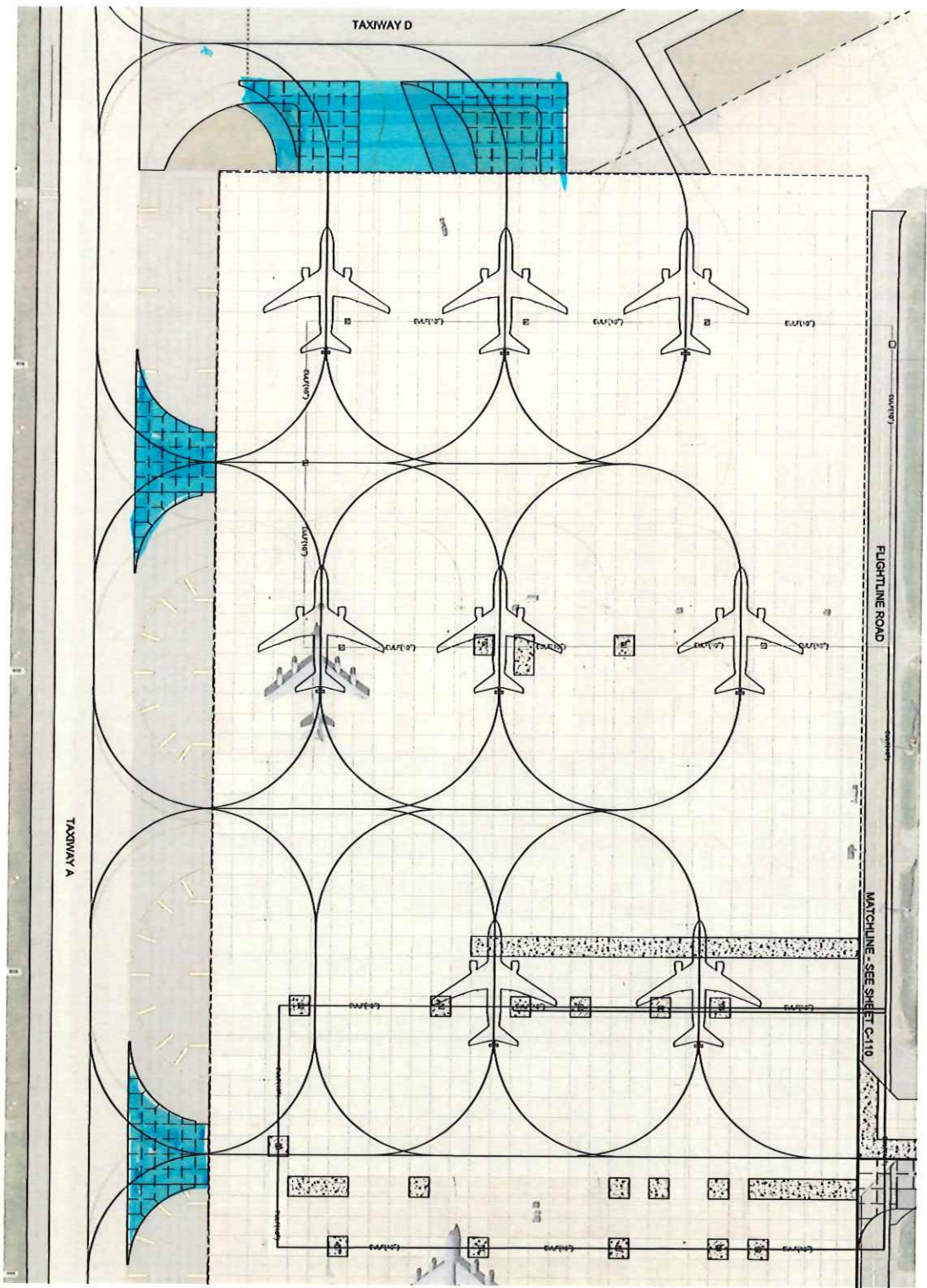
In anticipation of receiving its new tanker, the KC-46A Pegasus, the Pease Air National Guard (ANG) Base has reviewed the design of the airport's aprons and taxiways and has determined that certain taxiway lead-ins need to be reconfigured to accommodate the aircraft's dimensions. Some of this work will take place just outside the ANG's cantonment on PDA property. ANG has proposed that PDA and ANG enter into a Memorandum of Agreement (MOA) that will grant PDA's permission to work on its property and will document the responsibilities of each party.

The proposed work includes widening the lead-ins from Taxiways A and D to the ANG apron and any associated airfield marking and utility work. A drawing showing the work areas is attached.

I have also attached a draft copy of the MOA. It includes a provision that ANG cover the cost of drawing review by PDA's consultant. This review is necessary to confirm that any pavement changes conform to FAA specifications.

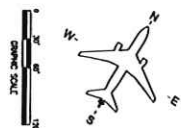
At the June 19<sup>th</sup> meeting, please ask the PDA Board of Directors to authorize the Executive Director to enter into a Memorandum of Agreement with the 157<sup>th</sup> Air Refueling Wing of the Air National Guard (ANG) to allow ANG to enter PDA property to reconfigure taxiways to accommodate the KC-46A Tanker upon substantially the same terms and conditions as outlined in the attached document.

NA\ENGINEER\Board Memos\2014\ANGMOAforKC46A.docx



**LEGEND**

- NEW ASPHALT SHOULDER
- NEW CONCRETE SLAB
- SLAB REPLACEMENT



		<b>PEASE AIR NATIONAL GUARD BASE</b> NEWINGTON, NH
		<b>POND</b> ARCHITECTS, ENGINEERS & PLANNERS 1000 ROUTE 1 SUITE 200 NEWINGTON, NH 03827 TEL: 603-885-1100 FAX: 603-885-1101 WWW.PONDENGINEERING.COM
		<b>TIGERBRAIN</b> ENGINEERING 1000 ROUTE 1 SUITE 200 NEWINGTON, NH 03827 TEL: 603-885-1100 FAX: 603-885-1101 WWW.TIGERBRAINENGINEERING.COM
<b>PROJECT INFORMATION</b>		
NAME:	KC-46A ADAL AIRFIELD PAVEMENT AND HYDRANT SYSTEM	
NO.:	SZCQ 139905	
PROJECT:	PEASE ANG	
DATE:	JAN 14, 2014	
SCALE:	AS NOTED	
DR. BY:	GRC	
CHECK BY:	JL	
<b>SHEET</b> NO. 1 OF 2 C-110 CDD FILE NO.		



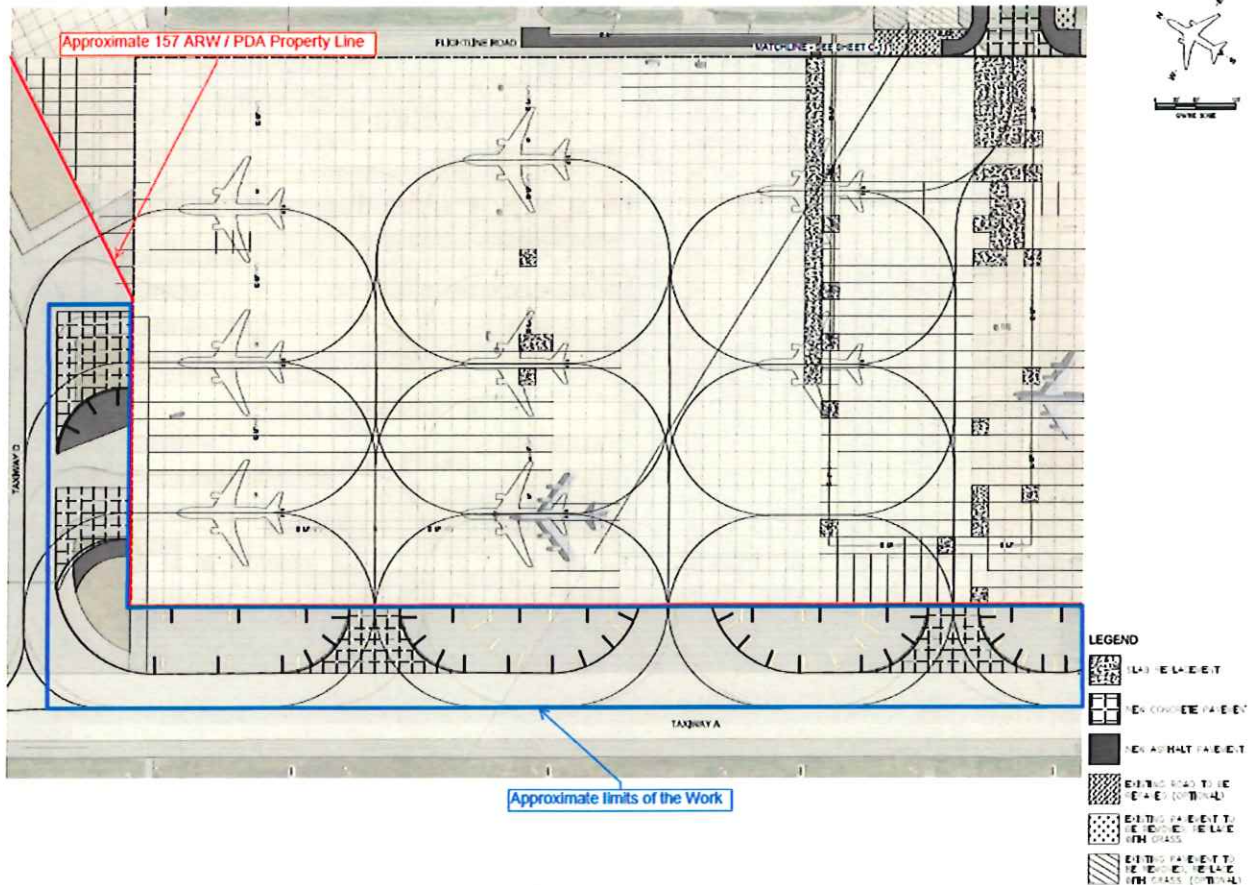
MEMORANDUM OF AGREEMENT BETWEEN  
THE 157TH AIR REFUELING WING (157 ARW)  
AND  
THE PEASE DEVELOPMENT AUTHORITY (PDA)  
FOR  
CONSTRUCTION OF TAXIWAY LEAD-INS

This is a Memorandum of Agreement (MOA) between the 157th Air Refueling Wing (157 ARW) of the New Hampshire Air National Guard (NHANG) and the Pease Development Authority (PDA). When referred to collectively, the 157 ARW and the PDA are referred to as the "Parties".

1. BACKGROUND: The Pease Air National Guard Base aircraft parking apron is bounded by property and airfield pavements owned by the Pease Development Authority. Aircraft assigned to the 157<sup>th</sup> Air Refueling Wing, and transient military aircraft, utilize these pavements for access to and from the ANG apron. The 157 ARW has been identified as the preferred alternative for basing the KC-46A Pegasus, the increased size of which requires reconfiguration of aircraft parking locations and taxi lanes on the 157 ARW apron. To access the relocated taxi lanes, the lead-ins from Taxiway Alpha and Taxiway Delta on PDA property must be relocated.
2. AUTHORITIES: New Hampshire Revised Statutes Annotated 110-B:28; Air National Guard Engineering Technical Letter 10-04, Military Construction Cooperative Agreements; Airport Joint Use Agreement between Pease Development Authority and United States of America and State of New Hampshire (Portsmouth International Airport at Pease).
3. PURPOSE: The purpose of this MOA is to set forth the responsibility for real property improvements (construction) on PDA property required to ensure continued access of the Pease ANGB apron by military aircraft. These improvements are hereinafter referred to as "the Work".
  - 3.1. Four taxiways lead-ins along the 157 ARW apron require fillet widening for the new aircraft main gear to track on full strength pavement when turning to enter/exit the apron, these areas are shown on Figure 1. Two options are being considered by the 157 ARW: a full depth asphalt cement concrete (ACC) pavement section or a Portland cement concrete (PCC) pavement section. The northern most infield along Taxiway D will be paved in its entirety. An existing storm drain inlet may be removed and an existing electrical manhole will remain if not completely removed and replaced outside the footprint of full strength pavement. The proposed PCC pavement thickness would match the existing PCC thickness for the ANG Apron (14 inches), and the ACC pavement section would match that of the adjacent Taxiway A and Taxiway D. The existing Taxiway D edge lights on the south-east edge of the taxiway will be removed without replacement where they fall within the limits of the new pavement. Airfield markings (paint) will be removed and installed as required within the limits of the Work. The lighted taxiway location signs for MIL 1 through MIL 5 will not be relocated.
  - 3.2. The Work is to be accomplished under 157 ARW project SZCQ139905 ADAL Airfield Pavements & Hydrant Fuel System.



Figure 1



4. RESPONSIBILITIES OF THE PARTIES:

4.1. The 157 ARW will—

- 4.1.1. Design the Work in accordance with FAA AC 150/5300-13A, 150/5340-1L, 150/5370-2F, and other FAA standards as may be applicable to the Work, and provide design submissions to the PDA for its review.
- 4.1.2. Solicit, fund, contract, and manage the construction of the Work, and provide supervision and inspection during the construction period.
- 4.1.3. Comply with, and require its contractors to comply with, all security requirements for the Security Identification Display Area.
- 4.1.4. Comply with, and require its contractors to comply with FAA AC 150/5370-2F or other standards as may be applicable to maintain safety of aircraft operations during the construction period.
- 4.1.5. Obtain all State and Federal permits required for the execution of the work.
- 4.1.6. Direct its Architect-Engineer (Pond and Company) to hire the PDA’s Architect-Engineer (Hoyle-Tanner and Associates) to perform a review of the design documents, construction process, and related services detailed in the document titled “Task Assignment Memo 2014 – Task 01” and dated May 28,2014 from Hoyle-Tanner and Associates. The 157 ARW will pay Pond and Company the necessary fee for this review, which will be \$12,700.00 plus Pond and Company’s markup.
- 4.1.7. Require all contractors to provide PDA and the 157 ARW with proof of commercial general liability (CGL) coverage in the amount of \$2,000,000 aggregate, \$2,000,000 per occurrence, automobile coverage in the amount of \$1,000,000 and proof of workers compensation coverage to State of NH statutory limits. The CGL and automobile coverages shall name the PDA and the 157 ARW as additional insureds, include a waiver of subrogation, be primary and non-contributing with respect to any coverages carried by

PDA and the 157 ARW whether insured or self insured as may be applicable and provide for 30 day notice of cancelation of any policy except in circumstances involving the non-payment of a premium, in which case 10 days notice shall be provided.

4.2. The PDA will—

4.2.1. Review the design documents and notify the 157 ARW of any comments in a timely manner.

4.2.2. Allow access to the Work area by the 157 ARW and its contractors.

4.2.3. Provide any additional construction inspection or oversight it feels necessary beyond that provided by the 157 ARW and its contractors.

4.2.4. Notify the FAA and issue NOTAMs relating to planning and executing the Work.

4.2.5. Upon completion of the Work, accept the Work as its property and provide written notice to the 157 ARW of the acceptance, and provide maintenance of the Work indefinitely.

4.3. Both parties will—

4.3.1. Coordinate the Work to minimize impact to airport operations while not causing any undue delays for the contractor completing the Work.

5. PERSONNEL: Each Party is responsible for all costs of its personnel, including pay and benefits, support, and travel. Each Party is responsible for supervision and management of its personnel.

6. GENERAL PROVISIONS:

6.1. POINTS OF CONTACT: The following points of contact (POC) will be used by the Parties to communicate in the implementation of this MOA. Each Party may change its point of contact upon reasonable notice to the other Party.

6.1.1. For the 157 ARW—

6.1.1.1. Position and phone number of Primary POC: Lt Col Eugene Mozzoni, Base Civil Engineer, 603-430-2371.

6.1.1.2. Position and phone number of Alternate POC: Capt Autumn Ricker, Deputy Base Civil Engineer, 603-430-2384.

6.1.2. For the PDA—

6.1.2.1. Position and phone number of Primary POC K. William Hopper, Airport Manager, 603-772-9231.

6.1.2.2. Position and phone number of Alternate POC: Andrew Pomeroy, Airport Operations Supervisor, 603-766-9231.

6.2. CORRESPONDENCE: All correspondence to be sent and notices to be given pursuant to this MOA will be addressed, if to the 157 ARW, to—

6.2.1. 157 CES/CC

Attn: Lt Col Eugene Mozzoni  
302 Newmarket St Bldg 145S  
Pease ANGB, NH 03803-0157

and, if to the PDA, to—

6.2.2. Pease Development Authority

Attn: David R. Mullen, Executive Director  
55 International Drive  
Portsmouth, NH 03801

or as may from time to time otherwise be directed by the Parties.

6.3. REVIEW OF AGREEMENT: This MOA will be reviewed annually on or around the anniversary of its effective date for financial impacts and triennially in its entirety.

6.4. MODIFICATION OF AGREEMENT: This MOA may only be modified by the written agreement of the Parties, duly signed by their authorized representatives.

6.5. DISPUTES: Any disputes relating to this MOA will, subject to any applicable law, Executive Order, Directive, or Instruction, be resolved by consultation between the Parties.



- 6.6. TERMINATION OF AGREEMENT: This MOA may be terminated by either Party by giving at least 180 days written notice to the other Party. The MOA may also be terminated at any time upon the mutual written consent of the Parties.
- 6.7. TRANSFERABILITY: This Agreement is not transferable except with the written consent of the Parties.
- 6.8. ENTIRE AGREEMENT: It is expressly understood and agreed that this MOA embodies the entire agreement between the Parties regarding the MOA's subject matter.
- 6.9. EFFECTIVE DATE: This MOA takes effect beginning on the day after the last Party signs.
- 6.10. EXPIRATION DATE: This Agreement expires on 30 September 2020, or the day following receipt by the 157 ARW of written acceptance of the Work issued by the PDA.
- 6.11. CANCELLATION OF PREVIOUS AGREEMENT: This MOA does not cancel any previous agreement.

7. FINANCIAL DETAILS

- 7.1. AVAILABILITY OF FUNDS: This MOA does not document the obligation of funds between the Parties.
- 7.2. COMMITMENT OF FUNDS: This MOA does not require the 157 ARW to commit funds for the execution of the construction work herein described. The work is part of a Congressionally-approved project, and only upon appropriation and authorization by Congress will the 157 ARW undertake the project. The 157 ARW will commit the funds necessary for the review detailed at 4.1.6.

AGREED: IN WITNESS WHEREOF the parties hereto have executed this MOA in multiple copies, each to be considered an original hereof:

For the 157 ARW—

For the PDA—

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 WILLIAM N. REDDEL, III MAJ GEN, NHNG  
 The Adjutant General, State of New Hampshire

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 DAVID R. MULLEN  
 Executive Director

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 PAUL HUTCHINSON, COL, NHANG  
 157 ARW Wing Commander

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
 LOUIS N. MALDONADO, COL, NHNG  
 USP&FO

MOTION

Director Loughlin:

The Pease Development Authority Board of Directors hereby approves of the concept plans for the replacement by the City of Portsmouth of the Hobbs Hill Water Tank located on International Drive; in accordance with the memorandum of Maria J. Stowell, Manager – Engineering, dated June 12, 2014 attached hereto.

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## MEMORANDUM

To: David R. Mullen, Executive Director  
From: Maria J. Stowell, P.E., Manager, Engineering *Maria*  
Date: June 12, 2014  
Subject: Concept Plan Approval for Hobbs Hill Water Tank Replacement

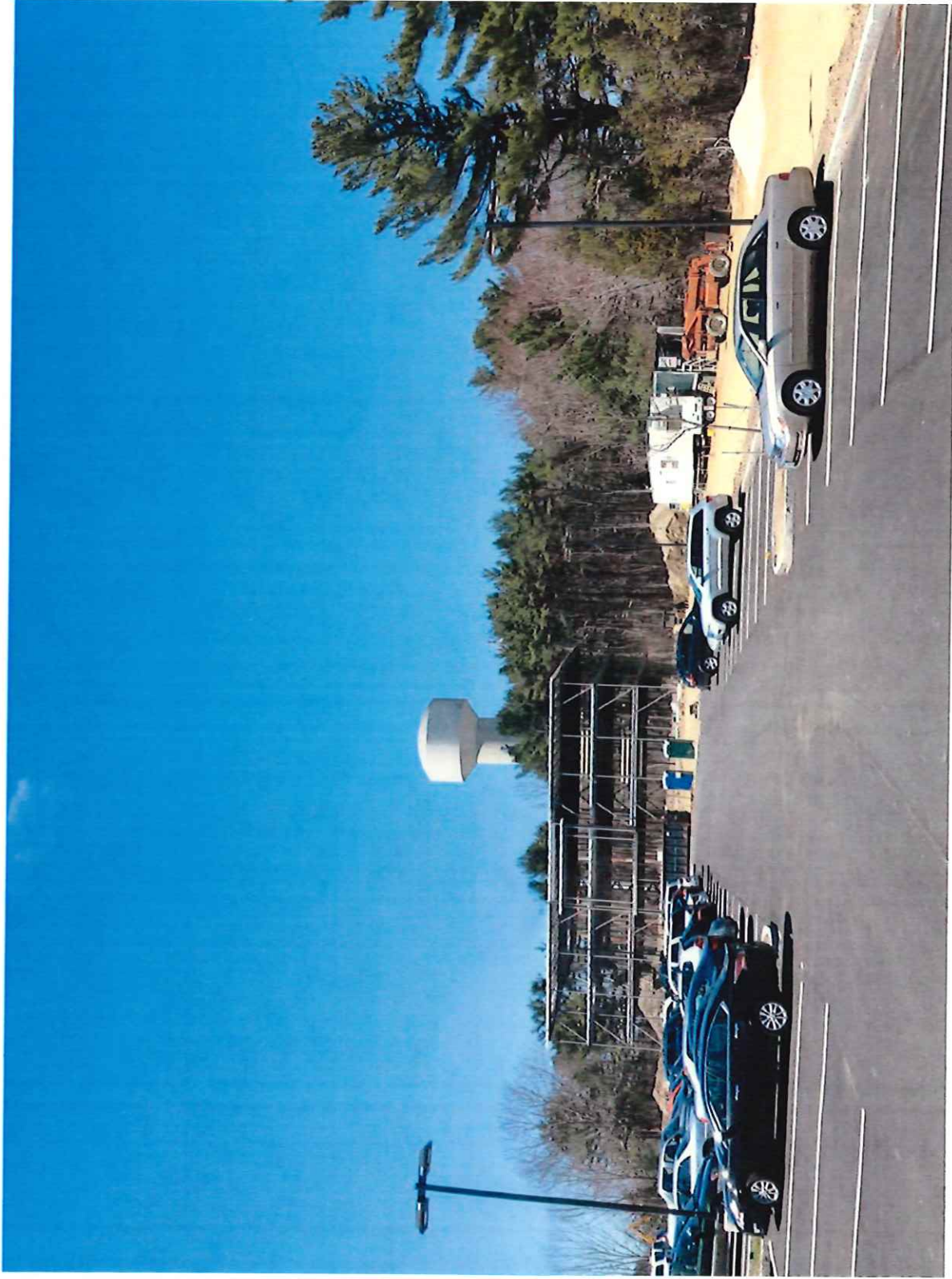
As you know, the City of Portsmouth operates and maintains the Pease Water System in accordance with the Wastewater Disposal and Water Service Agreement. The City has been planning for the replacement of the water tank on International Drive (Hobbs Hill Tank) for some time and has recently begun the implementation. The project will soon be advertised for bids and construction is anticipated to begin in late fall with final completion in November of 2015. The existing Hobbs Hill Tank will remain in service during construction and will be demolished after the new tank is brought on line.

The City has submitted the attached conceptual plans that show the proposed site layout and the proposed tank design. The water tank lot is 1.55 ± acres. (Because there is no requirement to subdivide, the 5 acre minimum standard does not apply.) Access to the tank site is via the new driveway off International Drive that was constructed in conjunction with the development at 183/185 International (the Sprague lot). The driveway provides access to both the water tank and cell tower sites. The new tank would be located about 112 feet north of the existing tank. The new location was selected in cooperation with the tenants of 183 International and it satisfies their concerns over the structure's impact on their building.

The tank itself would be a composite design with a painted welded steel tank atop a concrete pedestal. The new tank dimensions are similar to those of the existing tank. It is 140 feet tall with a diameter of 55 feet.

If the Board approves these concept plans, the City will submit more detailed engineering plans to the Portsmouth Planning Board for Site Review Approval. At the June 19<sup>th</sup> meeting, please ask the PDA Board of Directors to approve the concept plans for the Hobbs Hill Water Tank Replacement as described herein.

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VIEW A  
**COMPOSITE PAINTED**





MOTION

Director Allard:

The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into a Lease Agreement with C & J Bus Lines ("C & J") for the use of the premises located at 42 Durham Street to park C & J customers' vehicles; all on similar terms and conditions set forth in the draft Letter of Intent dated June 12, 2014 attached hereto.

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Draft for Review and Comment  
June 12, 2014

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

Dear Mr. Jalbert:

Pursuant to our recent discussions, the following is a summary of the central business terms under which I am prepared to make a presentation to the Pease Development Authority's ("PDA") Board of Directors on behalf of Jalbert Leasing, Inc. d/b/a C & J Bus Lines ("C & J") a New Hampshire corporation with a principal place of business in Portsmouth, NH.

**Premises:** The location of the leased premises is 42 Durham Street, Portsmouth, New Hampshire (the "Premises") consisting of 41,100 square feet of pavement area. A plan of the Premises is attached hereto as Exhibit A.

**Base Term:** Subject to Early Termination, as set forth below, the base term of the Lease shall be three (3) years commencing on or before August 1, 2014 (the "Term Commencement Date").

**Early Termination:** C & J acknowledges and agrees that in the event the PDA requires the Premises for development on or before the expiration of the Lease, PDA may terminate the Lease upon 180 days prior written notice.

**Ground Area Rent:** The annual ground rent during the base term of the Lease shall be as follows:

Year 1	\$15,500 per acre
Year 2	\$15,500 per acre plus CPI adjustment
Year 3	annual per acre rent for Year 2 plus CPI adjustment

Ground Area Rent shall commence on the first day of the Term Commencement Date.

Mr. James Jalbert  
Jalbert Leasing, Inc. d/b/a C & J Bus Lines  
June 12, 2014  
Page 2

**Escalation  
Adjustment:**

CPI Adjustment: As of each adjustment date, the Ground Rent shall be adjusted to reflect the change in the Consumer Price Index for All Urban Consumers applicable to the Boston area (base year 1982-1984=100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

**Municipal  
Services  
Fee:**

In accordance with the provisions of the Municipal Services Agreement by and between the PDA and the City of Portsmouth with an effective date of July 1, 1998, C & J shall pay to PDA a municipal services fee to include the cost of providing police, fire and public works services.

**Utilities:**

PDA will bring utility lines at reasonable capacities to the points existing as of the Term Commencement Date or such other points as may be designated by PDA. C & J will be responsible for installing and paying for all utilities, including electric, gas, telephone, water and sewer from such existing points to the Leased Premises.

**Net Lease:**

The Agreement shall be triple net to PDA and all costs associated with the use, occupancy, maintenance and insurance of the Premises shall be borne by C & J.

**Use:**

A long-term parking area (vehicles parking in NH DOT Park and Ride for more than 21 days) in support of and in connection with the services provided by C & J at the NH DOT Park and Ride. C & J shall be prohibited from the use of the Premises for un-registered or un-inspected vehicles. C & J shall be prohibited from transporting vehicles from its Park and Ride facility in Dover, NH to the Premises.

**Special  
Circumstances:**

C & J acknowledges and agrees that the Premises are located in the Airport Industrial Zone and that its use is non-aeronautical in nature and is permitted by the United States Federal Aviation Administration only as a temporary use for a term not to exceed three (3) years and so long as the Premises are not required for development by PDA.

**Condition  
of Leased  
Premises:**

Except as otherwise provided herein, C & J shall take the Leased Premises in an "as is" condition without warranty or representation of any kind; provided, however, C & J shall have no liability or responsibility to PDA for environmental impacts and damage caused by the use of the United States of America - Department of the Air Force ("Air Force" or "Government") of Hazardous Substances on any portion of Pease, including the Leased Premises. C & J and PDA acknowledge the obligation of the Air Force to indemnify PDA and C & J to the extent required by the provisions of Public Law No. 101-511 Section 8056.



Mr. James Jalbert  
Jalbert Leasing, Inc. d/b/a C & J Bus Lines  
June 12, 2014  
Page 3

**Tenant's Work:** Tenant shall not place or construct any improvements, changes, structures, fencing, alterations, lighting or additions (cumulatively referred to as "Alterations") in, to or upon the Premises without PDA's written consent.

**Insurance:** C & J's agreement to provide insurance coverages in accordance with Article 7 of the proposed Lease. (Exhibit B).

**Sublease and Assignment:** C & J may, without the approval of PDA, assign its rights under the Agreement to or enter into a sublease of the Leased Premises with an affiliate (i.e., any entity that controls, is controlled by or is under common control with C & J). For purposes of the preceding sentence, the term "control" shall mean ownership or other beneficial interest in at least fifty-one percent (51%) of the voting stock or other voting interest of an entity. All other assignments shall be subject to approval of PDA. PDA shall not unreasonably withhold or delay its consent to any sublease or assignment if: (1) the use of the Leased Premises associated with any sublease(s) or assignment(s) is permitted under Article 9 of the Agreement, (2) the sublease(s) are consistent with the terms and conditions of the Agreement; provided, however, that C & J may rent the subleased area at rentals deemed appropriate by C & J, (3) C & J remains primarily liable to PDA to pay rent and to perform all other obligations to be performed by C & J under the Agreement, and (4) the proposed sublessee is financially and operationally responsible. In the event the rent of the leased premises exceeds the rental charged to C & J under Article 4, C & J shall remit fifty percent (50%) of such excess to PDA upon receipt by C & J; provided, however, that any rental received by C & J during a period in which no rental is due to PDA shall be paid in its entirety to PDA.

No subletting, assignment or transfer, whether PDA's consent is required or otherwise given hereunder, shall release C & J's obligations or alter the primary liability of C & J to pay the rent and to perform all other obligations to be performed by C & J under the Agreement. The acceptance of rent by PDA from any other person shall not be deemed to be a waiver by PDA of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. If any assignee of C & J or any successor of C & J defaults in the performance of any of the terms hereof, PDA may proceed directly against C & J without the necessity of exhausting remedies against such assignee or successor. If C & J assigns the Agreement, or sublets all or a portion of the Leased Premises, or requests the consent of PDA to any assignment or subletting, or if C & J requests the consent of PDA for any act that C & J proposes to do, then C & J shall pay PDA's reasonable processing fee and reimburse PDA for all reasonable attorneys' fees, excluding any fees to in-house counsel, incurred in connection therewith. Any assignment or subletting of the Leased Premises that is not in compliance with these provisions shall be void and shall, at the option of PDA, but subject to any applicable cure provisions, terminate



Mr. James Jalbert  
Jalbert Leasing, Inc. d/b/a C & J Bus Lines  
June 12, 2014  
Page 4

the Agreement.

**Brokerage:** Each party warrants to the other that it has had no dealing with any real estate broker or agent in connection with the negotiation of this letter or the Agreement.

This letter does not constitute a reservation of the Premises, an option to lease the Premises, or an offer to lease the Premises, and no legal obligation shall arise with respect to the Premises or lease thereof until a lease agreement is executed by the Parties.

I believe this proposal addresses the terms as discussed to date. It is my hope that you will be in a position to advise us of your commitment to Pease by executing this original and the enclosed copy in the space provided and returning the original to my attention. If you have any questions, please give me a call.

Sincerely,

David R. Mullen  
Executive Director

DRM:lmh

I have read the foregoing and it correctly states the terms upon which C & J will proceed to negotiate a mutually acceptable Lease Agreement for the Premises with PDA, subject to the approval of the PDA Board of Directors and any other governmental approvals that may be required.

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

\_\_\_\_\_

By: \_\_\_\_\_

Its duly authorized: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**

**Premises**



Potential Parking Lot at 42 Durham Street

DESIGNED BY: MRM

DATE: 6/4/14

SCALE: 1"=50'



**PEASE DEVELOPMENT AUTHORITY**

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801



**Exhibit B**

**Article 7 – Proposed Lease**

ARTICLE 7.

INSURANCE

7.1.

A. Risk of Loss. Lessee shall bear all risk of loss or damage to the Leased Premises, including any building(s), improvements, fixtures or other property thereon, arising from any causes whatsoever.

B. Insurance. During the entire period this Lease shall be in effect, the Lessee at its expense will carry and maintain:

(1) Property insurance coverage against loss or damage by fire and lightning and against loss or damage or other risks embraced by coverage of the type now known as the broad form of extended coverage (including but not limited to riot and civil commotion, vandalism, and malicious mischief and earthquake) in an amount not less than 100% of the full replacement value of the buildings, building improvements, improvements to the land, and personal property on the Leased Premises. The policies of insurance carried in accordance with this Section shall contain a "Replacement Cost Endorsement". Such full replacement cost shall be determined from time to time, upon the written request of Lessor, but not more frequently than once in any twenty-four (24) consecutive calendar month period (except in the event of substantial changes or alterations to the Premises undertaken by Lessee as permitted under the provisions hereof) by written agreement of Lessor and Lessee, or if they cannot agree within thirty (30) days of such request, by an insurance consultant, appraiser, architect or contractor who shall be mutually and reasonably acceptable to Lessor and Lessee. Any such determination by a third party shall be subject to approval by Lessor and Lessee, which approval shall not be unreasonably withheld. The insurance maintained in this Section shall be adjusted to one hundred percent (100%) of the new full replacement cost consistent with the approved determination.

(2) Comprehensive general liability insurance endorsed for products and completed operations liability insurance, on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury, death or property damage, occurring upon, in or about the Leased Premises including any buildings thereon and adjoining sidewalks, streets, and passageways, such insurance to afford immediate minimum protection at the time of the Term Commencement Date, and at all times during the term of this Lease, to a limit of not less than four million (\$4,000,000) dollars, per occurrence with respect to damage to property and four million (\$4,000,000) dollars, per occurrence with respect to personal /bodily injury or death to any one or more persons and with no deductible or such deductible amount as may be approved by Lessor. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of Lessee, or any other person or organization, or involving any owned, non-owned, Leased or hired automotive equipment (if such coverage is not provided by a separate policy under 7.B.(4)) in connection with Lessee's activities.

(3) Workers' compensation and employer's liability insurance in an amount and form which meets all applicable requirements of the labor laws of the State of New Hampshire, as



amended from time to time, and which specifically covers the persons and risks involved in this Lease.

(4) Automobile liability insurance in amounts approved from time to time by Lessor, but not less than one million dollars (\$1,000,000) combined single limit for owned, hired and non-owned automobiles.

7.2. All policies of insurance required to be carried under this Article shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Lease, issued by insurers of recognized responsibility which are authorized to transact such insurance coverage in the State of New Hampshire, and which have been approved in writing by Lessor, which approval shall not be withheld unreasonably. The policies of insurance required in Sections 7.1B. (2) and (4) shall be for the mutual benefit of Lessee and the Lessor with the Lessor named as additional insured. The policy required in Section 7.1B. (1) shall name Lessor as loss payee. Upon the execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Article) Lessee shall provide a copy of the original of each policy required to be furnished pursuant to this Article (or, with the consent of Lessor, which consent shall not be unreasonably withheld a certificate of the insurer reasonably satisfactory to Lessor which sets forth evidence of all requisite coverages) bearing a notation evidencing the payment of the premium or accompanied by other evidence reasonably satisfactory to Lessor of such payment, shall be delivered by Lessee to Lessor.

7.3. All policies of insurance shall provide for loss thereunder to be adjusted and payable to Lessor or Lessee in accordance with the terms of this Lease.

7.4. Each such policy or certificate therefor issued by the insurer shall to the extent obtainable contain, (i) a provision that no act or omission of Lessee, or any employee, officer or agent of Lessee, 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) an agreement by the insurer that such policy shall not be canceled without at least thirty (30) days prior written notice by registered mail to Lessor and to any Mortgagee, (iii) a provision that any liability coverage required to be carried shall be primary and noncontributing with respect to any insurance carried by PDA, and (iv) provide that the insurer shall have no right of subrogation against PDA.

7.5. The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained this Agreement. On the insurance policies that PDA is named as an additional insured, PDA shall be an additional insured to the full limits of the liability coverage purchased by Lessee, even if those limits of liability are in excess of those required by this Agreement.

7.6. All policies of insurance required to be maintained by Lessee shall have attached thereto the Lender's Loss Payable Endorsement, or its equivalent, or a loss payable clause acceptable to Lessor, for the benefit of any Mortgagee, but the right of any Mortgagee to the payment of insurance proceeds shall at all times be subject to the provisions of this Lease with respect to the application of the proceeds of such insurance.



7.7. Lessee shall observe and comply with the requirements of all policies of insurance at any time in force with respect to the Leased Premises and Lessee shall also perform and satisfy the requirements of the companies writing such policies so that at all times companies of good standing reasonably satisfactory to Lessor shall be willing to write or to continue such insurance. Lessee shall, in the event of any violations or attempted violations of the provisions of this Section 7.7 by a subtenant, take steps, immediately upon knowledge of such violation or attempted violation, to remedy or prevent the same as the case may be.

7.8. Any insurance provided for in this Lease may be effected by a policy or policies of blanket insurance or may be continued in such form until otherwise required by Lessor; provided, however, that the amount of the total insurance allocated to the Leased Premises shall be such as to furnish in protection the equivalent of separate policies in the amounts herein required, and provided further that in all other respects, any such policy or policies shall comply with the other provisions of this Lease. In any such case it shall not be necessary to deliver the original of any such blanket policy to Lessor, but Lessee shall deliver to Lessor and to any Mortgagee a certificate or duplicate of such policy in form and content acceptable to Lessor.

7.9. Over the term of this Lease and any extensions thereof, Lessor reserves the right to request increases in mandatory insurance coverage limits for each respective coverage area required under this Lease as the same may be appropriate, commercially reasonable and prudent in view of then existing conditions and circumstances. Lessor agrees to provide Lessee with a thirty (30) day written notice when making any request for an increase in required insurance coverage limits.

END OF ARTICLE 7

INSERT ITEM VIII.A.2

MOTION

Director Torr:

The Pease Development Authority Board of Directors hereby approves and authorizes the Executive Director to complete negotiations and enter into a Lease Agreement with Vincent Crout-Hamel, or his nominee, for the purpose of constructing and operating a restaurant at Skyhaven Airport, Rochester, New Hampshire; all in accordance with the memorandum of Mark H. Gardner, Deputy General Counsel, dated June 12, 2014 attached hereto.

N:\RESOLVES\SkyhavenRestaurant0614.wpd

MEMORANDUM

To: David R. Mullen, Executive Director  
From: Mark H. Gardner, Deputy General Counsel  
Re: Restaurant at Skyhaven Airport  
Date: June 12, 2014

Vincent Crout-Hamel, the former owner of the 306 Restaurant in Rochester, NH, has requested permission to build a 3,000 square foot eighty (80) seat restaurant at Skyhaven Airport in Rochester, NH. He has had preliminary site and building concept plans prepared which are attached to this memorandum along with a Letter of Intent. As you will note from the attached plans the one (1) acre site will be adjacent to Hangar 5 (the maintenance hangar) and include approximately 30 parking spaces.

PDA staff have proposed entering into a twenty (20) year ground lease with Mr. Crout-Hamel or his nominee which lease would also include two (2) five (5) year options to extend for a maximum of thirty (30) years. Ground Area Rent has been set at thirty-five (\$0.35) cents a square foot or \$15,246.00 per annum / \$1,270.50 per month. This rate will remain in effect for five (5) years and in year six (6) will be adjusted annually by CPI capped at 3% per year or 12% for every five (5) year period thereafter.

Mr. Crout-Hamel will have to work with the City of Rochester and the FAA to secure approval of his plans. In an advance of the PDA Board meeting, the Skyhaven Airport Advisory Council will have a chance to review the project at its June 16, 2014 meeting.

At the June 19, 2014 meeting of the Board please seek authorization to complete the negotiation of the terms of an agreement and to enter into a Ground Lease on terms and conditions substantially similar to those set forth in the Letter of Intent.

P:\MEMOS.MHG\DAWrestaurantJune2014.wpd





**DEVELOPMENT  
AUTHORITY**

55 International Drive, Portsmouth, NH 03801

June 12, 2014

Vincent Crout-Hamel  
71 Elmo Lane  
Rochester, NH 03867-5100

Dear Mr. Crout-Hamel:

On behalf of the Pease Development Authority ("PDA"), we are pleased to submit the following outline of terms and conditions of a proposed agreement with an entity to be formed hereinafter referred to as the "Lessee" for development of a restaurant facility, including customary accessory uses at Skyhaven Airport in Rochester, NH ("Skyhaven").

When approved by the PDA Board of Directors, the terms set forth in this letter shall constitute a Letter of Intent ("LOI") between the parties reflecting our mutual commitment in principle to conclude with due diligence and in good faith an appropriate Lease (the "Agreement" and/or "Lease") based upon these terms and such other mutually acceptable terms and conditions as are necessary and appropriate.

The central business terms of our understanding and upon which I am prepared to make a presentation to the PDA Board of Directors are as follows:

**Landlord:** Pease Development Authority

**Tenant:** Lessee [to be formed]

**Leased Premises:** For and in consideration of the rents and covenants to be paid and performed by Lessee and subject to the terms and conditions set forth herein, PDA agrees to lease to Lessee and Lessee agrees to lease from PDA the land area described below, which land area is located at Skyhaven Airport and is more particularly shown on the plan attached as Exhibit A:

Subject to survey, a certain parcel of land in Rochester, New Hampshire, located at \_\_\_\_\_ Rochester Hill Road ("Leased Premises" or "Premises"), the Leased Premises are estimated to contain approximately 1.0 acre.

**Lease Term and  
Term**

**Commencement:** The Lease shall be effective upon execution and shall continue for a base term of twenty years (20) years (the "Base Term") commencing on the earlier to occur of the following events: (i) occupancy of all or any portion of the Facility, as hereinafter defined, or (ii) \_\_\_\_\_ 1st, 2014 (the earlier to occur of events (i) or (ii) above shall be the Term Commencement Date), with options to extend the Base Term for two (2) successive periods of five (5) years each. In no event shall the Lease extend beyond thirty (30) years from the Term Commencement Date. The option to extend the term

Vincent Crout-Hamel  
Lessee  
June 4, 2014  
Page 2

may not be exercised at any time during which Lessee is in default under any of the terms of the Agreement and, at the election of PDA, shall not be effective if any default occurs after the exercise of such option and before the expiration of the preceding applicable term, it being the intent of the Parties that the options granted may not be exercised or become effective at a time when a default by *Lessee* exists under the Agreement.

**Site Plan and  
Design Permitting:**

In order to induce PDA to enter into the Agreement, Lessee will covenant and agree that it will undertake and continue with due diligence and at its sole expense construction of 3,000 square feet of restaurant space including parking for [ # ] cars, with related paving utilities, landscaping, drainage and associated site improvements (known as the "Facility"). With respect to the construction of the Facility, Lessee shall exercise reasonable efforts to maintain a schedule of milestones to complete design and construction of the Facility; the specific dates for each milestone shall be as mutually agreed by PDA and Lessee during the negotiation of the Agreement.

1. Lessee shall be solely responsible for the development of plans and specifications for the Facility to be constructed at the Premises and for making any required submission and obtaining any necessary approval in accordance with the provisions of the local land use controls and FAA regulations. PDA agrees to use its best efforts (without obligation on the part of PDA to incur any expenses) to assist Lessee in such process.

**Construction  
Improvements:**

The following is a partial list of issues identified and required to be addressed by Lessee during negotiation of the Agreement in connection with Lessee's proposed development of the Leased Premises:

- A. Posting Performance and Payment Bonds or alternate security for construction.
- B.
- C.

**Annual Ground Rent:** The annual ground rent per acre for the Leased Premises during the Base Term of the Agreement will be as follows:

- |              |   |
|--------------|---|
| Years 1 - 5: | an annual amount equal to \$15,246.00 per acre or .35 cents per square foot / \$ 1,270.50 monthly (the "Base Rate")                     |
| Year 6       | an annual payment equal to the Base Rent for Year 5 plus a CPI adjustment measured from Year 1 and not to exceed 12%.                   |
| Years 7-10:  | an annual payment equal to the Base Rate per acre for Year 6 plus a CPI adjustment not to exceed the lesser of CPI or 3% per year; such |



Vincent Crout-Hamel  
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adjustments not to exceed 12% measured from the five year period commencing in Year 6 through Year 10.

Years 11 - 15 and  
each five year period  
thereafter, including  
any applicable

option period: an annual payment equal to the per acre rate for Year 10 plus CPI adjustments not to exceed the lesser of CPI or 3% per year from Year 11 forward; such adjustments not to exceed 12% in each five (5) year period.

All rent contemplated shall be payable commencing on the Term Commencement Date in each case in equal monthly installments of one-twelfth thereof in advance on the first day of each month without offset, unless otherwise agreed by the Parties.

**Escalation  
Adjustment:**

CPI Adjustment: As of each adjustment date, the Ground Rent shall be adjusted to reflect the change in the Consumer Price Index for All Urban Consumers applicable to the Boston area (base year 1982-1984=100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index").

On the first day following the expiration of the fifth year of the Base Term of the Agreement and on the first day of each year thereafter ("Adjustment Date(s)") Ground Rent subject to escalation adjustment shall be adjusted as follows:

For the first adjustment, the basis for computing such adjustment shall be the Index most recently published prior to the beginning of the first year of the Base Term ("Beginning Index"). If the Index most recently published prior to the first Adjustment Date ("Extension Index") has increased over the Beginning Index, the rental rates for Ground Rent for the one year period commencing as of such adjustment date shall be equal to the result obtained by multiplying the rental rate in effect on the Adjustment Date by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index.

**Condition of  
Leased Premises:**

Except as otherwise provided in the Lease, Lessee shall take the Leased Premises in an "as is" condition without warranty or representation of any kind.

**Taxes/Fees/Services:  
Utilities:**

See Article 5 of the proposed Lease attached as Exhibit B.

PDA will bring utility lines at reasonable capacities at the points existing as of the date of execution of the Agreement or such other points as may be designated by PDA. Lessee acknowledges and agrees that the relocation, upgrade and improvement of the sewer lines located on the Leased Premises may be necessary to permit construction of



Vincent Crout-Hamel  
Lessee  
June 4, 2014  
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the Facility. Lessee will be responsible for installing and paying for all utilities, including electric, gas, telephone, water and sewer from such point to the Leased Premises.

**Net Lease:** The Agreement shall be triple net to PDA and all costs associated with the use, occupancy, maintenance and insurance of the Premises shall be borne by Lessee.

**Use:** Lessee may use the Premises for the purpose of operating and managing a restaurant to include, off-street parking and loading and for no other uses unless expressly agreed to by PDA.

**Sublease and  
Assignment:**

Lessee may, without the approval of PDA, assign its rights under the Agreement to or enter into a sublease of the Leased Premises with an affiliate i.e., any entity that controls, is controlled by or is under common control with Lessee). For purposes of the preceding sentence, the term "control" shall mean ownership or other beneficial interest in at least fifty-one percent (51%) of the voting stock or other voting interest of an entity. All other assignments shall be subject to approval of PDA. PDA shall not unreasonably withhold or delay its consent to any sublease or assignment if: (1) the use of the Leased Premises associated with any sublease(s) or assignment(s) is permitted under Article 9 of the Agreement, (2) the sublease(s) are consistent with the terms and conditions of the Agreement; provided, however, that Lessee may rent the subleased area at rentals deemed appropriate by Lessee, (3) Lessee remains primarily liable to PDA to pay rent and to perform all other obligations to be performed by Lessee under the Agreement, and (4) the proposed sublessee is financially and operationally responsible. In the event the rent for the land area of the leased premises exceeds the rental charged to Lessee under Article 4, Lessee shall remit fifty percent (50%) of such excess to PDA upon receipt by Lessee; provided, however, that any rental received by Lessee during a period in which no rental is due to PDA shall be paid in its entirety to PDA.

No subletting, assignment or transfer, whether PDA's consent is required or otherwise given hereunder, shall release Lessee's obligations or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee under the Agreement. The acceptance of rent by PDA from any other person shall not be deemed to be a waiver by PDA of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. If any assignee of Lessee or any successor of Lessee defaults in the performance of any of the terms hereof, PDA may proceed directly against Lessee without the necessity of exhausting remedies against such assignee or successor. If Lessee assigns the Agreement, or sublets all or a portion of the Leased Premises, or requests the consent of PDA to any assignment or subletting, or if Lessee requests the consent of PDA for any act that Lessee proposes to do, then Lessee shall pay PDA's reasonable processing fee and reimburse PDA for all reasonable attorneys' fees,

Vincent Crout-Hamel  
Lessee  
June 4, 2014  
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excluding any fees to in-house counsel, incurred in connection therewith. Any assignment or subletting of the Leased Premises that is not in compliance with these provisions shall be void and shall, at the option of PDA, but subject to any applicable cure provisions, terminate the Agreement.

Notwithstanding the preceding provisions regarding assignments and subletting and the continuing liability of Lessee, the parties agree that Lessee may, at any time, and whether or not its proposed assignment or sublease is to an affiliate, request that PDA approve an assignment or sublease by Lessee to a third party and relieve Lessee of its liability under the Agreement. PDA shall not unreasonably withhold or delay such approval.

It is intended that this Lease shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and, wherever a reference in this Lease is made to either of the Parties hereto such reference shall be deemed to include, wherever applicable, also a reference to the successors and assigns of such party, as if in every case so expressed.

**Environmental  
Protection:**

Lessee shall be subject to Article 25 of the proposed Lease attached hereto as Exhibit C.

**Brokerage:**

Each party warrants to the other that it has had no dealing with any real estate broker or agent in connection with the negotiation of this Letter of Intent or the Lease.

**Surrender of  
Leased Premises  
at Termination:**

PDA to assume ownership of the Facility and related improvements at termination of Lease.

**Repairs and  
Maintenance:**

Throughout the term of the Agreement, and without cost to PDA, Lessee shall take reasonably good care of the Leased Premises and related improvements, including sidewalks, curbs, parking areas designated for Lessee's exclusive use, and shall keep the same in good order and condition, and shall promptly at its own cost and expense, make all necessary repairs thereto. Lessee's obligation hereunder shall also include grounds maintenance and restoration and snow removal from the Leased Premises, including any parking areas designate for Lessee's exclusive use.

**Insurance/  
Indemnification**

See Articles 7 and 13 of the proposed Lease attached as Exhibit D.

This LOI does not constitute a reservation of the Premises, an option to lease the Premises, or an offer to lease the Premises, and no legal obligation shall arise with respect to the Premises or lease thereof until a Lease Agreement is executed by the Parties.

Vincent Crout-Hamel  
Lessee  
June 4, 2014  
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I believe this proposal addresses the terms as discussed to date. It is my hope that you will be in a position to advise us of your commitment to PDA by executing this original and the enclosed copy in the space provided and returning the original to my attention. If you have any questions, please give me a call.

Sincerely,


David R. Mullen  
Executive Director

cc. Mark H. Gardner, Deputy General Counsel  
Kim William Hopper, A.A.E., Airport Manager

I have read the foregoing and it correctly states the terms upon which we will proceed to negotiate a mutually acceptable Lease Agreement for the Premises with PDA, subject to the approval of the PDA Board of Directors and any other governmental approvals that may be required.

0-16-2014  
Date

Lessee

  
By: Vincent Crout-Hamel, duly authorized



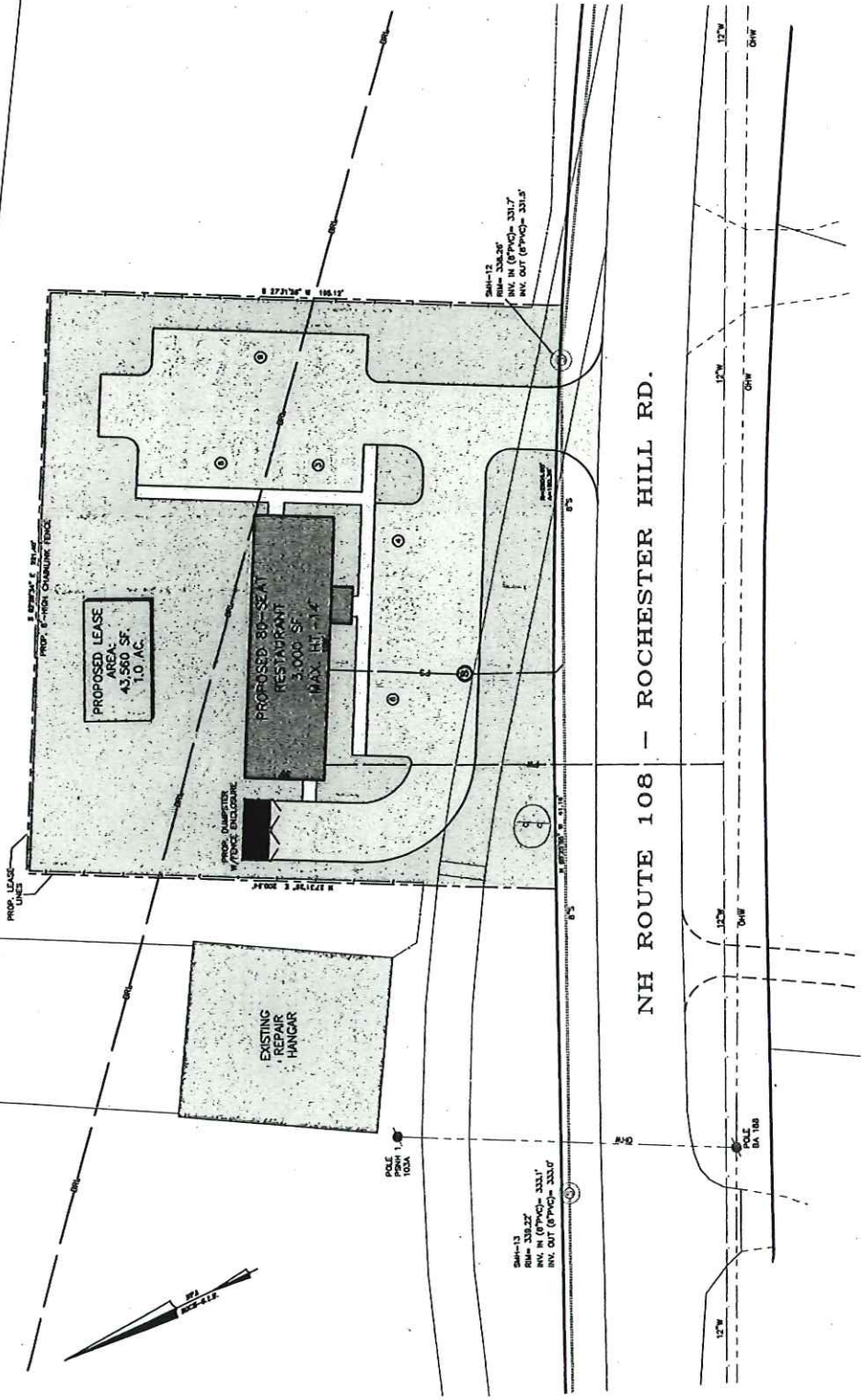


OPTION 1

P.O. Box 249, Rochester, N.H. 03866-0249

SURVEYORS - ENGINEERS - TRANSPORTATION PLANNERS

SKYHAVEN AIRPORT TAXIWAY



NH ROUTE 108 - ROCHESTER HILL RD.

SITE PLAN SKETCH  
 ROCHESTER HILL RD./RTE. 108  
 ROCHESTER, NH  
 PREPARED FOR  
 VINCE CROUT-HAMEL  
 ON LAND OF THE  
 PEASE DEVELOPMENT  
 AUTHORITY  
 1"=20' MAY 2014



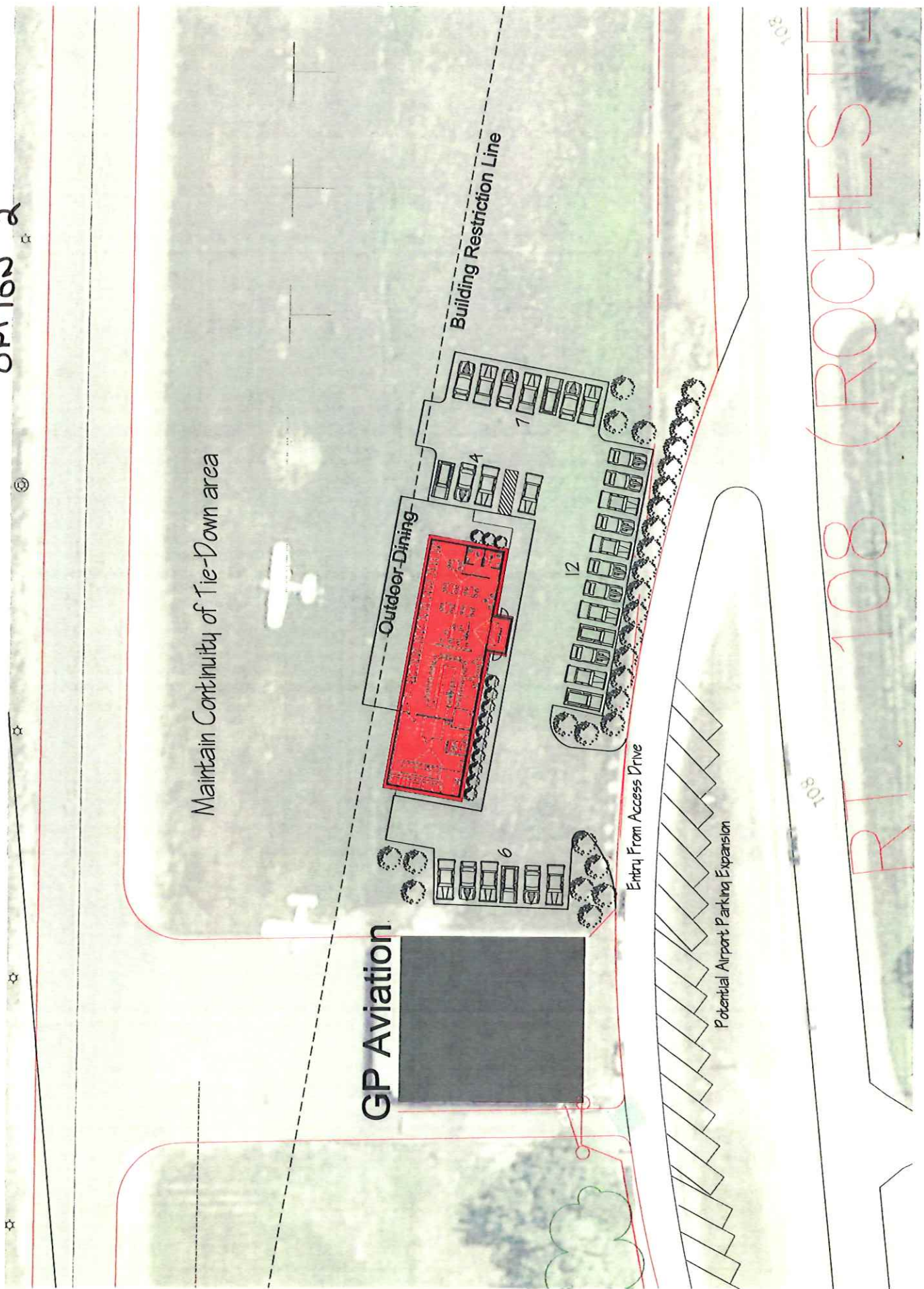
FILE NO. 104  
 PLAN NO.  
 P.E. NO. 14650/23-1  
 P.S. NO.

NORWAY PLAINS ASSOCIATES, INC.

SHEET 2



OPTION 2



Restaurant Site Considerations



MOTION

Director Lamson:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:

1. Enter into a contract with Careno Construction, Co., LLC for improvements to the roof and attic at 55 International Drive in the amount of \$135,580 including the Base Bid and Add Alternates 1 and 2 (as described in the attached memorandum); and
2. Allocate a contingency of \$24,420 for unforeseen conditions that may surface during construction;

all in accordance with the memorandum of Maria J. Stowell, P.E., Manager – Engineering, dated June 12, 2014, attached hereto.

N:\RESOLVES\55IntlRoof0614.wpd

## MEMORANDUM

To: David R. Mullen, Executive Director

From: Maria J. Stowell, P.E., Manager, Engineering *Maria*

Date: June 12, 2014

Subject: Roof and Attic Improvements at 55 International Drive

Over the past few months, PDA staff has been working with H.L. Turner Group to design and bid the improvements to the roof and attic at 55 International Drive. These improvements include the following:

1. Replacement of the existing roof shingle system;
2. Replacement of deteriorated plywood sheathing;
3. Improved attic insulation;
4. Removal of no longer utilized roof penetrations (vents and dormers);
5. Proper attic ventilation;
6. Improved lateral bracing of wood trusses;

On June 9, PDA opened five (5) bids. Following are the results.

Contractor	Base Bid	Add Alt 1	Add Alt 2	Total
Careno Construction Co., LLC	\$124,400	\$8,280	\$2,900	\$135,580
J. N R. Gutters, Inc.	\$129,600	\$4,500	\$4,000	\$138,100
Kevin W. Smith & Son, Inc.	\$133,300	\$16,000	\$4,000	\$153,300
Pellowe Construction, LLC	\$155,763	\$22,145	\$3,914	\$181,822
Brookstone Builders, Inc.	\$179,000	\$24,000	\$8,000	\$211,000

Add Alternate #1 includes the installation of ice and water membrane over the entire roof sheathing. Add Alternate #2 includes the construction of an elevated walkway in the attic to provide easier maneuverability within the attic.

It is important to note that there is some uncertainty in the cost for items two and six above as the extent of this work will not be fully understood until the existing roofing is removed and the attic is fully inspected.

At this time, \$230,000 has been reserved for this work in the CIP. As such, staff recommends awarding the Base Bid as well as Add Alternates #1 and #2 to Careno Construction Co., LLC in the amount of \$135,580. In addition, staff recommends a contingency of \$24,420 be reserved for any unanticipated conditions and the uncertainty in costs for items two and six above.

At next week's board meeting, please request approval for the Executive Director to:

1. Award the contract for improvements to the roof and attic at 55 International Drive to Careno Construction Co., LLC for the Base Bid and Add Alternates 1 and 2 in the amount of \$135,580.
2. Allocate \$24,420 for unforeseen conditions that may surface during construction.

N:\ENGINEER\Board Memos\2014\55 roof bid.docx



MOTION

Director Loughlin:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a contract with Honeywell Building Solutions (“Honeywell”) of Manchester, NH in an amount not to exceed \$24,705 to purchase a new server, update computer software and add three client licenses for the Airport Terminal security system; all in accordance with the memorandum of Ed Pottberg, Airport Security Coordinator, dated June 11, 2014, attached hereto.


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

1. Honeywell is the sole provider of the security system and can provide the requisite upgrades in a cost effective manner.
2. The cost to upgrade the system with non-Honeywell software and replacement hardware including all door readers is estimated to exceed \$150,000; and
3. Due to the addition of the modular building at Airport Operations, the system will require additional software client licences that are only offered by Honeywell with the system update.

Note: This motion requires 5 affirmative votes.

N:\RESOLVES\Honeywell0614.wpd

## Memorandum

**To:** David R. Mullen, Executive Director  
**From:** Ed F. Pottberg, Airport Security Coordinator   
**Date:** 6/11/2014  
**Subj:** Access Control System

---

The Microsoft XP software for the Honeywell access controlled security system for the airport terminal building is obsolete and no longer serviceable. Should the server fail, there would be no means to restore the system until such a time that the software is upgraded to Microsoft Windows 7 or 8. The server for the system is located in the Airport Management Department offices. With the modular addition to the Airport Management Department offices presently underway, the system will require additional software client licenses that Honeywell only offers with the system update.

Because it is a Honeywell access controlled proprietary system, any non-Honeywell software upgrade would require that all server hardware and software, including all of the door readers be replaced at considerable expense, roughly estimated to exceed \$150,000. Given that Honeywell is the sole proprietor of the system, seeking competitive bids to replace the entire system would prove to be cost prohibitive. In addition, budgeting for such an occurrence was unforeseeable due to the unpredictable factors associated with ongoing and evolving software changes.

Honeywell quoted us \$24,705 to provide a new server with three client licenses and the requisite software upgrade to Microsoft Windows 7 or 8. Please request Board approval at its June 19 meeting for necessary software and hardware upgrades with Honeywell Building Solutions of Manchester, NH, in an amount not to exceed \$24,705 and for the reasons set forth herein, please request that the requirement to bid the work out be waived.

Attached is a quote from Honeywell Building Solutions describing what they will provide. Please do not hesitate to contact me with any questions regarding.

Attachment

cc: Kim W. Hopper, A.A.E., Airport Manager

**Honeywell International Inc.**  
**Building Systems Agreement**

**Honeywell Building Solutions**

**Proposal Number:** 963-14033R  
**Proposal Name:** Pease EBI Upgrade Project  
**Date:** April 4, 2014

**Provider:**  
**Honeywell Building Solutions**  
915 Holt Avenue  
Manchester, NH 03103

**Customer:**  
**Portsmouth International Airport at Pease**  
36 Airline Avenue  
Portsmouth, NH 03801

**Work Site Location Name:** *Portsmouth International Airport at Pease*  
**Work Site Location Address:** *Portsmouth, NH*

**Scope of Work:** Honeywell shall provide the following equipment and services ("Scope of Work") in accordance with the terms and conditions, which form a part of this Agreement.

Honeywell shall furnish and install an EBI upgrade to a Dell PowerEdge Server (Windows 7 or Windows 2008 R2 Server) and EBI software to release R410.2. We will provide technical labor for a turnkey installation which will include copying the existing computer data files, migrating the data to the new server, installation of EBI R410.2 software, set-up of photo ID and existing photo ID printer, loading client station software on one customer provided PC and a complete checkout of the EBI system.

**Proposal Includes:**

- Work to be performed during normal working hours of 0700-1600.
- Existing system graphical displays will be migrated to the new server and client station.
- Software cost for EBI Revision R430 is included in the purchase of the R410.2 software package. Installation of the software will be an additional cost at the time that it will be installed on the machines.

**Proposal Does Not Include:**

- Providing any equipment for client workstations. Workstations to be provided by the customer.
- Monitors and Printers

Under this proposal Honeywell will furnish the equipment and deliver to the job site, furnish necessary technical hardware and software labor, make all calibrations, adjustments and a final check of the operation of this equipment and software, guarantee the equipment and its operation for a period of one (1) year.

---

**Price:** All for the net sum of **Twenty Two Thousand Twenty Eight (\$22,028.00) U.S. Dollars**

**Optional Pricing:** Add \$2,677.00    **Revised Price:** \$24,705.00

- Optional pricing includes installing R410.2 software on an additional machine supplied by the customer. This will allow three (3) systems to be utilized at the same time, the server and two (2) client stations.

Sales Tax will be invoiced separately     Use Tax is included in the price     This sale is tax exempt

**Payment:** Upon Customer acceptance of this proposal or contract execution, whichever occurs first, the Customer shall pay Honeywell Twenty percent (20%) of the Price. Such payment shall be used for engineering, drafting, and other mobilization costs reasonably incurred prior to on-site installation.

**This proposal is valid for 30 days.**

**Proposal Submitted By:** John V. Nanof  
(Signature)

**Name:** John Nanof  
**Title:** Senior Account Manager



**Acceptance:** This proposal and the pages attached shall become an Agreement in accordance with Article 13 of the General Terms and Conditions below and only upon signature below by an authorized representative of Honeywell and Customer, subject to credit approval by Honeywell.

**Accepted by:**  
**HONEYWELL INTERNATIONAL INC.**  
acting through **Honeywell Building Solutions**

**CUSTOMER: (Portsmouth International Airport)**

**Signature:** \_\_\_\_\_  
**Name:** Craig Maynard  
**Title:** District Operations Leader  
**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

## **General Terms and Conditions**

### **1. WORKING HOURS**

Unless otherwise stated, all labor and services under this Agreement will be performed during the hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday, excluding federal holidays. If for any reason Customer requests Honeywell to furnish any such labor or services outside of the hours of 8:00 a.m. - 4:30 p.m. local time Monday through Friday (or on federal holidays), any overtime or other additional expense occasioned thereby, such as repairs or material costs not included in this Agreement, shall be billed to and paid by Customer.

### **2. TAXES**

2.1 Customer agrees to pay the amount of any new or increased taxes or governmental charges upon labor or the production, shipment, sale, installation, or use of equipment or software which become effective after the date of this Agreement. If Customer claims any such taxes do not apply to transactions covered by this Agreement, Customer shall provide Honeywell with a tax exemption certificate acceptable to the applicable taxing authorities.

2.2 **Tax-Related Cooperation.** Customer agrees to execute any documents and to provide additional reasonable cooperation to Honeywell related to Honeywell tax filings under Internal Revenue Code Section 179D. Honeywell will be designated the sole Section 179D beneficiary.

### **3. PROPRIETARY INFORMATION**

3.1 All proprietary information (as defined herein) obtained by Customer from Honeywell in connection with this Agreement shall remain the property of Honeywell, and Customer shall not divulge such information to any third party without prior written consent of Honeywell. As used herein, the term "proprietary information" shall mean written information (or oral information reduced to writing), or information in machine-readable form, including but not limited to software supplied to Customer hereunder which Honeywell deems proprietary or confidential and characterizes as proprietary at the time of disclosure to Customer by marking or labeling the same "Proprietary," "Confidential," or "Sensitive." The Customer shall incur no obligations hereunder with respect to proprietary information which (a) was in the Customer's possession or was known to the Customer prior to its receipt from Honeywell; (b) is independently developed by the Customer without the utilization of such confidential information of Honeywell; (c) is or becomes public knowledge through no fault of the Customer; (d) is or becomes available to the Customer from a source other than Honeywell; (e) is or becomes available on an unrestricted basis to a third party from Honeywell or from someone acting under its control; (f) is received by Customer after notification to Honeywell that the Customer will not accept any further information.

3.2 Customer agrees that Honeywell may use nonproprietary information pertaining to the Agreement, and the work performed under the Agreement, for press releases, case studies, data analysis, promotional purposes, and other similar documents or statements to be publicly released, as long as Honeywell submits any such document or statement to Customer for its approval, which shall not be unreasonably withheld.

### **4. INSURANCE OBLIGATIONS**

4.1 Honeywell shall, at its own expense, carry and maintain in force at all times from the effective date of the Contract through final completion of the work the following insurance. It is agreed, however, that Honeywell has the right to insure or self-insure any of the insurance coverages listed below:

- (a) Commercial General Liability Insurance to include contractual liability, products/completed operations liability with a combined single limit of USD \$2,000,000 per occurrence. Such policy will be written on an occurrence form basis;
- (b) If automobiles are used in the execution of the Contract, Automobile Liability Insurance with a minimum combined single limit of USD \$2,000,000 per occurrence. Coverage will include all owned, leased, non-owned and hired vehicles.
- (c) Where applicable, "All Risk" Property Insurance, including Builder's Risk insurance, for physical damage to property which is assumed in the Contract.
- (d) Workers' Compensation Insurance Coverage A - Statutory limits and Coverage B-Employer's Liability Insurance with limits of USD \$1,000,000 for bodily injury each accident or disease.

Honeywell will not issue coverage on a per project basis.

4.2 Prior to the commencement of the Contract, Honeywell will furnish evidence of said insurance coverage in the form of a Memorandum of Insurance which is accessible at: <http://honeywell.com/usa/tra>. All insurance required in this Article will be written by companies with a rating of no less than "A-, XII" by A.M. Best or equivalent rating agency. Honeywell will endeavor to provide a thirty (30) day notice of cancellation or non-renewal to the Customer. In the event that a self-insured program is implemented, Honeywell will provide adequate proof of financial responsibility.

### **5. HAZARDOUS SUBSTANCES, MOLD AND UNSAFE WORKING CONDITIONS**

5.1 Customer has not observed or received notice from any source (formal or informal) of (a) Hazardous Substances or Mold, either airborne or on or within the walls, floors, ceilings, heating, ventilation and air conditioning systems, plumbing systems, structure, and other components of the Site, or within furniture, fixtures, equipment, containers or pipelines in a Site; or (b) conditions that, to Customer's knowledge, might cause or promote accumulation, concentration, growth or dispersion of Hazardous Substances or Mold on or within such locations.

5.2 Honeywell is not responsible for determining whether the Covered Equipment or the temperature, humidity and ventilation settings used by Customer, are appropriate for Customer and the Site except as specifically provided in an attached Work Scope Document.

5.3 If any such materials, situations or conditions, whether disclosed or not, are in fact discovered by Honeywell or others and provide an unsafe condition for the performance of the work or Services, the discovery of the condition shall constitute a cause beyond Honeywell's reasonable control and Honeywell shall have the right to cease the work or Services until the area has been made safe by Customer or Customer's representative, at Customer's expense. Honeywell shall have the right to terminate this Agreement if Customer has not fully remediated the unsafe condition within sixty (60) days of discovery.

5.4 Customer represents that Customer has not retained Honeywell to discover, inspect, investigate, identify, prevent or remediate Hazardous Substances or Mold or conditions caused by Hazardous Substances or Mold.

5.5 TO THE FULLEST EXTENT ALLOWED BY LAW, CUSTOMER SHALL INDEMNIFY AND HOLD HONEYWELL HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS AND COSTS OF WHATEVER NATURE, INCLUDING BUT NOT LIMITED TO, CONSULTANTS' AND ATTORNEYS' FEES, DAMAGES FOR BODILY INJURY AND PROPERTY DAMAGE, FINES, PENALTIES, CLEANUP COSTS AND COSTS ASSOCIATED WITH DELAY OR WORK STOPPAGE, THAT IN ANY WAY RESULTS FROM OR ARISES UNDER THE BREACH OF THE REPRESENTATIONS AND WARRANTIES IN THIS SECTION, THE EXISTENCE OF MOLD OR A HAZARDOUS SUBSTANCE AT A SITE, OR THE OCCURRENCE OR EXISTENCE OF THE SITUATIONS OR CONDITIONS DESCRIBED IN THIS SECTION, WHETHER OR NOT CUSTOMER PROVIDES HONEYWELL ADVANCE NOTICE OF THE EXISTENCE OR OCCURRENCE AND REGARDLESS OF WHEN THE HAZARDOUS SUBSTANCE OR OCCURRENCE IS DISCOVERED OR OCCURS. THIS INDEMNIFICATION SHALL SURVIVE TERMINATION OF THIS AGREEMENT FOR WHATEVER REASON.

### **6. WARRANTY AND LIMITATION OF LIABILITY**

6.1 Honeywell will replace or repair any product Honeywell provides under this Agreement that falls within the warranty period (one) 1 year because of defective workmanship or materials, except to the extent the failure results from Customer negligence, or from fire, lightning, water damage, or any other cause beyond the control of Honeywell. This warranty applies to all products Honeywell provides under this Agreement, whether or not manufactured by Honeywell. The warranty is effective as of the date of Customer acceptance of the product or the date Customer begins beneficial use of the product, whichever occurs first.

6.2 THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE, AND HONEYWELL EXPRESSLY DISCLAIMS AND CUSTOMER EXPRESSLY WAIVES ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF WORKMANSHIP, CONSTRUCTION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.



WITH RESPECT TO THE SERVICES, EQUIPMENT, AND MATERIALS PROVIDED HEREUNDER, HONEYWELL SHALL NOT BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE, LOSS OF VALUE, ADVERSE HEALTH EFFECT OR ANY SPECIAL, INCIDENTAL, INDIRECT, SPECULATIVE, REMOTE, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, ARISING FROM, OR RELATING TO, THIS LIMITED WARRANTY OR ITS BREACH.

6.3 Honeywell makes no representation or warranty, express, implied or otherwise, regarding Hazardous Substances or Mold. Honeywell shall have no duty, obligation or liability, all of which Customer expressly waives, for any damage or claim, whether known or unknown, including but not limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effect or any special, consequential, punitive, exemplary or other damages, regardless of whether such damages may be caused by or otherwise associated with defects in the Services, in whole or in part due to or arising from any investigation, testing, analysis, monitoring, cleaning, removal, disposal, abatement, remediation, decontamination, repair, replacement, relocation, loss of use of building, or equipment and systems, or personal injury, death or disease in any way associated with Hazardous Substances or Mold.

#### **7. INDEMNITY**

Honeywell agrees to indemnify and hold Customer and its agents and employees harmless from all claims for bodily injury and property damages to the extent such claims result from or arise under Honeywell's negligent actions or willful misconduct in its performance of the Work required under this Agreement, provided that such indemnity obligation is valid only to the extent (i) Customer gives Honeywell immediate notice in writing of any such claims and permits Honeywell, through counsel of its choice and Honeywell's sole cost and expense, to answer the claims and defend any related suit and (ii) Customer gives Honeywell all needed information, assistance and authority, at Honeywell's expense, to enable Honeywell to defend such suit. Honeywell shall not be responsible for any settlement without its written consent. Honeywell shall not be liable for loss or damage caused by the negligence of Customer or any other party or such party's employees or agents. This obligation shall survive termination of this Agreement. Notwithstanding the foregoing, Customer agrees that Honeywell will not be responsible for any damages caused by Mold or any other fungus or biological material or agent, including but not limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effect or any special, consequential, punitive, exemplary or other damages, regardless of whether such damages may be caused by or otherwise associated with defects in the Services.

#### **8. LIMITATION OF LIABILITY**

8.1 IN NO EVENT SHALL HONEYWELL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, SPECULATIVE, REMOTE, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, WHETHER ARISING OUT OF OR AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, MOLD, MOISTURE, INDOOR AIR QUALITY, OR OTHERWISE, ARISING FROM, RELATING TO, OR CONNECTED WITH THE SERVICES, EQUIPMENT, MATERIALS, OR ANY GOODS PROVIDED HEREUNDER.

8.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IF A PORTION OF THE SERVICES INVOLVES THE INSTALLATION AND/OR MAINTENANCE OF SYSTEMS ASSOCIATED WITH SECURITY AND/OR THE DETECTION OF AND/OR REDUCTION OF RISK OF LOSS ASSOCIATED WITH FIRE, HONEYWELL'S TOTAL LIABILITY ARISING OUT OF OR AS A RESULT OF ITS PERFORMANCE UNDER THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF THIS AGREEMENT.

#### **9. EXCUSABLE DELAYS**

Honeywell shall not be liable for damages caused by delay or interruption in Services due to fire, flood, corrosive substances in the air, strike, lockout, dispute with workmen, inability to obtain material or services, commotion, war, acts of God, the presence of Hazardous Substances or Mold, or any other cause beyond Honeywell's reasonable control. Should any part of the system or any Equipment be damaged by fire, water, lightning, acts of God, the presence of Hazardous Substances or Mold, third parties, or any other cause beyond the control of Honeywell, any repairs or replacement shall be paid for by Customer. In the event of any such delay, date of shipment or performance shall be extended by a period equal to the time lost by reason of such delay, and Honeywell shall be entitled to recover from Customer its reasonable costs, overhead, and profit arising from such delay.

#### **10. PATENT INDEMNITY**

10.1 Honeywell shall, at its expense, defend or, at its option, settle any suit that may be instituted against Customer for alleged infringement of any United States patents related to the hardware or software manufactured and provided by Honeywell under this Agreement ("the equipment"), provided that a) such alleged infringement consists only in the use of such equipment by itself and not as part of, or in combination with, any other devices, parts or software not provided by Honeywell hereunder, b) Customer gives Honeywell immediate notice in writing of any such suit and permits Honeywell, through counsel of its choice, to answer the charge of infringement and defend such suit, and c) Customer gives Honeywell all needed information, assistance and authority, at Honeywell's expense, to enable Honeywell to defend such suit.

10.2 If such a suit has occurred, or in Honeywell's opinion is likely to occur, Honeywell may, at its election and expense: a) obtain for Customer the right to continue using such equipment; b) replace, correct or modify it so that it is not infringing; or if neither a) or b) is feasible, then c) remove such equipment and grant Customer a credit therefore, as depreciated.

10.3 In the case of a final award of damages in any such suit, Honeywell will pay such award. Honeywell shall not, however, be responsible for any settlement made without its written consent.

10.4 THIS ARTICLE STATES HONEYWELL'S TOTAL LIABILITY AND CUSTOMER'S SOLE REMEDY FOR ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY PATENT BY THE HARDWARE MANUFACTURED AND PROVIDED BY HONEYWELL HEREUNDER.

#### **11. SOFTWARE LICENSE**

All software provided in connection with this Agreement shall be licensed and not sold. The end user of the software will be required to sign a license agreement with provisions limiting use of the software to the equipment provided under these specifications, limiting copying, preserving confidentiality, and prohibiting transfer to a third party. Licenses of this type are standard for computer-based equipment of the type covered by this Agreement. Customer shall be expected to grant Honeywell access to the end user for purposes of obtaining the necessary software license.

#### **12. DISPUTE RESOLUTION**

With the exception of any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of fire and/or security systems, the Parties agree that any controversy or claim between Honeywell and Customer arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in a neutral venue, conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association. Any award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Any controversy or claim arising out of or related to the installation, monitoring, and/or maintenance of systems associated with security and/or the detection of, and/or reduction of risk of loss associated with fire shall be resolved in a court of competent jurisdiction.

#### **13. ACCEPTANCE OF THE CONTRACT**

This proposal and the pages attached shall become an Agreement upon signature above by Honeywell and Customer. The terms and conditions are expressly limited to the provisions hereof, including Honeywell's General Terms and Conditions attached hereto, notwithstanding receipt of, or acknowledgment by, Honeywell of any purchase order, specification or other document issued by Customer. Any additional or different terms set forth or referenced in Customer's purchase order are hereby objected to by Honeywell and shall be deemed a material alteration of these terms and shall not be a part of any resulting order.

#### **14. MISCELLANEOUS**

14.1 This Agreement represents the entire Agreement between Customer and Honeywell for the Work described herein and supersedes all prior negotiations, representations or Agreements between the Parties related to the work described herein.

14.2 None of the provisions of this Agreement shall be modified, altered, changed or voided by any subsequent Purchase Order or other document unilaterally issued by Customer that relates to the subject matter of this Agreement. This Agreement may be amended only by written instrument signed by both Parties.

14.3 This Agreement shall be governed by the law of the State where the work is to be performed.

14.4 Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Honeywell and Customer, who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

14.5 Customer may not assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of Honeywell. Honeywell may assign its right to receive payment to a third party.

#### **15. TERMS OF PAYMENT**

Subject to Honeywell's approval of Customer's credit, payment terms are as follows:

**Progress Payments** - Honeywell will invoice at least monthly for all materials delivered to the job site or to an off-site storage facility and for all installation, labor, and services performed, both on and off the job site. Customer agrees to pay the full amounts invoiced, less retainage, upon receipt of the invoice at the address specified by the Customer. Invoices not paid within thirty (30) days of the invoice date are past due and accrue interest from the invoice date to the date of payment at the rate of one percent (1%) per month, compounded monthly, or the highest legal rate then allowed.

**Retainage** - Customer shall not withhold, as retainage, a greater percentage than is withheld from Customer under a prime contract, if applicable. Customer shall pay all retainage to Honeywell within 30 days after Honeywell's work is substantially complete.

**Suspension of work** - If Honeywell, having performed work per Agreement requirements, does not receive payment within thirty (30) days after submission of a Honeywell invoice, Honeywell may suspend work until Customer provides remedy.

#### **16. WORK BY OTHERS**

16.1 Unless otherwise indicated, the following items are to be furnished and installed by others: electric wiring and accessories, all in-line devices (including but not limited to flow tubes, hand valves, orifice plates, orifice flanges, etc.), pipe and pipe penetrations including flanges for mounting pressure and level transmitters, temperature sensors, vacuum breakers, gauge glasses, water columns, equipment foundations, riggings, steam tracings, and all other items and work of like nature. Automatic valve bodies and dampers furnished by Honeywell are to be installed by others.

16.2 Services Honeywell will provide under this Agreement specifically exclude professional services which constitute the practice of architecture or engineering unless specifically set forth in the Scope of Work. Customer or Owner will specify all performance and design criteria that Honeywell will follow in performing Work under this Agreement. If professional design services or certifications by a design professional related to systems, materials, or equipment is required, such services and certifications are the responsibility of others. To the fullest extent permitted by law, Customer shall indemnify and hold harmless Honeywell and its agents and employees from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees, that in any way result from or arise under breach of the representations in this Section 16. This indemnification shall survive termination of this Agreement for whatever reason. Nothing in this Section 16 shall be construed to require that Customer indemnify and hold harmless Honeywell from claims and costs resulting from Honeywell's negligent actions or willful misconduct.



## **17. DELIVERY**

Delivery of equipment not agreed on the face hereof to be installed by or with the assistance of Honeywell shall be F.O.B. at Honeywell's factory, warehouse, or office selected by Honeywell. Delivery of equipment agreed on the face hereof to be installed by or with the assistance of Honeywell shall be C.I.F. at site of installation.

## **18. DAMAGE OR LOSS**

Honeywell shall not be liable for damage to or loss of equipment and software after delivery to destination determined by this Agreement or any applicable prime contract. If thereafter, and prior to payment in full to Honeywell by Customer, any such equipment or software is damaged or destroyed by any cause whatsoever, other than by the fault of Honeywell, the Customer agrees promptly to pay or reimburse Honeywell for such loss.

## **19. TERMINATION**

**19.1** By Customer. Customer may terminate this Agreement for cause if Honeywell defaults in the performance of any material term of this Agreement, or fails or neglects to carry forward the Work in accordance with this Agreement, after giving Honeywell written notice of its intent to terminate. If Honeywell has not, within seven (7) business days after receipt of such notice, acted to remedy and make good such deficiencies, Customer may terminate this Agreement and take possession of the site together with all materials thereon, and move to complete the Work itself expeditiously. Upon request of Honeywell, Customer will furnish to Honeywell a detailed accounting of the costs incurred by Customer in finishing the Work. If the unpaid balance of the contract price exceeds the expense of finishing the Work, the excess shall be paid to Honeywell, but if the expense exceeds the unpaid balance, Honeywell shall pay the difference to Customer.

**19.2** By Honeywell. Honeywell may terminate this Agreement for cause (including, but not limited to, Customer's failure to make payments as agreed herein) after giving Customer written notice of its intent to terminate. If, within seven (7) days following receipt of such notice, Customer fails to make the payments then due, or otherwise fails to cure or perform its obligations, Honeywell may, by written notice to Customer, terminate this Agreement and recover from Customer payment for Work executed and for losses sustained for materials, tools, construction equipment and machinery, including but not limited to, reasonable overhead, profit and applicable damages.

## **20. CHANGES IN THE WORK**

**20.1** A Change Order is a written order signed by Customer and Honeywell authorizing a change in the Work or adjustment in the price or a change to the schedule.

**20.2** Customer may request Honeywell to submit proposals for changes in the Work, subject to acceptance by Honeywell. If Customer chooses to proceed, such changes in the Work will be authorized by a Change Order. Unless otherwise specifically agreed to in writing by both parties, if Honeywell submits a proposal pursuant to such request but Customer chooses not to proceed, Customer shall issue a Change Order to reimburse Honeywell for any and all costs incurred in preparing the proposal.

**20.3** Honeywell may make a written request to Customer to modify this Agreement based on the receipt of, or the discovery of, information that Honeywell believes will cause a change to the scope, price, schedule, level of performance, or other facet of the Agreement. Honeywell will submit its request to Customer within a reasonable time after receipt of, or the discovery of, information that Honeywell believes will cause a change to the scope, price, schedule, level of performance, or other facet of the Agreement. This request shall be submitted by Honeywell before proceeding to execute the Work, except in an emergency endangering life or property, in which case Honeywell shall have the authority to act, in its discretion, to prevent threatened damage, injury or loss. Honeywell's request will include information necessary to substantiate the effect of the change and any impacts to the Work, including any change in schedule or contract price. If Honeywell's request is acceptable to Customer, Customer will issue a Change Order consistent therewith. If Customer and Honeywell cannot agree on the amount of the adjustment in the Price, or the Schedule, it shall be determined pursuant to the Dispute Resolution article of this Agreement. Any change in the Price or the Schedule resulting from such claim shall be authorized by Change Order.

## **21. ACCEPTANCE OF THE WORK**

Upon receipt of notice by Honeywell that the Work is ready for final inspection and acceptance, Customer will make such final inspection and issue acceptance within three (3) business days. Acceptance will be in a form provided by Honeywell, stating that to the best of Customer's knowledge, information and belief, and on the basis of Customer's on-site visits and inspections, the Work has been fully completed in accordance with the terms and conditions of this Agreement. If Customer finds the Work unacceptable due to non-compliance with a material element of this Agreement, which non-compliance is due solely to the fault of Honeywell, Customer will notify Honeywell in writing within the three (3) business days setting forth the specific reasons for non-acceptance. Customer agrees that failure to inspect and/or failure to issue proper notice of non-acceptance within three (3) business days shall constitute final acceptance of the Work under this Agreement. Customer further agrees that partial or beneficial use of the Work by Customer or Owner prior to final inspection and acceptance will constitute acceptance of the Work under this Agreement. To the fullest extent permitted by law, Customer shall indemnify and hold harmless Honeywell and its agents and employees from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees, that in any way result from or arise under breach of the representations in this Section 21. This indemnification shall survive termination of this Agreement for whatever reason. Nothing in this Section 21 shall be construed to require that Customer indemnify and hold harmless Honeywell from claims and costs resulting from Honeywell's negligent actions or willful misconduct.

## **22. DEFINITIONS**

**22.1** "Hazardous substance" includes all of the following, and any by-product of or from any of the following, whether naturally occurring or manufactured, in quantities, conditions or concentrations that have, are alleged to have, or are believed to have an adverse effect on human health, habitability of a Site, or the environment: (a) any dangerous, hazardous or toxic pollutant, contaminant, chemical, material or substance defined as hazardous or toxic or as a pollutant or contaminant under state or federal law, and (b) any petroleum product, nuclear fuel or material, carcinogen, asbestos, urea formaldehyde, foamed-in-place insulation, polychlorinated biphenyl (PCBs), and (c) any other chemical or biological material or organism, that has, is alleged to have, or is believed to have an adverse effect on human health, habitability of a Site, or the environment.

**22.2** "Mold" means any type or form of fungus or biological material or agent, including mold, mildew, moisture, yeast and mushrooms, and any mycotoxins, spores, scents, or by-products produced or released by any of the foregoing. This includes any related or any such conditions caused by third parties.

**22.3** "Covered Equipment" means the equipment covered by the Services to be performed by Honeywell under this Agreement, and is limited to the equipment included in the respective work scope attachments.



## Memorandum

**To:** Kim W. Hopper, A.A.E., Airport Manager  
**From:** Sandra McDonough, Airport Operations/Community Liaison *dm*  
**Date:** 8/15/2014  
**Subj:** Noise Report for July 2014

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In the Portsmouth area for the calendar month of July, 2014, we received a total of 27 inquiries.

Of the 27 inquiries, 19 were regarding helicopters one of which was confirmed as two military UH-60 Black Hawks. Many callers indicate in their complaints or follow up conversations that red helicopters flown by Seacoast Helicopters are believed to be the cause of the noise disturbances. It is difficult to confirm helicopter activity due to the majority of helicopters operating under Visual Flight Rules (VFR). However, for example, on July 5th, three complaints of helicopter noise were received, yet Seacoast Helicopters did not operate that day due to high winds. A red R-44, tail number 460TJ, did, in fact, operate out of Portsmouth that day. Based on information obtained, this operator was associated with the filming a movie of the area.

Seven out of the 27 inquiries were military aircraft practicing required training. This number includes both based and non-based military aircraft.

The last inquiry was an engine run-up of a PC-12. Currently the Ground Run-Up Enclosure (GRE) is closed due to a large airport construction project. As soon as the project is completed run-ups will resume in the GRF..

Attached is a copy of the report for your review.

August 15, 2014



36 Airline Ave. Portsmouth, NH 03801  
603.433.6536

Complaints by cities:

Portsmouth 55.5%, Durham 14.8%, New Castle 11%, Rye 7.4%, Newington 3.7%, North Hampton 3.7% and Greenland 3.7%.

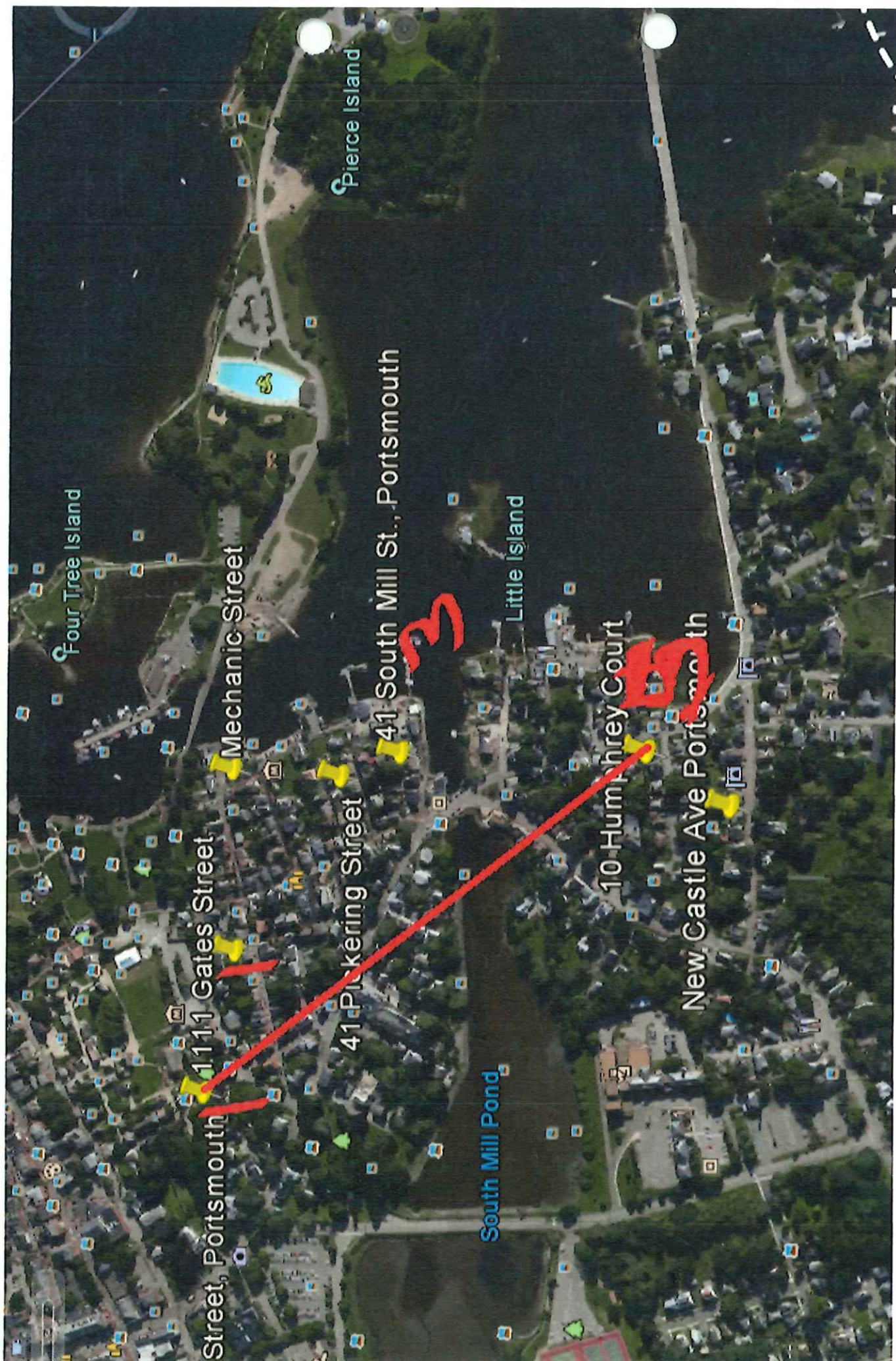
Aircraft percentages:

Small helicopters 66.6%, multiple aircraft flying in the pattern 18.5%, C-5 7.4%, Black Hawk helicopters 3.7% and PC-12 3.7%.

As noted on the attached map, a small area in south Portsmouth accounted for 37% of the total noise complaints for the month of July pertaining to small helicopters. 29.6% of the small helicopter noise not accounted in that small area of Portsmouth, originated from a larger area including other areas of Portsmouth, Rye, New Castle and North Hampton.

Attached is a copy of the report for your review.





37% of the inquiries for the month of July 2014 were pertaining to small helicopters and were originated from a small area in south Portsmouth. The red line indicates .33 miles. The red numbers indicates the amount of times each address called in July.



# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
1	7/1/2014	13:30	Number 27 Merry Meeting Lane Rye, NH	TGL	C-5 non-based	Email. "I understand there is some need for flights and training, however this is a holiday and many families in the area have guests. I personally have 12 people here for the week. We are trying to be outside by the pool but in about 1/2 hour we have had 4 planes coming and going very low to our home and it is very loud. We also have small children that go to bed early... a year or so ago we had trouble in the evening as well when children were trying to sleep. I am hoping this is an isolated incident today!"	McDonough left a message 7/2 at 13:00. Ms. XX called and discussed everything is much better and thanked McDonough for the follow up.
2	7/5/2014	13:30	Number 31 Mill Pond Road New Castle, NH	ON	R-44 non-based	McDonough received a call from XXXX. The concern was the height of a helicopter flying near her home. The helicopter was very low and that the pilots are allowing student to actually fly the aircraft.	McDonough discussed how the flight school at the airport works with the Community and is flying with residents in mind. <del>There are very few restrictions following FAA rules and regulations.</del> McDonough followed up on 7/20 with information that the Flight School was not flying that day and the helicopter that was flying was based out of Helena Montana and was filming a movie of the area.
3	7/9/2014	11:55	Number 28 Colony Cove Road Durham, NH	TGL	DC-9, KC135R combination	This is XXXX, XX Colony Cove Road, Durham, calling number is XX. It's now 12:45 on July 9th. There has been an airplane doing touch and go landings over our heads for the last 20 minutes or so and it's really annoying and there was one yesterday all day long doing the same thing. I know there has to be training but they shouldn't be going over the houses.	McDonough called 7/10 and discussed our voluntary noise procedures and explained that the military complies with our procedures and they fly with the neighbors in mind. The aircraft are of varying noise levels with training requirements for each type.
4	7/9/2014	0:00	Number 29 Longmarsh Road Durham, NH	TGL	general combination	Email "Jets flying over our house daytime and at night. My wife and I go to bed at 8:30 PM because of early rise for work. Often in the last week there was a jet flying over after 10 PM one night and after 9:30 PM last night. Please fly a different route as much as possible and do not fly over our house more than once or twice a day and please never after 8:30 PM. Thank you."	McDonough left message 7/9 at 16:00. Mr. XX returned call on 7/10 at 11:15. McDonough explained that the NHANG has training standards that require night time flying for proficiency. It is necessary to fly at that time and they almost always complete their training flights by 11:00 pm unless it is mission critical. We operate 24/7 and aircraft are allowed to fly in and out.

**TYPE KEY: AR=AM RUN-UP, PR=PM RUN-UP, MX=MAINTENANCE APU/GPU, ON=OVERFLIGHT NOISE, OL=OVERFLIGHT LOW, TGL=TOUCH AND GO LANDINGS, C=CIVILIAN, M=MILITARY, T=TRANSIENT, GPU=GROUND POWER UNIT, APU=AUXILIARY POWER UNIT, W=WEB REPORT**

# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
5	7/9/2014	15:30	Number 30 Fox Point Road Newington, NH	TGL	KC135R, C-130 combination	Mr. XXXX called with concern that aircraft are flying much lower than they did years ago. There was a C130 that was practicing takeoff and landings and using Runway 16	McDonough received the call on 7/9 and spoke with Mr. XXX. Since Mr. XX said a lot of the aircraft are all flying lower than years past, McDonough left a message for Ed Fish, Air Traffic Control Manager, to call when he returns from vacation. Mr. Fish stated their has not been any changes in the approach altitudes.
6	7/12/2014	13:00	Number 33 Bay Road Durham, NH	ON	C-5 non-based	Jet Engine noise directly over house.	McDonough Left message 7/14. No response.
7	7/5/2014	14:00	Number 32 Duckshead New Castle, NH	ON	R-44 non-based	Helicopter circling 4 times. The helicopter company is abusing privileges. Might have something to do with protest NH March that ended in New Castle.	McDonough spoke with XX 7/12. Caller mentioned the helicopter might be due to a protest march that ended in New Castle. McDonough followed up with XX on 7/24 and he stated, "There have been no issues since that day".
8	7/5/2014	14:30	Number 34 Campbell Lane New Castle, NH	ON	R-44 non-based	Caller spoke with Tom Bourne and expressed concern about a red helicopter flying extremely low near her home.	Received call on 7/17. McDonough left messages on 7/18 and 7/19. McDonough spoke with caller on 7/28 and discussed the non based helicopter was filming a movie in the area.
9	7/19/2014	13:30	Number 35 South Mill Street Portsmouth, NH	ON	helicopters unconfirmed	My name is XXXX and my number is XXX. I'm calling about airplanes, helicopters. Red ones and one every fifteen minutes. I live at XXX Mill Street at the south end of Portsmouth. Thank you.	McDonough spoke with caller 7/20 and caller vented his concerns about the helicopter disturbance. He believes the helicopters belong elsewhere and he is not interested in speaking with the FAA or logging more complaints. He is going to go to the papers or the Legislature.
10	7/19/2014	14:00	Number 36 Bradley Lane North Hampton, NH	ON	helicopter unconfirmed	Emailed "I've been sitting in what use to be a quiet backyard in North Hampton and in just the past hour 3 red helicopters have flown over my house. I work in Boston and put up with a ridiculous commute for the quiet and your tourist helicopters are ruining it!"	McDonough left messages on July 20 and 21. No response.

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# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
11	7/24/2014	0:00	Number 37  Little Bay Road Greenland, New Hampshire	TGL	KC135R, C-17 combination	Emailed. "The kc135 tankers have been circling every 10 minutes all day long. Way too much. Way too long. It is 9:40 pm and they are still going. How little respect you have for your neighbors. It is brutal and totally beyond reasonable."	McDonough spoke with XXXX on Monday 7/28 about her concerns with the amount of flying on 7/24 and if we could prevent that amount of flying in the future. McDonough reviewed the aircraft activity for the day and the Military did have practice flights with two aircraft at a time. This is part of their flight training along with mission flights that afternoon and into the evening. Air Traffic Control did request that some of the KC135R's to do multiple approaches to assist in the certification of a new controller and to check the radar equipment. McDonough discussed the airport was painting the runway before noon for the past couple of weeks which doesn't allow aircraft to complete required training. The military may have completed training later in the day which was normally completed in the morning. XXXX did not care why it was busier that day, she was only interested that things change to spread out the flying over a two or three day period.
12	7/24/2014	0:00	Number 38  Deer Meadow Road Durham, NH	TGL	KC135R, C-17 combination	"Hello, this number was listed as a noise line. I live on the Oyster River (XX Deer Meadow Road Durham, NH) and the last two weeks we have experienced an excessive number of touch-and-goes over our home. I was wondering if there is an exercise going on, changed the flight pattern, how long this is going to continue, and if there is some way we can reduce the disturbance it creates. My name is XXXX. My number is XXXX. Thank you."	Spoke with XXXX on 7/25. McDonough discussed possibilities for increased traffic. Runway was closed for practice during the day for the past two week due to runway painting.
13	7/24/2014	17:00	Number 39  Greenside Avenue Portsmouth, NH	OL	helicopter based	"Hi. This is XXXX. I'm at XX Greenside Ave (Portsmouth) and I'm calling to complain about the helicopter. Just had the helicopter noise, one of the little red helicopters buzz really low over our backyard. I know we are not in the flight path normally and so that concerns me. And I wanted to make a complaint about it. Number here is XX." Caller placed a second call to advise that this occurred at 5PM on July 24th.	McDonough left message 7/25. McDonough called and spoke will XX and discussed ATCT was working quite a bit of traffic in the pattern as well as normal arrivals at this time.

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# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
14	7/24/2014	18:00	Number 35 Mill Street Portsmouth, NH	ON	helicopter unconfirmed	"Hello this is XXXX, in Portsmouth. I wanted to report that at 6:00PM, yesterday (7/24/14), a helicopter, the red one, flew over my house, quite low, in the south end. I'm near Pleasant Street. And then at 6:30, again, a different one came over twice, once over the water quite close and over right on the south end. Phone number is XXXX. Time is 8:38AM on Friday."	McDonough spoke with XXXX on 7/28 and listened closely to his concerns. He is not going to call again and does not have any interest in calling the FAA, instead he is going to use the media and go through the legislature.
15	7/25/2014	0:00	Number 35 South Mill Street Portsmouth, NH	ON	helicopter unconfirmed	Emailed. "From my home I heard the extremely loud helicopter of red color thunder over Pierce Island and later over our home on numerous occasions. Some I have listed here. The helicopter has a loud pulsating sound that is foreign to us. Our associations of the sound of a helicopter is associated with marine accidents over the river and water ways. The coast guard is called with their helicopters to search and rescue."	McDonough listened to XXXX about his concerns. XXXX stated he will not be satisfied until the helicopters cannot fly over Portsmouth. He emailed documentation he is sending out in the press.
16	7/25/2014	0:00	Number 40 Richmond Street Portsmouth, NH	ON	helicopter unconfirmed	I am a long time Portsmouth resident, and a long time career pilot. The noise from the on going helicopter scenic rides over downtown Portsmouth is getting beyond annoying. Isn't there anyway that they can be restricted from flying circuits around downtown portsmouth as not to disturb what little peace there is. Today I have witnessed and been disturbed by at least 5-6 times by helicopters circling over and over again. The increase in overflys (sic) is getting problematic. Years ago, when Pease was a military base, over flying the city was prohibited. Some part of that rule must still be in effect? What as a citizen can I do, other than complain and be annoyed? Portsmouth is residential, doing race track circuits over and over around the downtown area and beyond was never an issue. The person that did helicopter scenic rides out of Hampton airport would always run up and down the Piscataqua River and not over Portsmouth. Please restrict flights over downtown and surrounding neighborhoods. Thanks, XXXX	McDonough left message 7/28. McDonough spoke to XXXX on 7/29 and discussed that the helicopter is flying by the rules governed by the FAA. Helicopters from other airports can fly over Portsmouth following the same rules.

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# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
17	7/28/2014	22:45	Number 41 Middle Road Portsmouth, NH	PR	PC-12 based	At approximately 2340 on 07/28/2014, On Duty Operations Agent, Wayne Merritt received a call from Ms. XXXX of XX Middle Rd., Portsmouth (phone number unspecified), who wished to express her concern over what she described as persistent airplane propeller engine noise that was keeping her awake. Merritt immediately recognized by her description that she was surely referring to a full power engine run, scheduled via Atlas Aircraft (John) from 2245-2345, that was being performed on a PC12 (N724AF) with its tail section facing North in the middle of the northernmost section of the Plane Sense Apron. Merritt was able to inform Ms. XXXX regarding the source of the noise and assured her that the noise should come to an end within the next few minutes (otherwise he would call Plane Sense to relay concerns over noise), based on his conversation with the Plane Sense Maintenance person. Merritt inquired as to her desire for a follow-up call from Airport Community Liaison, Sandra McDonough, but she declined saying that she was satisfied with his explanation and assurances of the noise come to as halt soon.	Did not want a call back and did not leave her number.
18	7/31/2014	14:45	Number 42 Powers Avenue Rye, New Hampshire	ON	helicopter unconfirmed	"Hi, my name is XXXX. I am a resident of XX Powers Ave. right by Jenness Beach. I'm just a little concerned about the volume and number of these red helicopters that we have buzzing over our property. I work from my home office and it's very difficult and disruptive when I'm on conference calls to have these helicopters constantly flying over my head. It is 3:05 PM and just in the last 15 minutes there have actually been two passes. I'm just trying to find out if this is something we should have to expect moving forward or are they going to try to take these flights more over the ocean so we don't have to deal with them overhead. Thank you very much."	Caller did not leave a number to reach him. McDonough tried looking up his name and address but could not find a number.
19	7/30/2014	0:00	Number 43 Gates Street Portsmouth, NH	ON	helicopter unconfirmed	July 30th is just one day that the noise from the red helicopters has me furious. I live in downtown Portsmouth. I hear the helicopters every day, all day, and they are an absolute nuisance to my living a peaceful life. This morning I was gardening at 9AM and it started again. Portsmouth is not a tourist city (no matter what the Chamber of Commerce says!!!) We are a city of 22,000 residents who enjoy showing our city to summer visitors. We should not have to listen to this intrusion	McDonough left messages 7/31 and 8/1. XXXX left a message 8/1 indicating she would be out of town for the next few weeks and she would call back at that time.

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# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
20	7/30/2014		Number 13 Whitmore Avenue Portsmouth, NH	ON	Black Hawks non-based	"Hi, this is XXXX. I'm calling from XX Whitmore Ave. It is Wednesday, July 30 at 4:47 pm. I just had a military helicopter fly over the edge of my street in close proximity. It was quite loud and I would like to file a complaint. My number is XXXX."	McDonough spoke with XXXX on 7/31 at 10:00 am about two military helicopters that came in fueled and left the area. McDonough would try to find out where they are from and send them a copy of the Voluntary Noise Abatement Procedures for Portsmouth International.
21	7/30/2014	10:31	Number 3 Woodbury Avenue Portsmouth, NH	ON	helicopter unconfirmed	"Hi, my name is XXXX. My phone number is XXX. I live at XX Woodbury Ave., Portsmouth, NH and I'm calling to complain about a red helicopter that within the last month - maybe it has changed its landing pattern - been flying low over my neighborhood. My neighbors and I are not happy with it because it is flying so low and buzzing right over us and making lots of noise all day long. If someone could please give me a call, I would appreciate it. Thank you."	McDonough left message on 7/31 at 13:00. No response.
22	7/31/2014	0:00	Number 44 161 Thorton Street Portsmouth, NH	ON	helicopter unconfirmed	"Hi, my name is XXXX and I'm a resident here in Portsmouth and I would like to submit a complaint about the helicopter tours and the noise pollution increase in the last few weeks. I'm not sure what is going on. I just talked to the owner of the company and he said, quote, 'there's absolutely nothing I can do about it.' So I'm happy my voice can be heard. I'm not alone on this either. They are flying very low, they're flying a lot and they're definitely creating some noise pollution in Downtown Portsmouth. So, anyway, if you can give me a call, that would be great and let me know if there are any routes I can take with petitions or anybody else I can talk to at your office. Again, my name is XXXX and my number is XXX. Thanks a lot. Bye."	McDonough left messages 7/31 and 8/1. XXXX left message 8/1.
23	7/31/2014	0:00	Number 45 Humphrey Court Portsmouth, NH	ON	helicopter unconfirmed	"Hi, my name is XXXX and I live at XX Humphrey Court, Portsmouth, and I'm calling to complain about the choppers that are flying continuously throughout the day. I would like someone to call me back so I can file a complaint. My number is XXXX. I appreciate it. Thank you very much."	McDonough left message 7/31. McDonough listened to XXXX concerns on 8/1 and explained the aircraft can fly over the city if they comply with the FAA regulations. Portsmouth airport cannot preclude the helicopters, wherever they are based, from flying over Portsmouth. McDonough will look further into his concerns and get back with XXXX at a later date.

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# PDA Noise Report Log

For the Period: 07/01/2014 to 07/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
24	7/31/2014	10:10	Number 46 Humphrey Court Portsmouth, NH	ON	helicopter unconfirmed	<p>"Well, it's too bad we don't have anyone to speak to directly, but this is XXXX, XX Humphrey Court, Portsmouth, NH. My phone number is XXXX. I'm calling to register a complaint about all these chopper flights over my house. I work at home every day and those things seem to be buzzing the house every 15-20 minutes and it's probably less than that. One just flew over South Mill Pond. I'm not sure what color it was but it was well below the 1000' that people are talking about in the paper. I jumped out of planes and I know what 500' looks like because that is the last minute you have to pull your chute and that's about where he was over South Mill Pond at 1010, Thursday morning, 7/31. Anyway, I don't know what we are going to do about this but it's a mess. You would think this place is the Grand Canyon buzzing with tourists and looking at the canyon out of helicopters. This has to end, somehow it has to end anyway, you've got my name and number. I'm just logging a complaint. Thank you very much. Bye."</p>	McDonough left message on 7/31 and 8/31. No response.
25	7/31/2014	10:18	Number 46 Humphrey Court Portsmouth, NH	ON	helicopter unconfirmed	<p>"Hello, this is XXXX again. It is 1019 on 7/31/14, Thursday. I just called about three minutes ago and there was a chopper flying over the South Mill Pond at 1010. I just heard another one and it's only been nine minutes later and I think what I should do is consider myself being harassed while I'm trying to work while I'm listening to these damn choppers. I think I'll harass you guys every time I hear a chopper fly over my house. I'll probably be calling you nine times a day and maybe more. Bye."</p>	McDonough left message on 7/31 and 8/31. No response.
26	7/31/2014	11:14	Number 46 Humphrey Court Portsmouth, NH	ON	helicopter unconfirmed	<p>"Hello, this is XXXX again at Humphrey Court. It is 1014. No, actually it is 1114 on Thursday, 7/31/14 and I hear another chopper flying around my neighborhood in the south end and this is the third chopper in less than an hour that I've had to listen to while I work. Thanks very much. Bye."</p>	McDonough left message on 7/31 and 8/31. No response.
27	7/31/2014	11:25	Number 46 Humphrey Court Portsmouth, NH	ON	helicopter unconfirmed	<p>"Hello, this is XXXX calling again. It is 1125 and a red helicopter just buzzed the South Mill Pond at well below the 1K' and this has to end. This is BS. It really is. It has got to end. This can't go on all summer, every summer. All right? Please!"</p>	McDonough left message on 7/31 and 8/31. No response.

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PORTSMOUTH  
INTERNATIONAL  
A I R P O R T  
AT PEASE

36 Airline Ave. Portsmouth, NH 03801

# Memorandum

**To:** Kim W. Hopper, A.A.E., Airport Manager  
**From:** Sandra McDonough, Airport Operations/Community Liaison *SM*  
**Date:** 6/6/2014  
**Subject:** Noise Report for May 2014

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For the calendar month of May 2014, we received a total of 11 inquiries.

Of the 11 inquiries, 5 are US Government owned aircraft one of which is a helicopter. An additional 4 inquiries were regarding a small piston cargo aircraft transporting time sensitive medical supplies during the overnight hours. One inquiry we are unable to identify because most of the small aircraft flying around at that time were flying under Visual Flight Rules thus not required to file a flight plan. The last inquiry was regarding information on the FAA Sound Insulation Project for a home in which the prior owners did not opt to participate.

A total of seven callers make up the 11 inquiries.

Attached is a copy of the report for your review.

# PDA Noise Report Log

## For the Period: 5/1/2014 to 5/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
1	5/6/2014	4:10	Number 5 McShane Avenue Greenland, NH	ON	BE58	Hi, my name is XXXX and I am leaving this message for Sandy who I have been communicating with in the past. My address is XX McShane Avenue, Greenland NH and my phone number is XXXX. This is in regards to May 6 at 4:10 and also May 8 at 3:46 and I have numerous other times that I have written down in the month of April that I have misplaced this phone number and I have to reconnect with you guys and thank you again and I look forward to hearing back from Sandy. Bye bye.	Received complaint 5/8. Returned call 5/9 at 14:30. After reviewing flight tracks on flight aware McDonough observed that the pilot on both occasions departed Runway 16 and turned west before the end of the runway. McDonough notified Mr. Tucker at AirNet and he informed her that the pilot's last day is Friday and that he will discuss the Voluntary Noise Procedures with the pilot taking over his route. Even though our noise procedures are voluntary, AirNet requires their pilots to comply whenever possible.
2	5/8/2014	3:56	Ditto	Ditto	Ditto	Ditto	Ditto
3	5/10/2014	12:00	Number 12 Woodbury Avenue Portsmouth, NH	dep	KC-10	email. Loud jet noise seems increased on May 10th at 12:00pm and on May 13th between 14:00 and 15:30 and other dates. Small planes and helicopter noise seems much more noticeable. Jets seem to take off in a different flight pattern. Is this correct?	Left voice mail on 5/14. No response. A KC-10 departed Runway 34 for a long range flight.
4	5/13/2014	14:00	Ditto	TGL	C-5	Ditto	Left message. No response. A C-5 was practicing Touch and Goes until 15:30.
5	5/18/2014	6:30	Number 16 Buckminster Way Portsmouth, NH	OV	ARMY UH-1 HUEY	Hi, my name is XXXX and I live at XX Buckminster Way in Portsmouth. My noise complaint has to do with a helicopter, I believe it's the flight school. I'd like to talk to the owner. I know he said when he started he wanted to be a good neighbor, not happening. I want to know when he starts. I would also like to find out the minimum altitude he can fly at. Not a happy camper and I'd like to get the contact information of the owner of the flight school.	Called and spoke with caller about her inquiry on the flight school helicopter. After doing some research I found that the flight school helicopter departed about 6:30am but left the area. There were 3 UH-1 helicopters that arrived and departed during the hours in question. Allegiant also arrived and departed in that time frame. The flight school had some activity during that time but I am under the impression the noise from the other aircraft sparked concern about the aircraft noise and the next aircraft in the air was noticed.

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# PDA Noise Report Log

For the Period: 5/1/2014 to 5/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
6	5/21/2014		Number 13 Whitmore Avenue Portsmouth, NH	Arr	unknown	Hello, this is XXXX. I live at XX Whitmore Avenue, Portsmouth, NH. I had a small engine airplane fly low and straight over my house and this shouldn't be happening. I can be contacted during the day regarding this matter. My cell phone number is XXXX. Thank you.	Called and spoke to XXXX about a C-172 flying low and straight. I was made aware of heavy fog rolling in at that time by Air Traffic Control, in which another aircraft turned early to avoid the dense fog. Without any other data I am deducing the aircraft was also trying to avoid the incoming fog. ATCT did not have anything to add about this aircraft.
7	5/21/2014		Number 5 McShane Avenue Greenland, NH		KC-135	Some plane was flying ridiculously low as if it didn't know where it was. It was flying to the West. You probably know all about it but I wanted to report what I saw. I can be reached at XXXX.	Called 5/22 and informed her that I would do some research and call her back. Called back 5/22 and discussed that the KC-135 turned right just after departure to avoid the thick fog rolling in. (Information received from Air Traffic Control)
8	5/22/2014	3:36	Number 9 Sloans Brook Drive Exeter, NH	ON	BE-58	Hi Sandy this is XXXX on Sloans Brook Dr in Exeter. I hope you had a good weekend but we're back at square one, unfortunately. The 3 to 4am airplane is flying right over our house almost every night now on the Tuesday through Saturday schedule, and um they flew over this morning at 3:03. Um, yeah it's for the last two weeks and I wanted to find out why they weren't using the noise reduction runway. Also we have other planes flying over at other times in the middle of the night May 22 at 12:30 am a plane flew over loud and low and May 25th at 1:32 am another plane and so I was wondering if these can also use the noise reduction runway? Um cause they are also waking us up. If you can imagine May 22nd was a hard night we were woken up at 12:30am and then at 3:36am by the airplanes so um I just talk to you later when you can call me back.	Caller called on the 27th with several flights but the only flight I could match up is the 3:36 flight on May 22nd. McDonough returned her call May 27th and discussed. The AirNet flight she was complaining about the morning of the 27th did not fly that morning because of the holiday. The only flight in her inquiry that I could account for was the AirNet flight on the 22nd. The aircraft did in fact depart Runway 16 per the voluntary noise restrictions and followed the Pease 2 departure as published.
9	5/28/2014		Number 15 Sutton Avenue Portsmouth, NH	gen	N/A	I live over at XX Sutton Avenue in Portsmouth, um and I was just calling because people have been encouraging me to call about noise mitigation. Whether or not there is any Federal funds available to have that done to our home. My understanding the previous owner opted not to have the noise mitigation done and um I am understanding that we are within the contour map study and would potentially have that done. I saw some recent articles in the newspaper talking about reviewing all that stuff. Again my name is XXXX and I would appreciate a call back just to ask you a few questions about that and to see what the status is. Thank you.	Returned call May 28th at 3:30pm and discussed the 4 phases of the Insulation Project, funded by the FAA, have been completed and at this time there are not any additional projects scheduled. We are at the end of a year long process updating the Noise Exposure Map and it is likely she will not be eligible.

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# PDA Noise Report Log

For the Period: 5/1/2014 to 5/31/2014

#	Date	Time	Caller Information	Type	Aircraft	Narratives	Follow Up
10	5/29/2014	15:30	Number 14 Deer Meadow Road Durham, NH	OV	C-5	My name is XXXX my address is XX Deer Meadow Road, Durham New Hampshire. Today is May 29 and the time is 3:30 and I would like to complain about a very large huge aircraft flying very low over our house at least twice now starting at approximately 20 minutes to a half hour ago. Ordinarily the planes go down the river and not over our houses. They follow the stream of the river. That's my complaint. My phone number is XX. Thank you.	Returned call May 30th with an initial call back. Called back 6/2 after speaking with Air Traffic Control and the aircraft was working in the radar pattern at 3000ft as normal.
11	5/29/2014	3:38	Number 9 Sloans Brook Drive Exeter, NH	dep	BE-58	Hi this is XXXX from Sloans Brook Dr in Exeter, NH. A plane flew over at 3:38 am. I was just wondering if they had just forgot to use the noise reduction runway or weather conditions dictated that they had to use the regular runway. My phone number is XXXX. Thank you. Bye.	McDonough spoke with XX after reviewing data. The aircraft did in fact depart Runway 16 following the preferential runway use for voluntary noise restrictions and did follow the Pease 2 departure as directed. McDonough will try working with AirNet on slightly different routes but the route followed was determined per the noise committee.

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MOTION

Director

The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$6,697.00 for legal services rendered to the Pease Development Authority by:

1.	Anderson & Kreiger LLP Through April 30, 2014	\$6,030.00
2.	Sheehan Phinney Bass + Green Through April 30, 2014	<u>\$ 667.00</u>
	Total	\$6,697.00 =====

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# ANDERSON & KREIGER LLP

One Canal Park, Suite 200  
Cambridge, MA 02141

(617) 621-6500

EIN: 04-2988950

May 12, 2014

Pease Development Authority  
Lynn Marie Hinchee, General Counsel  
360 Corporate Drive  
Portsmouth, NH 03801

Reference # 108580 / 1047-4136

In Reference To: Federal Regulatory Advice

## Payments

5/7/2014	Payment	CK#012363	1,620.00
Sub-total Payments:			<u>1,620.00</u>

Total Current Billing:	<u>6,030.00</u>
Previous Balance Due:	1,935.00 <sup>pa</sup>
<b>Total Now Due:</b>	<b><u>7,965.00</u></b>

**PLEASE NOTE: ALL BALANCES DUE WITHIN 30 DAYS**

SHEEHAN PHINNEY BASS + GREEN,  
PROFESSIONAL ASSOCIATION  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Trade Port - General Representation

-----  
CLIENT/CASE NO. 14713-10167  
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$667.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$667.00
	-----
PREVIOUS BALANCE:	\$0.00
	-----
TOTAL BALANCE DUE:	\$667.00
	-----
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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:** Pease Development Authority  
Board of Directors

**FROM:** Pease Development Authority  
Division of Ports and Harbors  
Advisory Council

**DATE:** May 29, 2014

**RE:** Market Street Marine Terminal

On May 28, 2014, at a special meeting of the Division of Ports and Harbors Advisory Council, the members voted to direct the Chairman to send this letter of concern to the Pease Development Authority Board of Directors regarding the non-renewal of the Grimmel Industries' contract at the Market Street Marine Terminal.

The Market Street Marine Terminal is the only deep-water year-round ice free port north of Boston. It is a vital asset for all of the citizens of New Hampshire and for the regional economy. Additionally, it is the only public marine terminal capable of moving large amounts of bulk cargo in and out of the state by transshipment via rail or highway.

The non-renewal of the Grimmel contract will have an economically damaging ripple effect in many areas. These include but are not limited to support services such as tugboats, pilots, line handlers, feeder scrap yards, automobile recyclers, truckers, fuel and provision services, etc. throughout the tri-state region. The economic effects reach far wider than just the Market Street Marine Terminal.

The Division of Ports and Harbors Advisory Council respectfully requests that the Pease Development Authority Board of Directors considers the following:

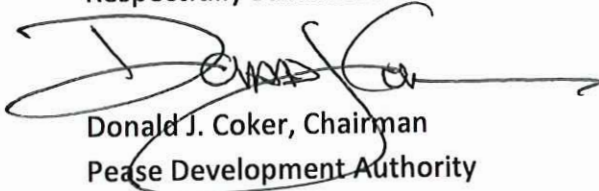
- The loss of revenue to the Port by the non-renewal of the contract is a serious matter that endangers the short-term viability of the Port. We urge the PDA to utilize all possible resources to find a marine related tenant or tenants as soon as possible in order to ensure the long-term viability of the port.



- We urge the PDA to explore all methods of assisting the Division of Ports and Harbors in this process.
- In the event Grimmel Industries responds with an enforceable counter proposal that addresses the concerns of the PDA and environmental agencies, we respectfully request that the PDA consider that proposal as it would any other potential tenant of the Port.
- That the PDA maintains the legislative intent of the State of New Hampshire regarding the use of the Market Street Marine Terminal. The future uses of the Port will be limited to ONLY directly marine related activities.

The Division of Ports and Harbors Advisory Council is in full support of any actions that will enhance the long term stability and viability of the Market Street Marine Terminal and the Division of Ports and Harbors and to protect this vital asset for all its citizens. The Division of Ports and Harbors Advisory Council stands ready to assist the PDA in achieving the foregoing goals.

Respectfully Submitted on Behalf of its Members,

A handwritten signature in black ink, appearing to read 'Donald J. Coker', with a long horizontal flourish extending to the right.

Donald J. Coker, Chairman  
Pease Development Authority  
Division of Ports and Harbors Advisory Council

MEMORANDUM

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director  
Date: June 19, 2014  
Re: Waiver of Wharfage and Dockage Fees

In accordance with the "Delegation to Executive Director: Consent and Approval for the Waiver of Wharfage, Dockage and Related Fees for Qualified Non-profit Organizations Using Facilities of the Division of Ports and Harbors adopted by the Board on June 27, 2002, I am advising the Board of the waiver of the wharfage and dockage fees in connection with the visit of the sailing vessels, the Mystic and the Lynx, that will be berthed at the Portsmouth Commercial Fish Pier and open for visits by the public on August 1 - 3, 2014.

The Delegation to Executive Director: Consent and Approval for the Waiver of Wharfage, Dockage and Related Fees for Qualified Non-profit Organizations Using Facilities of the Division of Ports and Harbors provides that:

"A request for the waiver of wharfage, dockage and related fees submitted for consideration in connection with this delegation of authority shall not be consented to, approved or executed unless all of the following conditions are met:

1. The submission of satisfactory proof, if requested, that the organization seeking the waiver of fees is a non-profit organization;
2. That the use of the facilities of the Division of Ports and Harbors will not interfere with or preclude revenue generating operations during the same time period as the non-profit organization's event is scheduled to take place;
3. That the proposed use is beneficial to the economy, environment and quality of life for the seacoast region and the State; and
4. The consent of one member of the Board of Directors is sought in advance of issuing the waiver.

Conditions one through three have been met. Condition four of the Delegation to Executive Director: Consent and Approval for the Waiver of Wharfage, Dockage and Related Fees for Qualified Non-profit Organizations Using Facilities of the Division of Ports and Harbors requires the consent of one member of the PDA Board of Directors. In this instance, Director Loughlin was consulted and granted his consent.

P:\PortAuthority\PMCSAILS\TallshipsWaiver0614.wpd

**PISCATAQUA MARITIME COMMISSION**  
**Po Box 545**  
**Portsmouth, NH 03802-0545**

29 May 2014

Mr. Geno Marconi  
Director  
Division of Ports and Harbors  
555 Market Street  
Portsmouth NH 03801

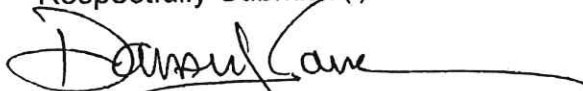
Dear Mr. Marconi:

The Piscataqua Maritime Commission (PMC) requests a right of entry (ROE) for the Commercial Fish Pier on Peirce Island for the purpose of hosting a public Tall Ships event August 1-3 2014. .

The PMC is a 501C3 non-profit organization dedicated to the education and promotion of the public regarding the rich and varied Maritime History of the Piscataqua River Basin through education programs and projects. The most visible work of the Commission is recruiting and hosting visits of sailing Tall Ships. The PMC is proud to inform you that we have secured a visit from the Mystic and the Lynx.

In the interests of conducting an historical community and regional event, the PMC would request a waiver of wharfage and dockage fees relative to the visit of the above vessels. The PMC would also agree to comply with all other terms and conditions deemed appropriate by the PDA.

Respectfully Submitted,



Donald J. Coker  
Chairman  
Piscataqua Maritime Commission  
Portsmouth NH  
(603) 905-9740



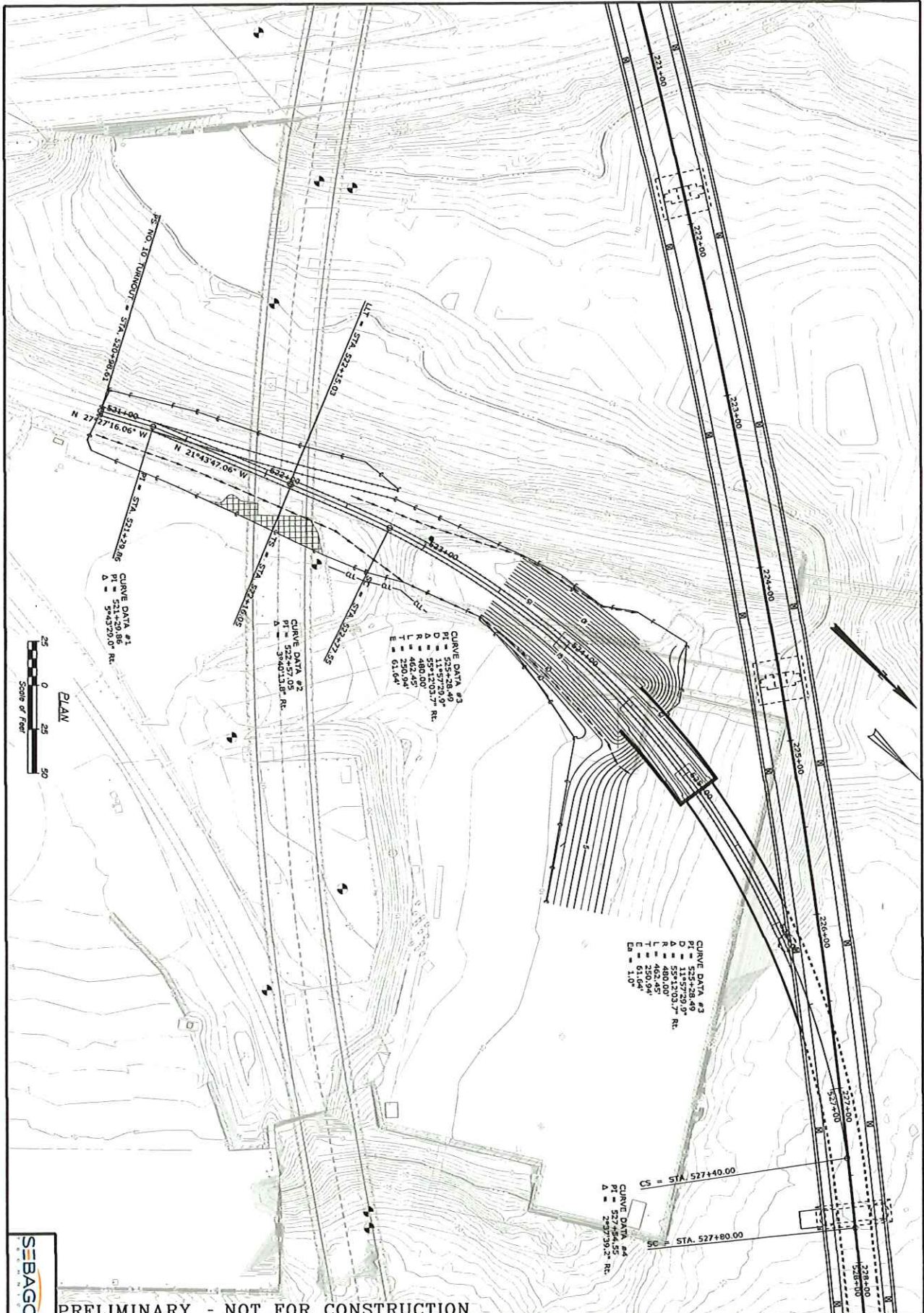
Date: June 11, 2014  
To: PDA Board of Directors  
From: Geno Marconi, Port Director *GM*  
Subject: Sarah Mildred Long Bridge Replacement

With the completion of the Memorial Bridge project, plans have been formulated to replace the Sarah Mildred Long Bridge (Long Bridge). New Hampshire Department of Transportation (NH-DOT) was the lead agency for the Memorial Bridge and the State of Maine Department of Transportation (ME-DOT) is the lead agency for the Long Bridge replacement project. Working with all interested marine parties including the Division of Ports and Harbors, ME-DOT is proposing the location of the new bridge to be up river from the current bridge and adjacent to the terminal area known as the "Barge Dock". The existing Long Bridge traverses across the North end of the Market Street Marine Terminal below the "Barge Dock". Both locations are shown on the attached plan.

The design, location and orientation to the navigable channel of the replacement bridge will provide many improvements for river traffic and most notable will be the reduction of the angle to which the horizontal opening is orientated to the Federal Channel reducing the angle by half. Additionally, the horizontal opening of the lift span will be expanded. These features alone will improve navigation safety on the river.

The proposed location however will impact the "Barge Dock" by crossing the West end of the dock and also across the boat launch ramp located there as shown on the attached plan. The Division has been discussing alternatives for a functional replacement with NH-DOT, partner in the project, including relocation of the boat launch ramp which is an intricate component of port security and safety.

The Division is presenting these most recent plans to the Board and is requesting the concurrence of the Board to continue discussions and planning with the Departments of Transportation of New Hampshire and Maine regarding the location of the bridge, the rail road spur and the functional replacement(s) of the areas of the physical plant of the Market Street Marine Terminal to be affected by the bridge, all subject to final approval by the Pease Development Authority Board of Directors.



PRELIMINARY - NOT FOR CONSTRUCTION

SHEET NUMBER  
**R19**  
OF R102

SARAH MILDRED LONG BRIDGE  
PISCATAQUA RIVER  
KITTERY, ME PORTSMOUTH, NH  
**GRADING PLAN II**

DESIGN NUMBER	1110000	DATE	05-02-14
DESIGN-REVIEWED BY	B. LYON	DATE	05-02-14
ENGINEER	S. SARTER		
REVISIONS			
REVISION 1			
REVISION 2			
REVISION 3			
REVISION 4			
REVISION 5			
REVISION 6			
REVISION 7			
REVISION 8			

SIGNATURE  
P.E. NUMBER  
DATE

STATE OF MAINE  
DEPARTMENT OF TRANSPORTATION  
**16710.00**  
PIN  
ME 3541 NH 251/108 **16710.00** ROADWAY PLANS



MOTION

Director Loughlin:

In accordance with RSA 12-G:42, XI, the Pease Development Board of Directors hereby approves of and adopts effective June 29, 2014:

- a. the Final Fixed Text for the amendment to Administrative Rules Pda 311.03 "Pilotage Fees Based on Pilotage Unit Rates; Flat Fees" attached hereto; and
- b. the "Schedule of Pilotage Fees and Pilotage Unit Rates, Portsmouth Harbor and Piscataqua River" attached hereto.

Further, the Board authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated June 11, 2014 attached hereto.

N:\RESOLVES\Pda311FinalRates0614.wpd



Date: June 11, 2014  
To: PDA Board of Directors  
From: Geno Marconi, Port Director *GM*  
Subject: Final Fixed Text: Pda 311.03 and Pilotage Fees and Rates

In accordance with the New Hampshire Code of Administrative Rules Part Pda 311 PILOTAGE FEES, on March 20, 2014 the Division Director submitted initial proposed amendments to Pda 311.03 Pilotage Fees Based on Pilotage Unite Rates; Flat Fees and the Schedule of Pilotage Fees and Pilotage Unit Rates to the PDA Board of Directors for approval. A motion for approval was passed by the Board.

The Division advertised a public hearing on the proposed amendments in news papers of local and state wide distribution between April 30 to May 4, posted the proposed amendments on the Divisions web site and made copies available to the public.

On Wednesday, May 21, 2014 the Division held a **PUBLIC HEARING AT 6:00 PM** at the Division Office at 555 Market Street, Portsmouth, NH. The Division held the **PUBLIC COMMENT PERIOD** open for written comment until the end of business June 4, 2014. The Division received no public comment at the hearing or during the written comment period.

Therefore, the Division is submitting to the PDA Board of Directors for Final Adoption, effective June 29, 2014, the final fixed text of Pda 311.03 Pilotage Fees Based on Pilotage Unite Rates; Flat Fees and the Schedule of Pilotage Fees and Pilotage Unit Rates, attached hereto.

Readopt with amendments Pda 311.03 (exempt under RSA 541-A), effective 5-29-11 (Document #9928), to read as follows:

Pda 311.03 Pilotage Fees Based on Pilotage Unit Rates; Flat Fees.

(a) The annual schedule of pilotage fees approved by the authority under Pda 311.01 shall contain the pilotage fees described in (b) – (e) below.

(b) The following pilotage fees shall be based upon pilotage unit rates established within the pilotage fee schedule for vessels inbound or outbound:

- (1) One-way inbound or outbound transit fee, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for inbound or outbound vessels;
- (2) Docking or undocking fee, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for vessels docking or undocking; and
- (3) Vessel shifting berths within the pilotage area, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for vessel shifting berths within the pilotage area.

(c) The pilotage fee schedule shall contain minimum fees for all of the fees described in (b) above. The minimum fee shall apply if the fee based upon pilotage units is less than the minimum fee.

(d) The pilotage fee schedule shall contain fees for the following:

- (1) Shifting a vessel at berth established on a per call basis;
- (2) Cancellation of the request for pilotage assistance after the pilot reports for duty on the vessel established on a per call basis;
- (3) Detention of a pilot detained during mooring of a vessel after allowing one hour, once along side, for the securing of a vessel to its berth established on a per hour basis;
- (4) Detention of a vessel in transit, cancelled due to fog, stress of weather, or mechanical problem established on a per hour basis;
- (5) Detention of a pilot carried to sea established on a per diem basis, plus the cost of return to Portsmouth, New Hampshire, by the fastest means of travel available;
- (6) Transporting a pilot to or from the pilotage station established on a one-way, single trip basis;
- (7) Transporting a pilot to or from a vessel at anchorage instead of boarding at the pilotage station established on a one-way, single trip basis;
- (8) A self-propelled vessel lacking propulsion;

(9) Pilotage of a submarine;

(10) The calling out of a pilot to a scene for any unscheduled event or emergency situation.

(e) An amount equal to all the fees incurred shall be added to the invoice when the fees are to be paid by any electronic method, including, but not limited to, direct deposit, wire transfer, or credit card charge.



STATE OF NEW HAMPSHIRE  
PEASE DEVELOPMENT AUTHORITY – DIVISION OF PORTS AND HARBORS  
SCHEDULE OF PILOTAGE FEES AND PILOTAGE UNIT RATES  
PORTSMOUTH HARBOR AND PISCATAQUA RIVER

Rate Schedule

1.0 COMPUTATION OF PILOTAGE FEES AND UNITS:

1.1 Certain pilotage fees for inbound and outbound vessels as identified below are based on pilotage units. In each such case a minimum fee is also identified. If pilotage units are not used to set a fee, the fee is set on a flat fee or per unit or similar basis.

1.2 All measurements shall be in meters.

1.3 Pilotage units are computed by:

1.3.1 Multiplying the overall length of the vessel (bow to stern) by the extreme breadth of the vessel (beam to beam);

1.3.2 Multiplying the product of subsection 1.3.1 by the depth of the vessel to the uppermost continuous deck (bottom of keel to uppermost continuous deck); and

1.3.3 Divide the product of subsection 1.3.2 above by 100.

1.4 The pilotage fees shall be an amount equal to 200% of the applicable charges specified in this schedule for:

(a) Any self-propelled vessel lacking propulsion; or

(b) A pilot called out to a scene for any unscheduled event or emergency situation.

1.5 The pilotage rates for a submarine shall be:

(a) An amount equal to the applicable charges in subsection 2.1.1, 2.1.2, or 2.1.3, plus an additional \$25.00 per foot of draft; and

(b) Minimum units: 100.

1.6 An amount equal to all the fees incurred shall be added to the invoice when the fees are to be paid by any electronic method, including, but not limited to, direct deposit, wire transfer, or credit card charge.

2.0 PILOTAGE FEES – TRANSIT CHARGES:

2.1 For vessels inbound or outbound, including barges, the charges payable under this section shall be as follows:

2.1.1 Per passage where line of demarcation is transited during passage:

- (a) Pilotage units multiplied by \$2.70; and
- (b) Minimum charge: \$260.00;

2.1.2 Per passage where line of demarcation is not transited during passage (i.e. vessel shifting with harbor and river):

- (a) Pilotage units multiplied by \$1.50; and
- (b) Minimum charge: \$182.00;

2.1.3 Docking or undocking charges:

- (a) Pilotage units multiplied by \$0.70;
- (b) Minimum charge: \$83.00; and
- (c) Must be paid, where applicable, in addition to any applicable per passage charge assessed under subsections 2.1.1 or 2.1.2 above; and

2.1.4 Vessel shifting at berth:

- (a) \$425.00 per call for assistance; and
- (b) Second pilot required for transit or turning off dock: \$385.00.

3.0 PILOTAGE FEES – PILOT DETENTION CHARGES:

3.1 Inbound or outbound vessels of any size:

3.1.1 Charge for canceling call for pilot after pilot reports to vessel:

- (a) \$220.00 per call cancelled;

3.1.2 Charge for detaining pilot during the mooring or securing of vessel in excess of one hour once vessel is along side of terminal:

- (a) \$220.00 per excess hour of detention or portion thereof;

3.1.3 Charge for canceling request for pilot due to fog, stress of weather, or vessel mechanical problem while pilot vessel is in transit to vessel requesting pilot:

(a) Same as subsection 2.1.2; and

3.1.4 Charge for pilot not returned to shore and carried to sea on vessel:

(a) \$350.00 per day or part thereof that pilot is detained at sea after outbound passage is complete, plus the cost of return to Portsmouth, New Hampshire, by the fastest means of first class travel available.

4.0 PILOTAGE FEES – MISCELLANEOUS CHARGES:

4.1 Inbound or outbound vessels of any size:

4.1.1 Charge for transporting a pilot launch to or from the pilot station (to be paid, where applicable, addition to other charges assessed pursuant to sections 2.0 and 3.0 above):

(a) \$150.00 per single, one-way trip; and

4.1.2 Charge for transporting a pilot to or from a vessel at anchorage in lieu of boarding at pilot station:

(a) \$220.00 per single, one-way trip.



Readopt with amendments Pda 311.03 (exempt under RSA 541-A), effective 5-29-11 (Document #9928), to read as follows:

Pda 311.03 Pilotage Fees Based on Pilotage Unit Rates; Flat Fees.

(a) The annual schedule of pilotage fees approved by the authority under Pda 311.01 shall contain the pilotage fees described in (b) – [~~(d)~~](e) below.

(b) The following pilotage fees shall be based upon pilotage unit rates established within the pilotage fee schedule for vessels inbound or outbound:

(1) One-way inbound or outbound transit fee, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for inbound or outbound vessels;

(2) Docking or undocking fee, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for vessels docking or undocking; and

(3) Vessel shifting berths within the pilotage area, calculated by multiplying the pilotage units for such vessel by the pilotage unit rate for vessel shifting berths within the pilotage area.

(c) The pilotage fee schedule shall contain minimum fees for all of the fees described in (b) above. The minimum fee shall apply if the fee based upon pilotage units is less than the minimum fee.

(d) The pilotage fee schedule shall contain fees for the following:

(1) Shifting a vessel at berth established on a per call basis;

(2) Cancellation of the request for pilotage assistance after the pilot reports for duty on the vessel established on a per call basis;

(3) Detention of a pilot detained during mooring of a vessel after allowing one hour [~~and 15 minutes~~], once along side, for the securing of a vessel to its berth established on a per hour basis;

(4) Detention of a vessel in transit, cancelled due to fog, stress of weather, or mechanical problem established on a per hour basis;

(5) Detention of a pilot carried to sea established on a per diem basis, plus the cost of return to Portsmouth, New Hampshire, by the fastest means of travel available;

(6) Transporting a pilot to or from the pilotage station established on a one-way, single trip basis ;

(7) Transporting a pilot to or from a vessel at anchorage instead of boarding at the pilotage station established on a one-way, single trip basis;

(8) A self-propelled vessel lacking propulsion; [~~and~~]

(9) Pilotage of a submarine[?]and

*(10) The calling out of a pilot to a scene for any unscheduled event or emergency situation.*

*(e) An amount equal to all the fees incurred shall be added to the invoice when the fees are to be paid by any electronic method, including, but not limited to, direct deposit, wire transfer, or credit card charge.*

STATE OF NEW HAMPSHIRE  
PEASE DEVELOPMENT AUTHORITY – DIVISION OF PORTS AND HARBORS  
SCHEDULE OF PILOTAGE FEES AND PILOTAGE UNIT RATES  
PORTSMOUTH HARBOR AND PISCATAQUA RIVER

Proposed Rate Schedule

1.0 COMPUTATION OF PILOTAGE FEES AND UNITS:

1.1 Certain pilotage fees for inbound and outbound vessels as identified below are based on pilotage units. In each such case a minimum fee is also identified. If pilotage units are not used to set a fee, the fee is set on a flat fee or per unit or similar basis.

***1.2 All measurements shall be in meters.***

1.3 Pilotage units are computed by:

1.3.1 Multiplying the overall length of the vessel (bow to stern) by the extreme breadth of the vessel (beam to beam);

1.3.2 Multiplying the product of ~~[section]~~**subsection** 1.3.1 by the depth of the vessel to the uppermost continuous deck (bottom of keel to uppermost continuous deck); ***and***

1.3.3 Divide the product of ~~[section]~~**subsection** 1.3.2 above by 100.

1.4 The pilotage fees ~~[for any self-propelled vessel lacking propulsion]~~ shall be an amount equal to 200% of the applicable charges specified in this schedule ***for:***

***(a) Any self-propelled vessel lacking propulsion; or***

***(b) A pilot called out to a scene for any unscheduled event or emergency situation.***

1.5 The pilotage rates for a submarine shall be:

***(a) An amount equal to the applicable charges in ~~[section]~~subsection 2.1.1, 2.1.2, or 2.1.3, plus an additional ~~[\$20.00]~~\$25.00 per foot of draft; and***

***(b) Minimum units: 100.***



***1.6 An amount equal to all the fees incurred shall be added to the invoice when the fees are to be paid by any electronic method, including, but not limited to, direct deposit, wire transfer, or credit card charge.***

**2.0 PILOTAGE FEES – TRANSIT CHARGES:**

2.1 For vessels inbound or outbound, including barges, the charges payable under this section shall be as follows:

2.1.1 Per passage where line of demarcation is transited during passage:

(a) Pilotage units multiplied by [~~\$2.42~~]***\$2.70; and***

(b) Minimum charge: [~~\$235.00~~]***\$260.00;***

2.1.2 Per passage where line of demarcation is not transited during passage (i.e. vessel shifting with harbor and river):

(a) Pilotage units multiplied by [~~\$1.35~~]***\$1.50; and***

(b) Minimum charge: [~~\$165.00~~]***\$182.00;***

2.1.3 Docking or undocking charges:

(a) Pilotage units multiplied by [~~\$0.64~~]***\$0.70;***

(b) Minimum charge: [~~\$75.00~~]***\$83.00; and***

(c) Must be paid, where applicable, in addition to any applicable per passage charge assessed under subsections 2.1.1 or 2.1.2 above[-]; ***and***

2.1.4 Vessel shifting at berth:

(a) [~~\$385.00~~]***\$425.00*** per call for assistance; ***and***

(b) Second pilot required for transit or turning off dock: [~~\$350.00~~]***\$385.00.***

**3.0 PILOTAGE FEES – PILOT DETENTION CHARGES:**

3.1 Inbound or outbound vessels of any size:

3.1.1 Charge for canceling call for pilot after pilot reports to vessel:

(a) [~~\$200.00~~]***\$220.00*** per call cancelled;

3.1.2 Charge for detaining pilot during the mooring or securing of vessel in excess of one hour [~~and fifteen minutes~~] once vessel is along side of terminal:

(a) [~~\$200.00~~]**\$220.00** per excess hour of detention or portion thereof;

3.1.3 Charge for canceling request for pilot due to fog, stress of weather, or vessel mechanical problem while pilot vessel is in transit to vessel requesting pilot:

(a) Same as subsection 2.1.2; *and*

3.1.4 Charge for pilot not returned to shore and carried to sea on vessel:

(a) [~~\$250.00~~]**\$350.00** per day or part thereof that pilot is detained at sea after outbound passage is complete, plus the cost of return to Portsmouth, New Hampshire, by the fastest means of first class travel available.

#### 4.0 PILOTAGE FEES – MISCELLANEOUS CHARGES:

4.1 Inbound or outbound vessels of any size:

4.1.1 Charge for transporting a pilot launch to or from the pilot station (to be paid, where applicable, addition to other charges assessed pursuant to sections 2.0 and 3.0 above):

(a) [~~\$135.00~~]**\$150.00** per single, one-way trip; *and*

4.1.2 Charge for transporting a pilot to or from a vessel at anchorage in lieu of boarding at pilot station:

(a) [~~\$200.00~~]**\$220.00** per single, one-way trip.





SHEEHAN PHINNEY BASS + GREEN,  
PROFESSIONAL ASSOCIATION  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Stormwater Upgrade Project

-----  
CLIENT/CASE NO. 14713-16199  
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$406.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$406.00
	-----
PREVIOUS BALANCE:	\$0.00
	-----
TOTAL BALANCE DUE:	\$406.00
	-----
	-----

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... \$ \_\_\_\_\_

SHEEHAN PHINNEY BASS + GREEN,  
PROFESSIONAL ASSOCIATION  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Regulatory Issues Relatng to Port Operations

-----  
CLIENT/CASE NO. 14713-16200  
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$15,812.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$15,812.00
	-----
PREVIOUS BALANCE:	\$5,892.00
	-----
TOTAL BALANCE DUE:	\$21,704.00
	-----
	-----

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... \$ \_\_\_\_\_

SHEEHAN PHINNEY BASS + GREEN,  
PROFESSIONAL ASSOCIATION  
1000 ELM STREET  
P.O. BOX 3701  
MANCHESTER, NH 03105-3701

SERVICE AND EXPENSE MAILBACK SUMMARY

RE: Terminal Subsurface Site Investigation

-----  
CLIENT/CASE NO. 14713-16198  
BILLING ATTORNEY: Robert P Cheney

TOTAL FOR PROFESSIONAL SERVICES RENDERED:	\$5,310.00
TOTAL EXPENSES:	\$0.00
	-----
TOTAL THIS BILL:	\$5,310.00
	-----
PREVIOUS BALANCE:	\$6,396.00
	-----
TOTAL BALANCE DUE:	\$11,706.00
	-----
	-----

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... \$ \_\_\_\_\_



MEMORANDUM

To: Pease Development Authority Board of Directors  
From: David R. Mullen, Executive Director  
Date: June 19, 2014  
Re: Special Events

---

I am pleased to report on the following special events:

1. On Sunday, July 20, 2014, the NH ANG Minuteman Fund will sponsor a 7k road race that will use a portion of Arboretum Drive. Funds raised will support the Pease Minuteman Fund and the Pease Kids' Corps programs.
2. On Monday, September 1, 2014, the St. Charles Children's Home will sponsor its 18<sup>th</sup> fund raising 5k road race. Funds raised will support the Children's Home programs.

P:\BOARDMTG\SpecialEvent0614.wpd



**The Minuteman Fund**  
**302 Newmarket Street**  
**Pease ANGB, NH 03803-0157**

8 April 2014

Mr. Robert L. Mills  
Pease Minuteman Fund  
302 Newmarket Street  
Pease ANGB, N.H. 03803-0157

Mr. David R. Mullen  
Pease Development Authority  
55 International Drive  
Portsmouth, NH 03801

Mr. Mullen,

The Pease Air National Guard Base (ANGB) Minuteman Fund would like to formally request your permission to run a portion of the *4th Annual Pease 7K Road Race*, on the Pease Tradeport.

The intent of this event is to raise money for a good cause. The proceeds collected from this event go to two organizations on Pease ANGB: The Pease Minuteman Fund and the Pease Kids' Corps. The Minuteman Fund is a nonprofit organization which strives to improve the morale, welfare and recreation of members of the New Hampshire Air National Guard. The Pease Kids' Corps is our on-base organization which has provided sponsorship to children living with life threatening diseases since the mid-1990s.

The 4<sup>th</sup> Annual Pease 7K Road Race takes place on Sunday, July 20<sup>th</sup>, rain or shine.

The location of this event is in the town of Newington, NH.

Parking is in Newington; no one will park on the tradeport.

We do not require the use of facilities on the tradeport. No set up required on the tradeport.

We anticipate 85 runners for this year event.

We are requesting to utilize a portion of Arboretum Drive. We plan to start the race at Short Street and travel along Arboretum Drive turning left onto the bike path, continuing the race onto Fox Point Road, and into Newington.

We had great success with this event last year, raising almost \$2,000 for the organizations mentioned above. The event ran smoothly with no significant problems or injuries. We conducted a post-race survey in which we unanimously received positive feedback about the race location and organization.

We are looking for an opportunity to build upon last year's event. As with last year we will complete all necessary documentation you require.

If this is something you may be able to help us with, we would be most appreciative. Thank you for your help, and please feel free to contact me with any questions at [robert.mills@ang.af.mil](mailto:robert.mills@ang.af.mil) or (603)