

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

Thursday, April 20, 2023

Presiding: Stephen M. Duprey, Chairman
Present: Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Steve Fournier; Margaret F. Lamson; Susan B. Parker; and Karen Conard
Attending: Paul E. Brean, Pease Development Authority (“PDA”) Executive Director; Anthony I. Blenkinsop, Deputy Director / General Counsel; Michael R. Mates, Director of Engineering; Suzy Anzalone, Finance Director; Geno Marconi, Director of the Division of Ports and Harbors (“DPH”); EJ Chea, Pease Golf Course (“PGC”) Superintendent; Jared Sheehan, Environmental Compliance Manager; Tanya Coppeta Human Relations Manager; Greg Siegenthaler, IT Director; Andrew Pomeroy, Director of Aviation Planning & Regulatory Compliance; Chasen Congreves, Director of Operations and Raeline A. O’Neil, Executive Administrative Assistant

I. Call to Order / Roll Call:

Chairman Duprey (“Duprey”) stated all Board members were in attendance; the meeting commenced at **8:30 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors’ Meeting of March 16, 2023:

Director Lamson **moved** the **motion** and Director Fournier **seconded** to **approve the minutes of the Pease Development Authority Board of Directors meeting dated Thursday, March 16, 2023.**

Discussion: None - Duprey abstained as he was not present at the March 16, 2023 meeting.

Disposition: Resolved by **unanimous** (6-0) vote for; motion **carried**.

Duprey expressed PDA’s (Board and staff) appreciation for the time and dedication provided by former Director Erik Anderson during the last three years. Duprey commended Anderson for asking tough questions and noted PDA was lucky to have Anderson. Anderson was presented with an aerial photo of Pease. Erik Anderson stated it was a pleasure and an honor being on the PDA Board and working with staff.

III. Public Comment:

No public comment

IV. Consent Agenda Items:

Duprey spoke to the Consent Agenda and stated Levesque would make a motion to add a couple of additional items to the Consent agenda; there would be a roll call vote for the Consent agenda items. The Board was polled to see if any of the current items contained within the consent agenda should be pulled for a separate vote; no requests were made.

A. Consent Agenda Approvals:

Director Levesque **moved** the **motion** and Director Ferrini **seconded** that **the Pease Development Authority Board of Directors to also include items X. B.1. Vehicle Replacement – Change Order and XIII. B.1. Northern Tide Yacht Charters LLC – Right of Entry – Hampton Harbor to the consent agenda.**

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

Director Levesque **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby moves that item numbers 1-6 from the consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.**

1. Legal Services
2. State Block Grant Application - Wildlife Fence Design – Skyhaven
3. State Block Grant Application – Automobile Parking Lot Design – Skyhaven
4. Alliance Group, Inc. –55 International Drive - HVAC Upgrade
5. Alliance Group, Inc. – Pease Air Traffic Control Tower – HVAC Upgrade
6. Portsmouth International Airport at Pease (PSM) Taxiway ‘A’ North Design
- X. B.1. Vehicle Replacement – Change Order and
- XIII. B.1. Northern Tide Yacht Charters LLC – Right of Entry – Hampton Harbor

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

V. Committees:

A. Report:

1. **Port Committee**

Director Levesque (“Levesque”) indicated the Committee met two weeks ago, discussed the Rye and Hampton Rights of Entry and received an update from Geno Marconi (“Marconi”), Director of the Division of Ports and Harbors.

2. **Audit Committee**
3. **Finance Committee**

Director Ferrini (“Ferrini”) indicated the two Committees met on Monday, April 17th, the members spoke to auditing services and were provided financial information which will be before the Board later in today’s meeting for discussion and consideration.

VI. Old Business:

A. Approvals:

1. **Pease Aviation Partners (dba Million Air) – Site Review and Subdivision Application Extensions**

Director Fournier **moved** the **motion** and Director Levesque **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby approves of extensions to certain timeframes for the review of the site and subdivision application pertaining to a proposed development at 53 Exeter Street by Pease Aviation Partners, LLC (d/b/a Million Air), as follows:

- Extend the deadline for review of the Site Review Application by the Board of Directors at a public hearing to June 30, 2023; and
- Extend the deadline for review of the Subdivision Application by the Board of Directors at a public hearing to June 30, 2023; and
- Extend the deadline for completion of the site review process by the Board of Directors to June 30, 2023; and
- Extend the deadline for completion of the subdivision process by the Board of Directors to June 30, 2023, per 503.02(h) of the PDA Land Use Controls.

All in accordance with the memorandum of Michael R. Mates, P.E., Director of Engineering, dated April 11, 2023.

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

2. 231 Corporate Drive LLC – 231 Corporate Drive – Revised Concept Approval

Director Parker **moved** the **motion** and Director Lamson **seconded** that the Pease Development Authority (“PDA”) Board of Directors approves the revised concept plan for the proposed development at 231 Corporate Drive and waives the requirement for a sidewalk along the parcel frontage; all in accordance with the memorandum of Michael R. Mates, Director of Engineering, dated April 11, 2023.

Discussion: Director Lamson (“Lamson”) appreciated the memorandum and rendering from the Engineering Department as it provided the necessary information clearly.

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

3. 165 Arboretum LLC – Development Agreement Extension

Director Ferrini **moved** the **motion** and Director Fournier **seconded** that the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to finalize and enter into a one year extension of the Development Agreement with 165 Arboretum, LLC regarding a potential development at 165 Arboretum Drive; all in accordance with the memorandum of Paul E. Brean, Executive Director, dated April 12, 2023.

Discussion: Director Parker (“Parker”) asked if the extension were related to the fact that there is a pipeline on the property that needs to be removed. Duprey indicated a JetA fuel line.

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

VII. Finance:

A. Executive Summary

Director of Finance, Suzy Anzalone (“Anzalone”) spoke to the first eight months and stated PDA’s operating revenues are 7.2% over budgeted estimates with operating expenses under budget by 4.6%. There are a few line items trending higher such as equipment maintenance related expenses and electricity but overall PDA is under budget in expenditures. The business units do not show any issues to report. PDA is maintaining a strong cash position and capital expenditures year-to-date (“YTD”) with granted funded projects representing \$4.9 million. Anzalone spoke to the anticipated strong cash flow through the end of the year which includes various inflows and outflows.

Duprey asked if the cash flow discussed were exclusive of Division of Ports and Harbors (“DPH”); Anzalone affirmed. Further, if DPH funds were included, the total would increase by approximately \$1 million. DPH’s impact is small so it would not have much of an effect on the cash inflows / outflows.

Duprey asked the size of the Finance Department; Brean indicated there are three and a half individuals who handle payroll, procurement, accounts payable / receivable, etc.

B. Reports:

- 1. FY2023 Financial Report for the Eight Month Period Ending February 28, 2023**
- 2. Cash Flow Projections for the Nine Month Period Ending December 31, 2023**
- 3. Capital Improvement Plan FY2023 – FY209**

Anzalone spoke to the detail provided in Capital Improvement Plan (“CIP”) over the next six (6) years with the identification of 93 projects (grant / internally funded). The capital investments are approximately \$65 million, with \$38 million in grant funded and \$27 million in internally funded projects (74.8% directly related to the Portsmouth International Airport at Pease (“PSM”) and Skyhaven Airport (“DAW”)). Anzalone indicated the projects are anticipated, there may be flexibility in moving some projects up in the schedule. However, each project would be brought before the Board prior to starting any capital project.

Lamson asked of intersection improvements for consideration; Mike Mates (“Mates”) Engineering Director, spoke to design phase for Arboretum Drive, Pease Boulevard, driveway of Air National Guard and New Hampshire Avenue. This would be to build a right turn lane from New Hampshire Avenue onto Pease Boulevard which will reduce the cue length. Lamson asked if anything would be considered in the area of Corporate Drive and New Hampshire Avenue. Mates indicated it has been identified as a priority by VHB and it is being monitored, but has not been selected for a grant at this time.

Duprey spoke of discussions regarding strategic planning and the improvements. Further, Duprey spoke of PSM not being a major passenger airport and asked how many of the CIP projects are for maintenance and upgrading (how much should be done given PSM’s traffic). Brean stated PDA inherited a large amount of asphalt and concrete pavement necessary for NH ANG mission, which is where a large portion of the CIP and operating budget is utilized. Looking at the commercial terminal, Pease has been fortunate in receiving AIP funds and when PDA recognizes a terminal project it is recognizing it now to keep pace with the industry which is changing. Brean informed the

Board that the original terminal was designed before 9-11; it has been difficult to efficiently screen passengers and baggage. The improvements being made are based off the current numbers with a little growth; reassured the Board that Pease is not building square footage that is not going to be utilized. The Board is provided design studies that the FAA participates in and indicates where Pease is at and then an appropriate project is brought before the Board. Brean stated a majority of the projects go towards maintaining and reconstruction of the nav. aids associated with the airfield. This is a consideration from the original public land transfer as well as the commitment with the NH ANG and Air Force through the Joint Use Agreement. Duprey stated Pease will not become a Manchester or Portland airport; Brean affirmed. Further, Brean stated Pease has a different overall focus than Manchester and serves a niche market to provide affordable air service to and from the Seacoast.

Duprey stated PDA is supposed to be one-third concerned with the immediate communities; one-third concerned with the Seacoast area; and one-third concerned with the State.

Ferrini noted the importance of the Seacoast to the New Hampshire economy.

C. Approval:

1. Auditing Services – Berry, Dunn, McNeil & Parker, LLC

Director Conard moved the motion and Director Ferrini seconded that **in accordance with the recommendation of the Audit Committee, the Pease Development Authority (“PDA”) Board of Directors approves of and authorizes the Executive Director to enter into a three (3) year contract with the firm Berry, Dunn, McNeil and Parker, LLC to perform the annual external audit of the PDA’s consolidated financial statements for fiscal years ending 2023, 2024, and 2025, with up to three (3) one-year options to extend at the discretion of the Executive Director; all in accordance with the requirements of the Comptroller General of the United States and the provisions of the Single Audit Act, OMB Circular A-133, and with the memorandum from Suzy Anzalone, Director of Finance dated April 3, 2023.**

Discussion: Fournier asked how long PDA has had Berry Dunn as its auditor; Anzalone stated since 2015. Fournier asked if PDA had any requirements that require a change; Anzalone indicated there is not. Further, she stated she explained to the Audit Committee that even public companies do not have a requirement to rotate auditing firms but there is a requirement to rotate audit partners every five (5) years. Anzalone spoke to an article she provided the Audit Committee and pointed out good practices that a non-profit or non-public company should follow.

Ferrini stated he participated in the ranking of the two firms who submitted auditing proposals and appreciated the sophistication and expertise of PDA staff in its review; he is confident in today’s recommendation.

Disposition: Resolved by unanimous vote for; motion carried.

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

A. Report:

1. ATDG, LLC – Right of Entry – 360 Corporate Drive
2. 165 Arboretum, LLC – Right of Entry Extension – 165 Arboretum Drive

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

1. Name: ATDG, LLC
License: Right of Entry
Location: 360 Corporate Drive
Purpose: For geotechnical review and site survey purposes
Term: March 1, 2023 through June 30, 2023
2. Name: 165 Arboretum, LLC
License: Right of Entry
Location: 165 Arboretum Drive
Purpose: Extension to Right of Entry for continued survey / site inspection purposes
Term: Expires June 30, 2023

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

Duprey asked if 165 Arboretum will come to fruition; Brean stated all hands are on deck trying to come to a resolution. Further, Duprey stated he referred ATDG to Pease; it is a doctor who grew up in Concord, NH and practices in Exeter. ATDG is desirous of constructing a building in the area for its practice.

IX. Leases:

A. Report:

1. **Sublease between 222 International, Limited Partnership and Terraphase Engineering, Inc. – 222 International Drive (Suite #150)**

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

1. Tenant: Terraphase Engineering, Inc.
Space: 222 International Drive (Suite #150)
Use: General Office Use
Term: Two (2) years, with one (1) three (3) year option.

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In these instances, Director Lamson was consulted and granted her consent.

X. Contracts:

A. Report:

- 1. EnviroVantage – Mold Remediation**
- 2. Skyhaven Airport – Lakes Region Environmental – Annual Fuel System Inspection**
- 3. Pease Golf Course – DAF Services, Inc. - Golf Course Irrigation Pump**

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

1. Project Name: EnviroVantage
Board Authority: Director Fournier
Summary: Mold Remediation at Pease Golf Course – Cart Storage
Cost: \$3,975
2. Project Name: Lakes Region Environmental
Board Authority: Director Fournier
Summary: Annual Fuel System Inspection at Skyhaven Airport
Cost: \$2,952.25
3. Project Name: DAF Services Inc.
Board Authority: Director Fournier
Summary: Pease Golf Course Irrigation Pump Replacement
Cost: \$9,823.06

B. Approvals:

- 1. Vehicle Replacement – Change Order**

This item was moved to item IV. A., and added to the Consent Agenda.

XI. Signs:

A. Report:

- 1. Loftware - 249 Corporate Drive**
- 2. Hubbell – 30 New Hampshire Avenue**

In accordance with the “Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs” PDA reports as follows:

1. Entity: Loftware
Location: 249 Corporate Drive
Summary: Modify the existing signage to reflect updated Loftware logo.
2. Entity: Hubbell
Location: 30 New Hampshire Avenue
Summary: Update the existing two sided monument sign to reflect new tenancy.

The Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs also requires the consent of one member of the PDA Board of Directors. In this instance, Director Fournier was consulted regarding the sign changes.

XII. Executive Director:

A. Reports:

1. Golf Course Operations

EJ Chea (“Chea”) Pease Golf Course (“PGC”) Superintendent indicated all 27 holes were open on April 10th, as of April 19th there have been 4,746 rounds played which exceeds last year at this time of approximately 1,400 rounds.

Chea stated Grill 28 sat 20+ parties outside for Easter under the awning covering the patio. He also noted that Grill 28 has been recognized as a 5star brunch in the Seacoast area by Yelp. Further, the tent will be going up next week in time for the start of the leagues and functions. The simulators have wrapped up now that PGC is open.

Chea commended PGC’s seasonal staff who returned, for without them all 27 holes would not be open at this time.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean stated heavy volume at PSM which is anticipated to continue through mid-summer and seeing a lot of NATO military activity. Brean indicated a couple of years ago, PSM’s runway was reconstructed at a cost of \$19 million and the Bangor Maine airport has a similar runway which is being reconstructed and its cost came in at \$40 million.

Strong commercial activity through Allegiant and military flights and anticipate in the near future going to the Board for a fuel flowage increase as a means to offset storm water improvements that are being made and rising insurance costs.

b) Skyhaven Airport (DAW)

Brean stated there are two State Block projects commencing at DAW anticipated for the summer.

c) Noise Line Report

(i) March 2023

Brean spoke to seven (7) noise inquiries during the month of March which were received while Runway 34 was in use; none being systemic.

XI. Division of Ports and Harbors:

Reports:

1. **Commercial Mooring Transfer – Moge to Felch, III**
2. **Commercial Mooring for Hire Applications**
3. **Commercial Mooring Transfer – Reid to Berghahn**

Marconi reported the Hampton floats were put in early as the cod fish season was open on April 1st; the Rye floats were put in the first of this week. Portsmouth Fish Pier is gearing up with lobster fishing as lobstering is primary in the state now due to regulations on ground fishing.

Marconi stated the rehabilitation and modification project at the Main Terminal is moving forward with seven of 54 pilings remaining and once that is complete will pour the deck. Have been working with NH DOT on the Functional Replacement and anticipate it will be out to bid sometime in July.

Marconi spoke of ships arriving over the next couple of weeks to on / off load cargo. One of which will be utilizing a laydown area at the Port to unload manufactured homes that will be loaded onto trucks and transferred up to Southern Maine. Marconi stated that the Marine Terminal is the only general cargo deep water facility on the Piscataqua River that has the ability to handle these types of projects.

B. Approval:

1. **Northern Tide Yacht Charters LLC – Right of Entry – Hampton Harbor**

This item was moved to item IV. A., and added to the Consent Agenda.

XIV. New Business:

XV. Special Event:

A. Report:

1. **26th Annual Cisco Brewers Portsmouth 5K Road Race scheduled for May 28, 2023**

XVI. Upcoming Meetings:

Capital Improvement and	
Land Planning Committee	May 2, 2023 @ 2:00 p.m.
Board of Directors	May 18, 2023 @ 8:30 a.m.

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

XVII. Directors' Comments:

Brean welcomed Sean Clancy of the City of Portsmouth's Economic Development team who attended the Board meeting.

Duprey asked if PDA had a strategic business plan; Brean stated there was a Master Plan for the airport and does not believe there has been a strategic plan since the original land transfer, which involved significant planning.

Duprey indicated most of Pease is developed; there have been discussions regarding consideration of up zoning as a means to determine a better use rather than having empty parking lots and ultimately creating some opportunities for economic development. Duprey spoke to the ability of PDA tenants to extend the lease term out to 74 years with improvement requirements made to leasehold area; airport terminal growth; projects at the port and harbors for multiple uses. Brean indicated the airport is in good shape, as it is part of the FAA requirements. Further there is a master plan update in the CIP and strategic planning can be reviewed and brought before the Board in future for discussion / consideration.

Fournier spoke to the discussions had regarding the Golf Course and how the Seacoast is in need of convention space. Need to plan for not what is current, but rather look to the future.

Ferrini stated PDA is in a position to offer incentives whether or not a lease has been extended or not for changes when there are large parcels of land not being utilized.

Duprey agreed that we should be considering and looking out 5 to 10 years from now.

Fournier asked about potentially having a facilitator speak to the Board and ask for suggestions and insight.

Parker stated long term planning is now a shorter period of time, 3 years and under. Opportunities are opening up faster and suggested a strategic plan possibly could commence in 2024.

Duprey referenced how things have changed and progressed since PDA assumed the operations at Pease. It is important to have forward thinking and ideas to continue with a successful operation moving forward. There will be an ongoing need to continuously assess progress, potential adjustments incorporated.

Parker indicated the Board as a whole supports strategic planning and how it would be a good idea to move forward with the concept.

Ferrini stated it is how to free up existing leased land, reuse and incentives.

Duprey also expressed the importance of input from NH ANG and its future. Brean spoke to recent discussions with General Mikoliatas and the importance of being diversified.

Levesque stated by having a strategic plan, it will allow for knowledge within the community and where Pease is headed.

Duprey stated as Million Air works through its process and the Board is sits as the Planning Board, it may be necessary to schedule a couple of days to allow individuals to provide their input and be heard regarding the project.

XVIII. Adjournment:

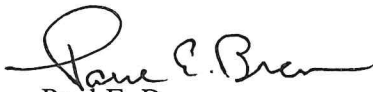
Director Levesque moved the motion and Director Lamson seconded to adjourn the Board meeting. Meeting adjourned at 9:20 a.m.

XIX. Press Questions:

No comments from the press.

XX. Consultation with Counsel (RSA 91-A:2, I(b))

Respectfully submitted,


Paul E. Brean
Executive Director

