

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

Thursday, January 11, 2024

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

BOARD OF DIRECTORS' MEETING

AGENDA

I. Call to Order:

Vice-Chairman Levesque (“Levesque”) called the meeting to order; the meeting commenced at **8:36 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of December 21, 2023

Director Conard **moved** the **motion** and Director Parker **seconded** to approve the minutes of the Pease Development Authority Board of Directors' meeting dated December 21, 2023.

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

III. Public Comment:

Austin Pietschman (“Pietschman”) – Director of Operations at Port City Air – updated the Board regarding the North Fuel Farm being offline in December due to a pump failure. Pietschman thanked the PDA Operations' staff for its expedited response to get the North Fuel Farm back in service.

IV. Committees:

A. Report:

1. Port Committee

Director Levesque stated a meeting was held on Tuesday, January 9, 2024, at 8:00 a.m. At that time, the Committee received a report from Director Marconi (“Marconi”) and there was a review of fees and potential projects.

V. Consent Agenda Items:

A. Consent Agenda Approvals:

Director Lamson (“Lamson”) asked that item 6 be removed from the consent agenda.

Director Fournier **moved** the **motion** and Director Conard **seconded** that that **the Pease Development Authority Board of Directors hereby moves that item numbers 1 through 5 and 7 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. Utility Vehicle Replacement – Maintenance Department
3. Portsmouth International Airport at Pease - FAA Approved Runway Sand
4. Lonza – Concept Approval – Solar
5. Air Traffic Control Tower Study – Harriman Associates
7. Air Traffic Control Tower – HVAC Chiller Replacement - Alliance Group, Inc.

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

6. Portsmouth International Airport at Pease - Stormwater Drainage System – Ransom Consulting, Inc.

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors authorizes the Executive Director to enter into a contract with Ransom Engineering for the purpose of evaluating the stormwater drainage system at Portsmouth International Airport at Pease, in an amount not to exceed \$80,000.00; all in accordance with a memorandum of Jared Sheehan, Environmental Compliance Manager, dated January 2, 2024.**

Discussion: Lamson asked for clarification of this item; Paul Brean (“Brean”) Executive Director stated this is a staff initiative to review PDA’s oil / water separator system on the airfield to better understand the capacity. This is PDA’s due diligence so it has an understanding, should

a worse-case scenario occur, of a spill / release into the oil / water separator. Lamson appreciated the initiative as a runoff would go into the Great Bay Estuary.

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

B. Consent Agenda Approvals with Waivers:

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

1. Portsmouth International Airport at Pease – Badge Media Cards - Honeywell International

Discussion: Director Parker (“Parker”) asked if this were a yearly renewal or a complete change; Brean indicated an ongoing contract for hard badge media with Honeywell which provides a technical component to the ID cards. This item is for the actual badge media cards purchased depending on security initiatives / changes per TSA requirements.

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

VI. Finance:

A. Executive Summary:

B. Report:

- 1. FY2024 Financial Report for the Five Months Period Ending November 30, 2023**
- 2. Cash Flow Projections for the Nine Month Period Ending September 30, 2024**

Suzy Anzalone (“Anzalone”), Director of Finance, spoke to the Executive Summary and the two reports. She stated that year-to-date (“YTD”) operating revenues are under budget by 1.7%. Further she indicated an anticipated increase in wharfage and dockage fees as there are three (3) ships coming into port in January. Anzalone also informed the Board that operating expenditures are under budget at this time by approximately 12.1%; being under budget is helpful with unanticipated operating expenses such as the recently approved environmental study.

YTD the operating income is slightly above what was projected; there is nothing to report regarding the individual business units.

The balance sheet remains strong with YTD capital expenditures of \$6.3 million, most being incurred for the Main Pier / Market Street Building Grant project as well as the Arrivals Hall, North Taxiway and equipment purchases.

Anzalone spoke to cash flows with inflow about \$18.6 million with approximately \$3 million in grant funding; cash outflows of \$25.6 million which includes \$13.6 million in grant / non-grant related capital expenditures with cash balance being decreased down to \$5.9 million.

VII. Lease:

A. Approvals:

1. 68 New Hampshire Ave LLC – 68 New Hampshire Avenue - Concept Approval and Lease Extension

Director Ferrini moved the motion and Director Fournier seconded that **the Pease Development Authority (“PDA”) Board of Directors hereby:**

- 1. approves the concept plan as submitted by 68 New Hampshire Ave, LLC for a proposed building located adjacent to 68 New Hampshire Avenue consisting of 33,500 square feet; and**
- 2. authorizes the Executive Director to negotiate and finalize a new lease agreement with 68 New Hampshire Ave, LLC for a term, with options, of up to 74-years, generally consistent with other PDA 74-year leases entered into since 2018;**

all in accordance with the memorandum of Michael R. Mates, P.E., Director of Engineering, dated December 29, 2023, and the memorandum of Paul E. Brean, Executive Director, dated January 4, 2024.

Discussion: Ferrini asked if the lease would go back to the Board for approval; Brean stated the way the motion is set up, it would be a report back to the Board. Brean stated the lease would take on additional acreage and would reset with FAA Fair Market Value (“FMV”).

Parker stated there have not been many leases brought forward for 74-year term and asked how FMV is calculated in the outyears; Brean stated the lease would have CPI factors built in as well as FMV check-ins. Anthony I. Blenkinsop (“Blenkinsop”) Deputy Director / General Counsel stated the FMV would occur in years 26 and 51.

Brean stated this would be the fourth in the 74-year lease. Blenkinsop stated there have been a few 74-year leases since 2018 (i.e.; 90/100 Arboretum; 30 New Hampshire; Wentworth Douglass). He also affirmed Brean’s comment that there are annual adjustments in the leases in terms of escalators and a FMV analysis is performed in years 26 and 51 to ensure at FMV.

Parker indicated this was an extended period of time and asked about the reference of escalators. Anzalone stated most leases referred to CPI cap of 3% with no more than 12% over a five-year period; currently the CPI increase was just under 3%.

Ferrini asked if the 74-year leases have a 12% cap over a period of time as well; Brean affirmed over the shorter duration but in the significant years (i.e.; 26 and 51) the FMV done. Ferrini asked if each party agrees to a neutral appraiser for the valuation; Brean indicated PDA is

required by FAA to keep a FMV rate annually (i.e.; currently approximately \$20,000 per acre/per annum). Blenkinsop indicated the FMV does require the use of an appraiser. Brean stated one of PDA's desire looking at the 74-year term is to make sure the proper capital is put back into properties with long term lease arrangements as a means to avoid neglect to the building.

Ferrini stated if the motion is approved a lease would not need to be brought before the Board for approval; Brean affirmed. Ferrini spoke to Mates' memo referencing the loading docks and an associated variance, asked if this would go through one of the town/city land use boards; Brean affirmed. Blenkinsop indicated it would go to the City of Portsmouth land use board. Ferrini asked when this is voted upon would the Board have anything to vote on; Blenkinsop indicated the Board would likely not see this again.

Ferrini spoke of the outstanding necessary approvals regarding the wetlands and asked who the governmental agency signing off would be. Mates spoke to the two wetland pockets and stated one would be impacted (4,000 sq.ft.) by the building and the parking lot and the other would not be impacted. There would be a request to NHDES for a wetland's permit for the area being impacted.

Ferrini asked of the unlikely circumstance it is not approved what would happen, PDA would have a lease with an entity that has a design question for that issue which would have to be considered. The motion indicates providing the Executive Director authority to enter a lease but a final approval has not yet been granted on the permit. Blenkinsop stated they have an existing lease and a new lease would not be entered into if this project did not receive the requisite approvals to construct the new building. Consistent with the memo in the Board packet, a new lease would only be triggered if the project received the requisite approvals for the new construction; the new lease would require then the construction of a new building consistent with the approvals the project received.

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

2. 165 Arboretum LLC – 165 Arboretum Drive – Revised Concept Plan

Director Parker **moved** the **motion** and Director Conard **seconded** that **the Pease Development Authority Board of Directors hereby approves of 165 Arboretum LLC's revised concept plan for its proposed development at 165 Arboretum Drive; all in accordance with the terms and conditions set forth in the memorandum of Michael R. Mates, P.E., Director of Engineering, dated January 5, 2024.**

Discussion: Ferrini stated this is for a revised site plan and asked when, where and how the Board would have additional authority to pass on things that may come before it in the process. Further, he indicated a request for a lease has not been requested, but that the land use process for the premises would be through the Town of Newington; Brean affirmed. Ferrini asked if the land use process would be done prior to or after being presented approval of a lease; Blenkinsop stated prior to. Ferrini asked if the Board would be provided with the decision by the Town of Newington land use board; Brean affirmed. Ferrini asked if after that, PDA would bring back to the Board a request to enter into a lease with this entity; Brean affirmed. Ferrini asked if in this proposal there

would be a time when the Board would be required to sit as a land use board. Blenkinsop indicated the Board would not. Further, he indicated the PDA Board sits as a Planning Board when the project is within the Airport Zone / Airport Industrial Zone. This project is in the Industrial Zone within the Town of Newington and it would be Newington Planning Board which would sit for this project. Blenkinsop indicated this project went to the Newington Planning Board about a year ago and received approval. Blenkinsop stated what is occurring is the applicant is making a revision to the plan and today's request is to approve the revised concept in order to go back to Newington to obtain approval for the change. Ferrini indicated that the Board has not yet obligated itself on this project other than the concept approval; Blenkinsop affirmed. Blenkinsop indicated that potentially a lease would go to the Board at the March meeting. Ferrini asked for clarification to the difference in item VII. A.1. where the lease would not go to the Board. Blenkinsop indicated in terms of distinction, 68 New Hampshire has an existing lease and with new construction an update to the lease would be done to a 74-year lease with a FMV adjustments. However, if the Board would want to change that to review all leases, this can be done. Similarly with new projects where there is no lease, a project will go before the Board for concept approval and concurrently a non-binding Letter of Intent ("LOI") would usually be provided which would outline the business terms of the deal. Typically, when concept approval is granted, a request is also made to enter into a lease consistent with the LOI. This project was a little different as it did go to the Board for concept approval but an LOI was not entered into so the lease itself will be brought to the Board for approval. Ferrini asked if a LOI would be brought before the Board before being signed; Blenkinsop indicated an LOI would not as a lease would be brought before the Board, unsigned, for approval.

Director Lamson ("Lamson") requested the location being discussed be pointed out on the map. Michael Mates, Director of Engineering indicated the location would be just before the round-a-bout on Arboretum Drive (pointed out the location).

Disposition: Resolved unanimous vote for; motion carried.

VIII. Contracts:

A. Report:

1. **Portsmouth International Airport at Pease – Hoyle Tanner - Obstruction Action Plan**
2. **Pease Golf Course - Alliance Group, Inc. – Replacement of Hot Water Heater**
3. **Portsmouth International Airport at Pease - Honeywell International – Access Cards**
4. **HID Maintenance Agreement – Bridge Agreement through February 29, 2024**
5. **Washburn Plumbing Supply, LLC – 55 International Drive – Replacement of failed Circulator Pump**

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

1. Project Name: Obstruction Action Plan (“OAP”)
Board Authority: Director Fournier
Summary: Hoyle Tanner to assist with the creation of an OAP for Portsmouth International Airport at Pease regarding vegetation management
Cost: \$9,817.00
2. Project Name: Pease Golf Course
Board Authority: Director Fournier
Summary: Alliance Group, Inc. will replace the hot water heater at the Clubhouse
Cost: Not to exceed \$7,700
3. Project Name: Portsmouth International Airport at Pease
Board Authority: Director Fournier
Summary: Purchase of Access Badging Cards from Honeywell International
Cost: \$1,400
4. Project Name: Portsmouth International Airport at Pease
Board Authority: Director Fournier
Summary: Extension to Service Airport Badging System through February 29, 2024
Cost: \$8,184.12
5. Project Name: Washburn Plumbing Supply, LLC
Board Authority: Director Ferrini
Summary: Replacement of failed Circulator Pump at 55 International Drive
Cost: \$4,157.00

B. Approvals:

1. Berry Dunn - Accounting System Consulting Services

Director Ferrini moved the motion and Director Fournier seconded that **The PDA Board of Directors authorizes the Executive Director to enter into a contract with Berry Dunn for accounting software consulting services in an amount not to exceed \$20,000.00; all in accordance with the memorandum of Suzy Anzalone, Director of Finance, dated January 8, 2024, attached hereto.**

In accordance with the provisions of RSA 12–G:8, VIII, the Board justifies the waiver of the RFP requirement due to Berry Dunn’s experience as PDA’s contracted auditor and knowledge of PDA financial systems.

Discussion: None. Disposition: Resolved unanimous roll call (6-0) vote for; motion carried.

2. Jordan Equipment Co. - Snowplow Carbide Cutting Edges

Director Fournier moved the motion and Director Lamson seconded that the Pease Development Authority (“PDA”) Board of Directors hereby approves of and authorizes the Executive Director to enter into an agreement with Jordan Equipment Co. of Pembroke, NH for the purchase of snowplow carbide cutting edges in an amount not to exceed \$19,953.72; all in accordance with the memorandum of Ken Conley, Maintenance Manager, dated January 9, 2024, attached hereto.

In accordance with the provisions of RSA 12–G:8, VIII, the Board justifies the waiver of the RFP requirement as two quotes were received and the intent is to implement the new equipment as soon as possible this winter season.

Discussion: Parker asked why a RFP was not done; Brean stated the carbide cutting edges are somewhat unique and there are only a few vendors who supply the item. PDA did reach out to three (3) vendors but only two (2) responded with quotes; PDA is going with the lowest quote.

Disposition: Resolved unanimous roll call (6-0) vote for; motion carried.

IX. Executive Director:

A. Reports:

1. Golf Course Operations

Scott DeVito (“DeVito”), Pease Golf Course (“PGC”) General Manager, spoke to golf simulators running in the 90% occupancy since golf courses have closed. The Golf Maintenance Department is working on breaking down all equipment and prepping for next season.

DeVito indicated PGC has received an item ordered back in June of 2022, the mower, and Toro held the pricing originally quoted.

Conard asked what the simulator season is; DeVito stated the simulator league starts in October and the simulators will be in use through mid-April depending on the Spring weather. DeVito stated the prime simulator season is January through March.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean indicated the reporting for enplanements for the year [2023] is tracking at 70,000 which is on par with 2022. Further, Brean stated PSM may be in front of that number if it wasn’t for the impact from Hurricane Lee in Southwest Florida and the fact that the fire fighting equipment was down for a short period of time causing troop flights to be diverted during the month of September.

Brean stated he attended the Governor & Council meeting on Wednesday (1/10) and stated PSM’s terminal improvement project, federal grant received by the state, work is ongoing.

Revenue for both parking and fuel flowage are strong; PSM is competitive within the

region with its fuel pricing for Jet-A and 100 low lead.

Further, Brean spoke to an additional project aside from the terminal, being Taxiway Alpha which is anticipated to start in the Spring.

Brean spoke to the Air Show in 2025 and that the Blue Angels would be performing.

b) Skyhaven Airport (DAW)

c) Noise Line Report

(i) December 2023

Brean indicated there were noise issues to report for the month of December.

X. Division of Ports and Harbors:

A. Reports:

1. Appledore Marine Engineering, Inc.– Exercise the First of Three One Year Options

Geno Marconi (“Marconi”) Director of Ports and Harbors spoke to the exercise of the first of three one-year options of Appledore Marine Engineering, Inc. for its on-call marine engineering services.

2. Heidi & Elisabeth Fisheries, LLC – Exercise the Second of Four One Year Options

Marconi spoke of Heidi & Elisabeth Fisheries, LLC and its exercise of the second of four one-year options to its Right of Entry for a portion of the refrigerated area and storage space for equipment.

Marconi spoke to various potential Operation and Maintenance (“O&M”) projects, as well as capital improvements throughout the DPH facilities (provided the Board with a handout).

Marconi spoke to the Portsmouth Fish Pier building being in disrepair and in need of replacement; a request has been submitted to the Governor’s Office for Emergency Relief and Recovery (“GOFERR”) for \$850,000 associated with the cost for design and engineering. Marconi additionally spoke of available funds being available for infrastructure purposes; have up to \$100,000 to do a concept study. The monies would be utilized for design, engineering and permitting; requested additional funds to prepare / manage bid documents as well as the construction management when bid awarded.

Marconi spoke to requesting funding for a small maintenance dredging project (approximately 1,000 cubic yards) at the Main Terminal on Market Street for shoaling along the face of the pier. Currently, due to the shoaling, restrictions have been placed on ships coming to the port. DPH plans to advertise for this project in hopes of piggybacking off the state Functional Replacement project which too requires dredging and would result in a cost savings

to DPH. Marconi spoke to the projected cost of the project should it include both the expense for mobilization and demobilization; where the state's project would dredge also, a contractor would already be on location, facilitating a cost savings of approximately 60 to 65% to DPH.

Marconi also spoke to a 107 Feasibility Study (50/50 cost share) for Hampton / Seabrook Estuary to look at long term solution to sand transport in harbor to extend out the frequency for dredging – DPH portion would be \$516,000. Typically, a dredging cycle is between 5 to 7 years; however, this location seems to start filling back in as soon as dredging is completed. Under statute, DPH is required to be the state's project partner with Army Corp of Engineers ("ACOE"). On past projects have coordinated for hydrographic surveys with UNH. ACOE has indicated UNH program is not compatible for this project so the ACOE would do its own hydrographic surveys. Marconi has identified \$110,589 remaining in ARPA funds left over from the Hampton floating dock project and has asked the state to repurpose those funds to be utilized for this, reducing DPH's funding for the project to \$405,516. ACOE cannot proceed with project until DPH affirms funding.

Marconi spoke to the marine terminal warehouse building on Market Street as being old / rusty; needs to be removed. Further, the warehouse also houses DPH's office building.

Lamson asked the age of the warehouse; Marconi indicated the original warehouse was built in the 1980s and after the warehouse was built (which was also supposed to be utilized for liquor storage) the state went to a third-party logistics for distribution of liquor. Therefore, the building was never utilized the way it was anticipated.

Marconi also spoke to replacement of the scale at the Main terminal with the lead time in obtaining a scale being 8+ months. Specifications for a scale have been received and anticipate going out to bid soon; submitted this request to the GOFERR Committee for consideration.

Lastly, Marconi spoke to potential work at Rye Harbor on the parking lot and an elevated retail and storage deck and the funding requested; currently, the shacks are ground level. Where they are on the edge of the wetland, there have been discussions regarding building an elevated platform for the shack owners. Marconi provided photos / video which were displayed on the screen in the Board room of the parking areas, DPH office building and shacks as of Wednesday showing the flooding that occurred due to the recent storm.

Ferrini asked if Marconi were asking for approvals of these items; Marconi indicated there is a detailed process to be followed when requesting funding through the state. Ferrini asked if there were any risk in the planning done at this time to complete what needs to be done; Marconi spoke to a contingency line included to estimates.

Ferrini asked regarding items 4 and 5 if it is needed to go through a process with the state to secure funds or would it all be on the PDA or potential appropriation; Marconi indicated DPH is looking at various funding sources (some of which have matching fund requirements).

Brean spoke to DPH's grant funding being challenging as it has many different entities (federal, state and local) it is required to work through. PDA / DPH will be putting together a

capital improvement plan to be worked from and hope to have additional information in the March Board materials. Any outside funding would be brought before the Board which may require a grant request outside of the capital improvement plan.

Ferrini indicated the seven items outlined seem near term items which need to be addressed and wondered also about a long-term list as well. Marconi indicated the list is extensive and consideration is being made to those O&M items. A few of the items discussed today were submitted to the state a couple of years ago in DPH's biennial request which were not accepted. GOFERR Committee has indicated there are projects which have been completed with excess funds being returned, so Marconi has made these submissions in hope of consideration.

Parker spoke to federal funding and wondered if ACOE had ways of assisting further monetarily; asked whether there may be a study which deals with sand / sand replacement / dredging requirements due to climate changes etc. that DPH could benefit from. Marconi spoke to the ACOE crew DPH is working with deals with the sand transport etc. Marconi further spoke to a project in the 90s which occurred with the ACOE in an effort to save several homes from falling into the river by stabilizing the shoreline, this work goes back a couple hundred years.

Levesque spoke to the recommendation to tear down the warehouse, the office space would be lost / compromised, but there hasn't been discussion about rebuilding a warehouse. Marconi indicated since he has been at DPH the warehouse has not generated money for DPH and it is an obstruction at the terminal. Consideration will be given to whether there would be a need for a storage building.

Levesque indicated Chairman Duprey desires to have a list of projects of all PDA and DPH for potential considerations when it comes to federal appropriations. By having a readily available list it can make the difference in available opportunities.

Levesque asked if the fishermen who utilize Portsmouth Fish Pier (#1) and Rye Harbor (#6) vendors have been notified that if funds are received, there could be disruption to operations. Marconi stated with respect to item #1, he has kept the "group" informed of the various projects and how they anticipate moving forward. With respect to #6 he has not yet had discussions with the vendors; will inform the vendors. Levesque spoke to the upcoming ROE renewals and informing all to the potential disruptions due to projects.

XI. New Business:

A. Report:

1. Discussion regarding Purchasing Policy Parameters

Brean spoke to a memo which explained the purchasing thresholds; stated RSA 12:G requires PDA do an RFP for anything over \$10,000 and the requirements in the Bylaws for purchases under \$10,000.

Brean also apologized for the late items as they were operational in nature and a necessity; appreciated the Board's review and consideration.

XII. Special Event:**A. Report:**

1. **Millennium Running - St. Patty's 5k/10k Road Race held on March 10, 2024**

Brean informed the Board about the upcoming St. Patty's 5k/10k Road Race being held on March 10, 2024.

XIII. Upcoming Meetings:

Golf Committee	March 11, 2024 @ 8:30 a.m.
Finance Committee	March 11, 2024 @ 9:00 a.m.
Board of Directors	March 14, 2024 @ 8:30 a.m.

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

XIV. Directors' Comments:

Lamson complimented the City of Portsmouth for the beautiful holiday tree, which came from the Tradeport, displayed in downtown Portsmouth. Conard indicated the tree would remain until February 15th and has been turned into the "Tree of Love".

XV. Adjournment:

Director Fournier **moved** the **motion** and Director Conard **seconded** to **adjourn the Board meeting. Meeting adjourned at 9:45 a.m.**

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

XVI. Press Questions:

No questions from the press.

XVII. Consultation with Counsel:

Respectfully submitted,



Paul E. Brean
Executive Director