

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

Thursday, September 12, 2024

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

BOARD OF DIRECTORS' MEETING

AGENDA

I. Call to Order:

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

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

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

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

III. Public Comment:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VI. Old Business:

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

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

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

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

IV. Board Recognition - Public Safety and Security:

1. Division of Ports and Harbors – Hampton Harbor

No discussion.

V. Committees:

A. Report:

1. Golf Committee

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

VII. Consent Agenda Items:

A. Consent Agenda Approvals:

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

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

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

Disposition: Resolved unanimous vote for; motion carried.

3. 100 New Hampshire Avenue – Revised Concept Approval

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

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

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

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

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

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

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

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

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

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

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

B. Consent Agenda with Waivers Approvals:

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

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

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

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

VIII. Finance:

A. Executive Summary

B. Reports:

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

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

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

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

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

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

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

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

No Discussion.

X. Leases:

No Discussion.

XI. Contracts:

A. Report:

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

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

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

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

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

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

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

XII. Signs:

No Discussion.

XIII. Executive Director:

A. Reports:

1. Golf Course Operations

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

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

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

b) Skyhaven Airport (DAW)

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

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

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

c) Noise Line Report

(i) July and August 2024

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

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

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

XIV. Division of Ports and Harbors:

A. Reports:

1. Division of Ports and Harbors Facilities Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

No Discussion.

3. Portsmouth Commercial Fish Pier Update – Replacement Building

No Discussion.

B. Approval:

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

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

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

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

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

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

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

No Discussion.

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

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

XVII. Upcoming Meetings:

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

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

XVIII. Directors' Comments:

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

XIX. Adjournment:

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

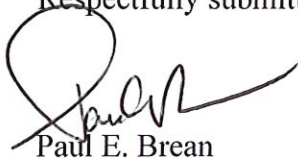
Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

XX. Press Questions:

None.

XXI. Consultation with Counsel:

Respectfully submitted,



Paul E. Brean
Executive Director