

**PEASE DEVELOPMENT AUTHORITY
PORT COMMITTEE MEETING
MINUTES**

Tuesday January 9, 2024

Presiding: Neil Levesque, Committee Chair

Present: Steve Fournier, Committee Member
Karen Conard, Committee Member

Attending: Geno J. Marconi, Division of Ports and Harbors Director;
Paul Brean, PDA Executive Director;
Anthony Blenkinsop, PDA General Counsel;
Brad Cook, Chair, Port Advisory Council- Ex officio member

I. Call to Order

Director Levesque, Committee Chair, called the meeting to order at **8:00 a.m.** in the boardroom of the Pease Development Authority at 55 International Dr. Portsmouth, NH.

II. Acceptance of Committee Meeting Minutes: October 16, 2023

Director Levesque postponed this item until the next Port Committee meeting.

Discussion: None

III. Public Comment:

No public comment.

IV. Directors Report:

- a. The main pier project is substantially complete, there are a few punch list items to be completed. There is one part of the project that will need to be completed in the spring, it's underneath the dock, the rip-rap in some spots needs to be brought to the proper elevation. All were invited to come and see the new pier.
- b. There was a ship scheduled today, but the weather (45 knots) has delayed the ship. There are 3 ships coming in January. This is good because these are the first ships since the pier project has been completed. This should improve safety and efficiency for unloading the ships.
- c. In Hampton, there is a contractor working on the jetty project, the Division is the project partner (by statute) on Army Corp of Engineers projects. A right of entry was given to the contractor to allow them access to bring equipment over.
- d. In Rye, a boat came off its mooring during the last storm and ended up on the rocks. It took a few days for them to remove the boat. A hole was discovered in the hull but was patched before putting in the water and there was no water in the boat at all.

e. Portsmouth Fish Pier:

- a. the bid was accepted from Riverside & Pickering for the construction of the pier repairs. Execution of the contract documents are taking place now and the project should be completed by early summer.
- b. The building at the fish pier is in really bad shape, it was built in 1977, it's a wooden structure. The part of the building that houses the offices is closed off due to the presence of black mold. The refrigerated units in the building are self-contained and are still operational. There is a small work area with a forklift and fishing equipment. There are big garage doors that open to allow for ventilation in those work areas.
- c. The Division was approached by NH Fish & Game who facilitates the distribution of Covid 2.0 money for the Atlantic States Marine Fisheries. Remaining funds can be used for infrastructure, so the Division has asked to use the funds for a concept study to be performed and it was approved at the last board meeting. The concept study will provide information on the current industry needs and then the Division can determine different options to replace the building. Once the concept study is done the design and engineering can begin. The Division has submitted a request for funds for engineering, design, permitting and bid and construction phase for the project. There is a turnaround time of 120 days to complete the concept study. Funding will need to be secured for the construction and the Division is looking into PIDP grants, which require a cost share from the Division. The cost for the complete project is estimated at around \$4.6 million, that will be reduced for just the building construction piece. Not knowing what the outcome of the concept study will be, the Division is requesting a bit more than the estimate and typically the projects come in under budget.
- d. The Army Corp of Engineers is doing a 107 feasibility study in Hampton/Seabrook Harbor to find a long term solution to the continuing shoaling in that harbor. There is a 50/50 cost share for these projects and the State cost share is estimated to be around \$516,000. UNH has been doing studies in that harbor for several years, ACOE has indicated they cannot use that data because UNH program is not compatible with the ACOE modeling program. The project is on hold until funding can be secured for the State's share.
- e. The Functional Replacement project went out to bid and 1 (one) bid was received at around \$24 million. The bid was disqualified because the contractor did not meet the minimum experience requirement. The contractor has submitted a letter to request reconsideration, which is currently under review with the Divisions engineers. Worst case scenario is the project will go back out to bid sometime in February, which will be good because the ACOE permit will be in place.

Discussion included:

- Why was the building checked for mold? Someone reported seeing it.
- The cost per square foot to replace the building, this would include a reconnection to the city sewer, and new refrigerated boxes.

- Deed restrictions on use, for example, the property will be used for commercial fishing purposes only or it goes back to the city, and any buildings have to be architecturally compatible with the neighborhood (ex: cedar shingles).
 - The final functionality of the building won't be determined until the concept study is complete. There are a lot of ideas being tossed around, Outreach and public input will be accepted during the preparation of the concept study.
- f. A finance report was handed out to the Committee. The year to date actual revenue is off from the YTD budget. There are 3 salt ships coming, which will bring in over \$200,000.00 in revenue. The Divisions budget is cyclical and subject to variations. Some items that are impacting the revenue at the terminal is that salt ships are encountering heavy weather along with the drought impacting the Panama Canal is limiting the number of daily transits through the canal. At the smaller facilities, commercial fisherman are fishing longer hours and more often and they are getting fuel from the trucks, this revenue shows up as fuel flowage fee. The regular fuels sales (pumps) are down, mainly due to the rainy weather on the weekends, over this past summer people weren't going out in their boats. One of the marine operators that have slips indicated to Director that people are staying at the docks rather than going out on the water, and that their fuel sales are off by 80%. The recreational pumps in Rye will be installed at the beginning of April. Discussion on markup of pumped fuel, you have to remember that there is O & M associated with the fuel pumps, cost of operation. The fuel trucks provide passive income, as the Division gets 10 cents per gallon for the fuel delivered from the truck. The biggest reason the fuel trucks come in is to service the commercial operators, which fuel up about 3 times a week. It would take over 3 hours to fuel 1000 gallons to fuel from the dispenser. The fuel system is designed to service recreational boats. Question, why aren't we charging the same amount to the fuel truck fee that we would charge anybody else getting fuel? It cannot be justified because it doesn't cost the Division operational money to operate that program. The fuel truck deliveries are an alternative to using the fuel pumps. Biggest factor was that the boats could come in and get the fuel and get out of everyone's way. Times for fuel deliveries are restricted at Rye and Hampton to prevent interference. The fuel flowage fee is being considered for an increase. The profit off the pumps is probably around 18 cents per gallon. It may be that given the market conditions are contributing to the drop in revenue and everyone is experiencing the same situation. The Division is looking at the fee structure at all of it's facilities. The Division is self-funding, and at the end of each fiscal year has never operated at a deficit. The Division has a responsibility to the public to be fair, and a responsibility to the board to not waste money and find a balance. Years ago, under DRED, trucks were not allowed to fuel boats on the property and the users went to another marina to fuel rather than using the pumps at the State facilities. Discussion turned to the cruise ship and the passenger fee of \$2.50, is it the same at the other facilities for other large boats? The fee for the cruise ships are coming to the maritime terminal which has a fee structure in place, per regulation. The cruise ship will be coming to the main ship terminal, the Isles of Shoals has an exclusive use of that property as a tenant with a lease. It is outside of the marine terminal and includes other fees such as rent, maintenance fee, and \$1 per passenger fee. The fee structure is set for the commercial vessels in Rye and Hampton through the code of administrative rules, they get a pier use permit that allows them to conduct their business on the docks there. They don't have an exclusive use of the dock. How do our fees compare with other places, about 10 years ago a port comparison was completed and the Division is right in the middle. The Division continually

compares their fee structure. The did it for the cruise lines and the passenger fees are higher in Portland for example, but they offer more amenities there. The statement was made that no 2 ports are alike.

V. New Business:
No new business.

VI. Old Business:
No old business.

VII. Press Questions
No Press present.

VIII. Adjournment
Director Fournier moved to adjourn, Director Conard seconded and the meeting adjourned at 8:41 AM.

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