

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

Thursday, June 15, 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"); Scott DeVito, Pease Golf Course ("PGC") General Manager; Jared Sheehan, Environmental Compliance 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:

Chairman Duprey ("Duprey") called the meeting to order as all Board members were present; the meeting commenced at **8:36 a.m.**

Duprey indicated he was going to move the presentation associated with item VI. A.1., Aviation Avenue Group, LLC – 100 New Hampshire Avenue - Revised Concept Approval, up in the meeting, after acceptance of the minutes. He felt this may address questions / concerns of individuals who may have signed up for Public Comment.

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of May 18, 2023

Director Fournier **moved** the **motion** and Director Lamson **seconded** to **approve the minutes of the Pease Development Authority Board of Directors' meeting dated Thursday, May 18, 2023.**

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

Representatives of Aviation Avenue Group, LLC ("AAG"), John Stebbins ("Stebbins"), John Kane ("Kane") and Tyler McGrail ("McGrail") of Newmark (who marketed the site at 100 New Hampshire Avenue) spoke to a change to its proposed development. In October of 2022, when it was last before the Board, it proposed an advanced manufacturing facility. However, various circumstances have occurred (i.e.; rising interest rates; bank failures upending the capital markets, etc.) which have resulted in a pivot of the project. McGrail spoke to a drastic change in the market over the last three to four months. Companies who had been driving the demand for additional square footage, have gone into a defensive mode. McGrail indicated there had been a pursuit of nine companies for the site over the last two years. However, some moved on, while many decided not to do any transactions at this time due to current economics. A significant marketing effort was done through his company who has 450 offices throughout the world.

Stebbins spoke to the various proposals provided regarding the proposed project at 100 New Hampshire Avenue. McGrail spoke to a desire to pivot the proposed project, as development is being reeled back. Further, AAG desires to bring in a use that works for the site, the Board/PDA, and surrounding communities. Kane spoke to working with a top tier company. Stebbins stated Fideletone

would be the end user who would be doing logistics with a national furniture manufacturer / wholesale / retailer. McGrail stated his firm represents Fideletone who wants to be on the Seacoast and he brought the end user to this project as he was trying to think outside of the box so the best options could be considered. Further, he spoke of Fideletone's desire of an occupancy date and to be operational for the holiday season, in 2024.

Stebbins spoke to the facility being 102,000 square feet. The operation works with a small amount of trucks arriving throughout the day and loading the facility. All of the material / furniture which would be flowing through the facility is brought in by trucks without airplane use at the facility.

Duprey reiterated this was not air cargo; Stebbins affirmed. Duprey stated if there were language covenant on the use of the property, pertaining to no air cargo that would not change AAG's decision to move forward; Stebbins affirmed it would not sway them.

Stebbins continued to state the furniture would be brought into the facility and 25 to 30 box trucks would be loaded and depart Pease in the morning (5 a.m. to 9 a.m.) for deliveries and return in the afternoon (3 p.m. to 5 p.m.); with operations on Tuesdays through Saturdays. These would be deliveries made to homes. Therefore, the traffic flow would be opposite of current traffic activity.

Director Lamson ("Lamson") asked of the impact to Route 33; Stebbins indicated the traffic flow would be opposite the rush hours (i.e.; they will leave the Tradeport in the morning rather than coming in).

Stebbins spoke to the previous proposal which spoke to approximately 90 truck trips a day traveling to the facility; the current proposal would be less than half the trips per day with fewer employees.

Director Ferrini ("Ferrini") inquired into the size of the facility discussed during air cargo; Stebbins responded one building was possibly over a half million square feet.

Ferrini spoke to Duprey's comment of not being adverse to a lease provision that this would not include air cargo; he asked if the lease would also include hours of use for vehicles. Brean indicated prior leases have not included hours of use and felt this could be a "slippery slope".

Ferrini inquired into the reference of 1.3 employees up to 70 employees; why is there such a range. McGrail indicated the user would have cycles; the reference to employees was for those coming into the building to sort and prepare outgoing orders. There would be fluctuations during the time of year and sales cycle. The user would produce less traffic than the normal warehouse user; the trucks used would be box truck size.

Stebbins indicated there would be some semi-truck deliveries, but that traffic would be less as those trailers would be filled with the furniture, unloaded and placed on box trucks for delivery.

Director Parker ("Parker") asked if there were a percentage on the size of the surges (i.e.; four times a year); McGrail spoke to the loading areas for the box trucks being roughly the number of deliveries made per day. The activity within the facility operations would be where the employee surge would occur. Parker indicated this would potentially fluctuate in concert with holiday periods; McGrail

affirmed. Stebbins spoke to a maximum of 70 parking spots with 20 of those being delivery drives; he stated the box trucks would sit overnight.

Ferrini stated he isn't a fan of not knowing the end user; Stebbins indicated the end user would be Fideletone. Ferrini was referring to the other entity that would be utilizing Fideletone; asked if Fideletone would come to a meeting to answer some questions; McGrail affirmed. Kane indicated they would be able to refer to the end user within the next couple of months. Kane spoke to them being a national brand. McGrail indicated the entity would be happy to come and speak with the Board, but at this time they need to affirm it can get the building operational for September of 2024 prior to formally announcing anything.

III. Public Comment:

David Delorey (“Delorey”) regarding Rye Harbor Lobster Pound – provided a handout to the Board members. Delorey indicated there were two separate ROEs applying to two separate businesses operating at Rye Harbor Marine facility for buildings 5 and 6. Rye Harbor Lobster Pound LLC (“RHLP”) owned by Nate Hanscom which sells lobster and shellfish; Rye Harbor Lobster LLC (“RHL”) is owned by Sylvia Cheever selling restaurant style food. Both parties are willing to move forward, however, there are four open issues. 1. RHLP LLC has been provided a Concession Agreement to sell restaurant style food products, but does not sell restaurant style food and should not be subject to the 10% fee on gross sales; 2. RHL has not yet been provided a Concession Agreement to sell restaurant style food products; 3. Pda Admin. Rules 600 does not reference the ROE or Concession fees or its update before the Board; and 4. The missing ROE and Concession Agreement fees have denied various parties in public meetings their due process rights pertaining to Rye Harbor Marine facility fees. He spoke to a potential 19% increase in user fees. He believed the lack of due process of the new fees represents a rational basis for litigation as well as a lack of process compliance with the NH Joint Legislative Committee for Administrative Rules. He recommended the Board grant the same Concessional Agreement for both buildings which had been in place as last year.

Clinton Miller – his questions were satisfactorily addressed with the presentation of Aviation Avenue Group, LLC and he has no objections.

Mike Lehrman (“Lehrman”) of Durham – Spoke to the AAG project pivoting a couple of times and a concern it may go back to air cargo. He spoke to what, if any, limitations the Board could put on the terms to rule out air cargo. Felt the crux of the issue is not knowing the end user of the facility.

Denis Hebert (“Hebert”)– Newington Planning Board Chair – Spoke to the AAG's project and asked the location of the proposed site; Brean indicated it would be 100 New Hampshire Avenue which is the former site of the Air Force large warehouse building. Hebert stated it is set back from the runway; Brean affirmed and further stated there are several buildings and roadways between the location of the project and the runway. Hebert indicated that answered a lot of questions. He indicated the new proposed company may do a very good job, but if they fail, asked the Board to consider limitations at the location, if it can, on uses and future uses.

Sylvia Cheever – Rye Harbor Lobster Pound – spoke to Buildings 5 and 6 at Rye Harbor. While they want to financially support Rye Harbor, the new Concession Agreement, as it is, is financially punitive to their businesses. Spoke to the form of raising of fees being unreasonable for their particular business with sales, due to the market, being extremely competitive. Doesn't feel can increase the cost of

items as a means to cover overhead costs. Cheever stated no other entity at the harbor has a concession on live raw product or retail and felt it was specific to RHLP. Lobster pricing is very volatile which has a dramatic impact on end product and incorporating the 20% overhead costs would result having to sell a lobster roll for approximately \$35 which won't be accepted for takeout. Cheever indicated they need to be profitable enough so they can pay the fee. When there is a fee involved there are typically items included such as utilities, repairs, taxes but not at Rye Harbor; instead she suggested having some other structure / cap (i.e.; pay dues). It will be difficult for them to be in business, profitable and pay what they need to.

Randy Spratt – Portsmouth – provided the Board with a written document and spoke regarding the potential FBO. He indicated he moved to the area about 8 years ago on the qualities on the city and services available. A factor which drew him to the area was the incredible airport at Pease (he moved to the area with two airplanes); have enjoyed Port City Air's ("PCA") service over the years. He believes in competition and thinks a second FBO in most circumstances would be highly welcomed. Feels the issue of competition is not on the field, but rather by Pease airport for air traffic which would otherwise go to surrounding airports. He has seen a growth rate of air traffic which is primarily military and some air cargo traffic at Pease. Spoke to the requirements of heavy equipment, staff and investment in infrastructure which has been needed to support that. He is also a happy customer of Million Air ("MA") as he has utilized some of its other facilities which are high end FBOs. It is also clear MA will be seeking the DOD fuel contract; 19 of MA's other FBOs have the DOD contracts; 17 are monopolies and of those, 7 or 8 have driven the competitor off the field. So, it is necessary to consider the economic effect to Portsmouth if it were to lose PCA. If MA comes in and can secure the fuel contract, it is likely PCA would fail or contract its operations. There are other operations aside from fueling such as deicing, cargo, catering, servicing of lavatories, all of which would be severely curtailed or possibly disappear. In a competitive world, it is not for government to make the determination. However, in this case if the fuel contract went to a smaller provider who did not have all of the services, the net effect would be the loss of military traffic to some degree. Urged PDA who have been well involved in managing effective growth of the airport, to look at what would happen if it lost 20 to 25% of military traffic. This would also represent a loss to the hotel and restaurant industries as well as the fuel flowage fee. Asked the consideration of not only the environmental, but the economic impact of the potential loss of a significant amount of the military business. MA is a great FBO, but need to make sure it is capable of servicing the military at least in the same fashion that is serviced currently by PCA.

Duprey referenced Pease operating an FBO of its own.

IV. Consent Agenda Items:

A. Consent Agenda Approvals:

Director Conard **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby moves that item numbers 1-5 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. Jalbert Leasing, Inc. d/b/a C&J Bus Lines– Right of Entry – 42 Durham Street; 47 Durham Street and Hampton Street for Valet Parking
3. Skyhaven Airport – T-Hangar Rent Adjustment
4. Pease Development Authority – Website Re-Design

5. Pease Aviation Partners (dba Million Air) – 53 Exeter Street – Time Extensions for Land Use Applications to December 31, 2023

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

B. Consent Agenda Approvals with Waivers:

Director Parker moved the motion and Director Fournier seconded that the Pease Development Authority Board of Directors hereby moves that item numbers 1-7 from the consent agenda with waivers list below be approved as a single consent agenda item 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 - Digital Communications Radios**
2. **Portsmouth International Airport at Pease – Upgrade Existing Parking Equipment at C Lot**
3. **Portsmouth International Airport at Pease – Jet Bridge Rehab**
4. **Pease Development Authority – Diesel Vibratory Compactor**
5. **Pease Development Authority – Microsoft 365 Migration**
6. **Portsmouth International Airport at Pease – Honeywell International, Inc. – 5 year Service Agreement**
7. **Portsmouth International Airport at Pease – Honeywell International, Inc. - Access System Control Upgrade**

Discussion: Lamson asked of the need for five affirmative votes and whether it was legal the way the motion is set up; Deputy Director / General Counsel Anthony I. Blenkinsop (“Blenkinsop”) indicated a roll call vote would be held as the motion is set up to incorporate all the individual motions with a roll call, which covers the requirement.

Disposition: Resolved by unanimous roll call vote (7-0) for; motion carried.

V. Committees:

A. Report:

1. **Finance Committee**

Director Ferrini spoke to the Finance Committee meeting held on Monday, June 12, 2023, and that a presentation on operating results for a ten month period, cash flow report and operating budget [FY24] and FY 25-27 forecast were provided to the Committee.

VI. Old Business:

A. Approvals:

1. **Aviation Avenue Group, LLC – 100 New Hampshire Avenue - Revised Concept Approval**

Duprey spoke to the presentation provided earlier in the meeting and indicated concerns have been heard. Further, he spoke to lease language to assure this is not air cargo and has faith in staff when final approval is provided that the lease will contain appropriate language.

Ferrini asked if once the lease is negotiated, would it go before the Board for approval; Blenkinsop indicated generally leases do not go back to the Board for approval. Ferrini questioned whether the Board should see a lease prior to it being agreed upon.

Fournier indicated he disagreed as the Board does not do this for other leases so why start now.

Duprey indicated, so it is clear the Board wants to make sure there is a provision in the lease which prohibits the use of air cargo at the facility which would run through to tenants, subtenants etc. in perpetuity unless it is changed by the Board; Blenkinsop stated he understood the Board's view.

Brean reminded the Board in the Option Agreement AAG has indicated it will not be pursuing air cargo.

Lamson asked Brean, regarding Pease Aviation Partners ("PAP"), if he would speak to the Gosling Station wells. Brean clarified that PAP dba MA at the proposed site, that the [wells] predate the Air Force going back to the 1950s. The Gosling wells have been dormant for many years and PDA is asking for an extension so a review can be done to see what impact these wells / former wellheads have in the wetland in the area.

Lamson further indicated that not the whole Town of Newington is on the Haven Well; there are areas in Newington that are on the Greenland well.

Parker spoke to the etiology of drinking water not being commonly understood and asked if there were a way to educate ourselves, and the community, as to where the water goes in the respective wells.

Fournier asked for point of order as the current discussion has nothing to do with the vote at hand.

Duprey reaffirmed that AAG is not proposing an air cargo facility.

Director Levesque **moved** the **motion** and Director Fournier **seconded** that the **Pease Development Authority Board of Directors hereby approves of Aviation Avenue Group LLC's revised concept plan 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 June 7, 2023.**

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

2. Lonza Biologics, Inc. – 101 International Drive –Café Expansion – Soil

Director Lamson **moved** the **motion** and Director Fournier **seconded** that the **Pease Development Authority ("PDA") Board of Directors authorizes Lonza Biologics, Inc. ("Lonza") to relocate an additional 81 cubic yards of chlordane impacted soil from the café expansion project at 101 International Drive, for a cumulative total of 181 cubic yards, to the Iron Parcel soils management area at 70/80 Corporate Drive, both part of the Lonza leasehold, without otherwise triggering the rent escalation provisions of Article 4.B of the lease agreement between the PDA and**

Lonza; all in accordance with the memorandum of Jared Sheehan, Environmental Compliance Manger, dated June 13, 2023.

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

Items XII. A. 1. & 2. were moved up in the meeting.

3. ATDG, LLC - Ambulatory Surgical Center and Outpatient Building - 360 Corporate Drive – Letter of Intent and Concept Approval

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

1. Approves the terms of the Letter of Intent between the PDA and ATDG, LLC (“ATDG”) dated June 6, 2023, regarding a potential development at 360 Corporate Drive (the “Premises”) and a potential lease agreement concerning the Premises;
2. Authorizes the Executive Director to complete negotiations with ATDG and finalize and execute a Lease Agreement for the Premises on terms and conditions in general accordance to those set forth in said Letter of Intent as well as such other terms and conditions recommended by PDA General Counsel, following receipt of all required land use approvals for the potential development; and
3. Approves the concept plan as submitted by ATDG for development of an ambulatory surgical center and outpatient building(s) at 360 Corporate Drive.

All in accordance with the memoranda of Paul E. Brean, Executive Director dated June 6, 2023, and Michael R. Mates, Director of Engineering dated June 2, 2023.

Discussion: Blenkinsop indicated ATDG had a presentation available for the Board, should it want to hear from them. ATDG indicated it was prepared to provide its presentation, but if the Board was okay without it for approval that was okay; Duprey asked if any Board member needed a presentation. No requests made.

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

4. Shaines & McEachern - 282 Corporate Drive – Concept Approval

Director Lamson **moved** the **motion** and Director Conard **seconded** that the Pease Development Authority (“PDA”) Board of Directors hereby: Approves the concept plan as submitted by Clark 99, LLC for development of an ambulatory surgical center at 282 Corporate Drive; all in accordance with the memorandum of Michael R. Mates, Director of Engineering dated June 2, 2023.

Discussion: Lamson indicated her appreciation of a raingarden being added to the area where the pavement would be removed.

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

VII. Finance:

A. Executive Summary:

Suzy Anzalone (“Anzalone”) Director of Finance spoke to the two reports and stated PDA’s operating revenues are 7.2% favorable to budget year-to-date (“YTD”), operating expenses are under budget by 4.1%; and there are no significant issues to report. Spoke to PDA’s current assets and stated \$11.6 million is unrestricted cash and investments. Regarding capital projects YTD, there has been \$5.8 million spent with a majority being grant funded projects.

Anzalone spoke to cash flows and the expenditures on PDA’s major projects. Therefore, anticipating a cash position of just around \$6 million at the end of the next nine months.

Levesque stated he thought the \$6 million amount was high; Anzalone stated PDA has had strong cash and investments over the past few months. Further she spoke to receipt of CARES Act funding assisting PDA maintaining a strong cash balance. Anzalone spoke to having a strong “days cash on hand” ratio of approximately eight months, meaning if no revenue was received, PDA could continue to do business as usual.

Brean spoke to the fiscal records, being that for Portsmouth International Airport funds as well as large expenses in the future for Division of Ports and Harbors (“DPH”); indicated federal obligations do not allow for the mingling of money between the two.

Anzalone spoke to utilities and that PDA is in a better position now, paying half the cost of the supplier portion compared to the winter months. She also spoke to working with the State’s consultant in order to conduct a bid for services.

Ferrini asked if there were a process where money could be de-federalized, he knows it can be done in other quasi-governmental situations; Brean stated regarding FAA funds, they would be requested back from PDA’s various grant funded projects (i.e.; runway, terminal etc.).

Parker asked if PDA has seen a decrease in power rates given the reduction in LNG costs; Brean affirmed. Anzalone further stated the supply charges are half of what they were in January and February.

Duprey indicated the State is a large buyer and if PDA can broker off the contract for the best rate; Anzalone indicated PDA will utilize the State’s consultant instead of piggybacking on the State’s contract. The reason for this is the manner which the State’s contract will be written indicates if the State does not meet the demand they still have to pay; then it would come down to who didn’t meet the demand (State or PDA). Anzalone stated the consultant has already been vetted by the State and can assist PDA.

B. Reports:

- 1. FY2023 Financial Report for the Ten Month Period Ending April 30, 2023**
- 2. Cash Flow Projections for the Nine Month Period Ending February 28, 2024**

C. Approval:

1. Proposed FY 2024 Operating and Maintenance Budget and FY 2025 - FY2027 Forecast

Anzalone spoke to the budget which was presented to the Finance Committee on June 12, 2023 and spoke to operating revenues for FY 24 of \$19.7 million which is a 6.3% increase over FY23 budget. She reviewed how the determination was made; spoke to an upcoming request of a \$0.01 increase in fuel flowage fees while maintaining the volume. Regarding fuel sales at the harbors, it is expected there will be a decrease in the volume. With respect to operating expenses, PDA has budgeted \$17.1 million being an increase of 11.4% over FY23 budget, which includes a 2.7% wage increase (Cost of Living Increase, potential Merit Increases, as well as a position on the organization chart not budgeted for, and a fulltime position in Engineering).

This year there is a new line item for demolition of a building (FY24 and FY26).

A determination regarding utilities was made by utilizing an average from FY23 costs.

There is a 1.5% increase in professional fees which incorporates an increase in legal fees as well as budgeting for a Strategic and Operating Plan requested by the Board.

Anzalone explained the increase to audit fees being a result of how it will be reported for FY24 versus how it had been reported in the past. There is also an increase in technology and internet as some services are going to software as a service resulting in the increase in operating expenses, but decrease in capital expenditures.

Anzalone stated the budget includes funds for the upcoming events (i.e.; AAAE conference, Air Show); she also spoke to various initiatives PDA is looking to undertake in the future.

Anzalone spoke to the unknown requirements regarding the MS4 permit as well as not receiving benefit information for employees from the State until January so the figures provided are estimates.

Making up 92% of the revenue at the airport is fuel flowage fees and parking revenue; as stated there is a request for an increase in the fuel flowage fee and will maintain the rate for parking while increasing its occupancy estimates.

There is a proposal of 5% increase at Skyhaven for its hangar / tie down rental rates; this is being proposed for FY24 with a second 5% increase in FY25; rental rates have not been increased at Skyhaven for approximately 10 years.

Golf operations projections are based on proposed rounds played; finalizing the concession agreement with Grill 28 which will maintain the percentage of sales at 17% and include paying a portion of services (utilities, custodial services, tent rental).

Duprey reiterated Grill 28 is paying 17% of gross sales plus utilities; Anzalone affirmed. Duprey stated versus the 10% fee at Rye; Brean affirmed and further stated the 10% at Rye Harbor is consistent with state parks / facilities.

Duprey asked why fuel sales are projecting a substantial downward trend over the next three years; Anzalone responded the budget assumes that the cost of fuel will decrease (sales and expenses down).

No significant changes to DPH, an increase is anticipated for seasonal labor hours / wages in an effort to retain employees.

Spoke to providing detailed information to allow for transparency. Anzalone explained understanding the impact that the capital budget will have on the operating budget due to cash over the next six years. Further, it is not anticipated PDA will go into debt, but rather maintain a strong cash balance.

Ferrini thanked Anzalone and staff on the work gone into the materials and presentation with the accuracy and clarity being very helpful. Ferrini stated at the Finance Committee meeting it was asked for clarification regarding the wage increases / salary and were assured that Brean has the ability to go above the percentage as a means to retain employees so PDA functions properly.

Duprey commended Anzalone and staff as this is a complicated operation with a lot of moving parts; this presentation provide insight of a very informative budget.

Director Ferrini **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors hereby accepts and approves the proposed FY 2024 Operations and Maintenance (“O&M”) Budget and FY 2025 – FY 2027 O&M Forecast; all in accordance with the memorandum dated June 2, 2023 and attached documentation submitted by Suzy Anzalone, Director of Finance.**

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

VIII. Leases:

A. Report:

1. **Sublease between Farley White and Granite Acquisitions Inc. (WinWaste) – 90 Arboretum Drive**
2. **Sublease between Farley White and Cambridge Trust Company – 100 Arboretum Drive**
3. **Sublease between NH Avenue Retail Center, LLC and Community Health Access Network – 14 Manchester Square**
4. **Sublease between 200 International Limited Partnership and Liquid LP, LLC – 200 International Drive**

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

1. Tenant: Granite Acquisition, Inc. and WIN Waste Innovations Holdings Inc.

- Space: 90 Arboretum Drive
 Use: General Office Use and Customary Accessory Uses
 Term: Ten (10) Years with two extension options of five (5) years each
2. Tenant: Cambridge Trust Co.
 Space: 100 Arboretum Drive
 Use: General Office Use and customary accessory uses including hosting or conducting conferences provided that such conferences shall not exceed twenty (20) attendees
 Term: Sixty (60) months, with one (1) extension option of five (5) years
3. Tenant: Community Health Access Network
 Space: NH Avenue Retail Center, LLC
 Use: Office and Related Uses
 Term: Base Term of Five (5) years
4. Tenant: Liquid LP LLC
 Space: 200 International Drive
 Use: General Office Use
 Term: Five (5) years with one (1) five (5) 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 this instance, Director Lamson was consulted and granted her consent.

IX. Contracts:

A. Report:

- 1. Pease Golf Course –Pete’s Toilet Rental**
- 2. 16 Pease Boulevard - Chris-Co Construction Services, Inc. - Replacement of Septic Pump and Floats**
- 3. Pease Golf Course –Two T’s Services, Inc. - Blueair 900A and Blueair 500A Ice Makers**
- 4. Portsmouth International Airport at Pease - Honeywell International, Inc. – Airport Access Cards**

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

1. Project Name: Pease Golf Course – Pete’s Toilet Rental
 Board Authority: Director Ferrini
 Summary: Seven (7) Portable Toilets with service twice a week from July 1, 2023 through October 31, 2023
 Cost: \$7,350.00
2. Project Name: 16 Pease Boulevard
 Board Authority: Director Ferrini
 Summary: Replacement of Septic Pump and Floats - Chris-Co Construction Services, Inc.
 Cost: Not to Exceed \$3,000.00

3. Project Name: Pease Golf Course – Two T’s Services, Inc.
Board Authority: Director Ferrini
Summary: Purchase and installation of a Blueair 900A and a Blueair 500A Ice Makers
Cost: \$8,310.74
4. Project Name: Portsmouth International Airport at Pease
Board Authority: Director Ferrini
Summary: Purchase from Honeywell International of Airport Access Cards
Cost: \$1,750.00

X. Executive Director:

A. Reports:

1. Golf Course Operations

Scott DeVito (“DeVito”), Pease Golf Course (“PGC”) General Manager, spoke to golf rounds being ahead of last year by 1,500 to 2,000 rounds. Continue to receive event requests and are still booking.

DeVito indicated the PGC has received confirmation that the Portsmouth High School JV Golf team will be practicing at PGC this fall, will hold three matches at the facility and one match for the Varsity team. DeVito indicated Oyster River High School also practices at PGC and has matches there periodically against the Portsmouth High School team.

DeVito indicated PGC met with the City and they will be doing the tie in for the water filling station, between holes 6 and 7, and hopes it will be in place by 4th of July weekend.

Director Conard had to leave the meeting at 9:55 a.m. due to a previously scheduled appointment.

2. Airport Operations

a) Portsmouth International Airport at Pease (PSM)

Brean spoke to 1.2 million gallons of fuel sold in May, breaking down to 66% for DOD, 14% for commercial and 20% for general aviation.

Regarding parking revenue, 947 vehicles were parked during the month for Allegiant traffic, averaging to be approximately \$41 per passenger parking at the lot.

PDA’s annual enplanements are at approximately 32,265 using the facility through May.

NH ANG continues to support the auxiliary air training in support of Air Defender. Also, their air and ground crew are training with multiple F15 Strike Eagle and F35 Lightning which are supersonic aircrafts.

PCA has requested to place three (3) additional mobile refuelers with a total capacity of an additional 30,000 gallons into service; working with them to help out on a temporary basis. However, having PDA's on-call specialist, Stantec, who specializes in fuel storage and flow to review. This would bring PCA's mobile refueler trucks on the airfield up to 15; some of the trucks have 10,000 gallon capacity. PDA wants to make sure it can handle the capacity in its stormwater / oil water separators.

b) Skyhaven Airport (DAW)

The packet contains a motion to increase the rental fees.

Director Levesque left the meeting at 9:56 a.m. and returned at 9:58 a.m.

**c) Noise Line Report
(i) May 2023**

Brean spoke to one noise inquiry from a Portsmouth resident regarding numerous large military aircraft flying who felt the flight pattern was new. Brean explained that on this day, there were many military jets and small aircraft flying in and out of Portsmouth. The traffic patterns had not changed; however, Air Traffic Control had separated large aircraft and small aircraft flight patterns by sending smaller aircraft in a left traffic pattern while sending the larger aircraft in a right traffic pattern.

B. Approval:

1. Land Use Controls – Overlay District

Director Fournier **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority (“PDA”) Board of Directors hereby approves the draft language of the proposed amendment to the Zoning Ordinance of the PDA Land Use Controls, regarding creation of an Overlay District, and authorizes the Executive Director to schedule a public hearing before the Board on the amendment directly before the Board’s August 17, 2023, meeting; all in accordance with the memorandum of Michael R. Mates, Director of Engineering, dated May 30, 2023.**

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

2. Fuel Flowage Fee Increase

Director Lamson **moved** the **motion** and Director Parker **seconded** that **the Pease Development Authority Board of Directors approves of and authorizes the Executive Director to take all such action as may be required or appropriate to increase the current aviation fuel flowage fee rate by \$0.01, from \$.05 to \$.06 per gallon on 100 low lead fuel and Jet A fuel, commencing July 1, 2023; all in accordance with the memorandum of Andrew Pomeroy, Manager, Director of Aviation Planning & Regulatory Compliance, dated June 1, 2023.**

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

XI. Division of Ports and Harbors:

A. Reports:

Executive Director Brean left the meeting at 10:02 a.m. and returned at 10:06 a.m.

1. 2015 – 2023 Mooring Permit Application Analysis

Geno Marconi (“Marconi”), Director of DPH spoke to applications being sent out and those received back prior to the deadline. Marconi indicated that 139 missed the deadline, of those who missed the deadline, 23 voluntarily gave up their permits, 1 individual had passed away, 58 individuals were shore front property owners who can reapply any time, leaving 57 permits which expired on April 1st.

3. 2014 - 2023 Mooring Waitlist Analysis

Marconi indicated there are 857 locations that are being applied for by 383 people. Of the 383 people, 151 already have a mooring. Some of these 151 individuals / entities are yacht clubs / marinas because under the administrative rules you can only be on wait list in a particular area once. Explained if an individual / entity gets a mooring in that area, they are removed from the waitlist and if they choose go back on the waitlist it is at the bottom. Sometimes people who have boats pick an area that is less desirable in hopes to obtain a mooring. Of the sites being requested (857 locations), 269 individuals / entities already have a mooring.

Duprey stated NH is getting busier and there is a large volume of individuals seeking moorings. There are some individuals who seem to have a mooring for an extended period of time and wondered whether there should be a time limit implemented.

Lamson disagreed with a time limit on moorings.

Duprey said you hear that some people get moorings through purchasing a portion of a boat. The job of the state is to make sure as many people as possible can get moorings and no individual gets special treatment or something forever.

Marconi indicated the only moorings that can be transferred are Commercial Use moorings through the sale of a business or sale of the assets of a business. When balancing public recreation and the statute charge to promote commercial fishing, the Commercial Use mooring was developed which flat lined the loss of commercial activity in the area. Marconi explained that if someone does not pay for the mooring annually they lose it, as well if an individual dies. Otherwise, a mooring cannot be passed to a family member, except a surviving spouse.

Duprey asked if a boat registration has two individuals’ names on it, and the individual who has the mooring in his name that owns a share in the boat the mooring is used for dies, does the mooring pass on to other individual. Marconi stated no, the mooring would be released.

Duprey asked if there is a minimum revenue an individual needs to do in order to call themselves commercial fishermen; Marconi indicated they need to show landings and the primary use of the mooring has to be for commercial.

Ferrini indicated yacht clubs have mooring permits, and some upcharge from the state fee to its

customers for use of the mooring; Marconi affirmed stating they are Commercial for Hire moorings. Ferrini stated a Commercial for Hire mooring is not the same as a Commercial Use mooring; Marconi affirmed. Ferrini stated a marina can mark up a publicly regulated right; Marconi indicated they typically charge on the footage of the boat.

Parker asked of the various mooring locations and the access available for them. Further, she inquired whether there should be a review of the rules and how they are followed as a means to allow as many people as possible who desire moorings. Marconi stated the rules are monitored on a regular basis. Further, he indicated if individuals ask of available locations the Chief Harbormaster can indicate those available and which locations (many being the less desirable) which may not have long wait list, if any.

3. 2023 Requests for Mooring Reconsideration

Marconi indicated of the 57 permits which expired, 12 requested reconsideration and under the administrative rules, those meeting the criteria he approved 7 permits to be issued. Generally all requests were due to medical conditions with doctor's letters provided. Five requests for reconsideration were denied as they did not qualify; no appeals were requested to the PDA Board leaving 50 permits expired.

4. December 2022 – January 2023 Commercial Marine Licensing

Marconi spoke to two days a year when DPH and Fish and Game work together to allow commercial fishermen to go to Dover, instead of Concord, to process various permits (i.e.; fishing, boat, etc.).

- 5. Morton Salt – Exercise Second of Three One Year Options to License and Operating Agreement**
- 6. Charter boat Right of Entries, Hampton & Rye Harbor Marine Facilities**
- 7. Rye Harbor – December Storm Surge Repairs**
- 8. Portsmouth Fish Pier – Bait Cooler**

Marconi recapped the reports provided regarding items 5, 6 and 8. Regarding item 7, Marconi indicated the Capital Budget Overview Committee approved release of funds from the Harbor Dredge Pier Maintenance; DPH is looking to get reimbursed from some federal funds available.

Deputy Director / General Counsel Anthony I. Blenkinsop left the meeting at 10:09 a.m. and returned at 10:12 a.m.

Marconi spoke to the photo displayed of a vessel from the Royal Navy which was in dock for a week.

DPH has been working with a company called Boatwise, approved by the US Coast Guard to train and give the Coast Guard exams for boat licenses. DPH has provided Boatwise with a classroom for the course and in exchange DPH staff are able to take the course and exam; three harbormasters Mike Moreau, Rodney McQuate and Deputy Chief Harbormaster Adam Winkler have gone through the course, taken the exam and now are submitting sea times with the Coast Guard in order to get their license.

Marconi stated he is on the Board of the North Atlantic Boat Association and he recently attended a meeting and held a discussion with representatives of Sydney, Nova Scotia regarding off-shore wind power and how the Canadians view the subject.

B. Approval:

Duprey indicated he would like more time to review Pda 600 rules so he could gain a better understanding of its contents and the proposed changes.

1. Final proposal Pda 600 rules

Director Levesque **moved** the **motion** and Director Fournier **seconded** that **item XI.B.1. regarding Pda 600 rules be postponed to the next PDA Board meeting which is August 17, 2023.**

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

2. Rye Harbor Marine Facility – Hexagonal Gatehouse

Director Levesque **moved** the **motion** and Director Lamson **seconded** that **the Pease Development Authority Board of Directors authorizes the Executive Director to contract with HL Patten Construction for the construction of a new hexagonal gatehouse for the Rye Harbor Marine Facility in an amount not to exceed \$21,000.00; all in accordance with the Memorandum of Geno Marconi, Division Director, dated May 31, 2023.**

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the formal RFP requirement as four (4) quotes from local contractors were obtained, and the lowest quote for the desired product has been selected.

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

3. Rights of Entry with Concession Agreement, Rye Harbor Marine Facility, Rye Harbor Lobster Pound

Director Ferrini **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors authorizes the Executive Director and the Division of Ports and Harbors Director, in accordance with their respective powers and duties, to finalize and execute: 1.) two Rights of Entry; and 2.) a Concession Agreement, with Rye Harbor Lobster Pound, LLC for the Rye Harbor Marine Facility; all in accordance with the terms and conditions set forth in the memorandum of Geno J. Marconi, Director of the Division of Ports and Harbors, dated June 8, 2023, and draft Rights of Entry and Concession Agreement.**

Discussion: Duprey indicated during public comment there had been a reference to whether PDA was following the Joint Legislative Committee on rules and deferred to Blenkinsop for comment; Blenkinsop stated the PDA Board is well within its rights under state law to issue the ROEs and Concession Agreement under the terms the Board deems appropriate.

Lamson referenced that the two ROEs and Concession Agreement were for RHL P to have two buildings at Rye Harbor; Brean affirmed and further stated the ROEs and service of restaurant style food menu items triggers a Concession Agreement. Brean clarified that all food items sold by that entity would be charged a ten percent concession fee. Lamson asked if RHL P understood at its location, that behind them are wetlands and not to dispose of trash in that area. Brean stated in the ROE there is language that restricts “spread” beyond ten feet (10’) of the shack. Brean stated DPH staff would be placing hay bale as a means to line the wetlands area so there is clear delineation.

Duprey asked of the statement that RHL P does not sell restaurant style food because it is selling live lobsters; Brean stated up until two weeks ago, it had never been identified to PDA that there were two different businesses. He reminded the Board that RHL P is the only ROE holder at Rye that does not have a commercial pier use permit. Brean indicated there are other commercial pier holders who have a ROE to a shack that sell its wholesale catch who choose not serve restaurant style food that are not charged a 10% concession fee on its catch. These are commercial fishermen who have mortgages on boats and miscellaneous expenses associated with the same. Brean indicated the brick and mortar expense has been removed and PDA has placed them in a good position to have a successful season at Rye Harbor with the 10% fee, similar to that for state facilities; this is less than PDA’s concession fee at Pease.

Duprey asked if the other entity [Rye Harborside] through the Whale Watch has entered into the same Concession Agreement; Brean affirmed they have entered into the ROE and Concession Agreement and are prepared to pay ten percent (10%) on any food sold out of its concession.

Duprey stated it is PDA’s duty to treat everyone fairly. All other shacks are tied to pier use permits and while at one time RHL P had a permit, currently it does not have a direct tie to the harbor. However, they have been allowed to continue operating. RHL P purchases live catch from local fishermen. There have been recent discussions regarding redevelopment of Rye Harbor and improvements have been made to parking. Duprey indicated it is not the job of the state to create profits for anyone. Further, he indicated if PDA were to decide to have entities bid on shacks instead, he feels as though there would be more revenue to utilize for improvements to the harbor than received under ROEs and Concession Agreements. He understands the concerns raised and feels accommodations have been made so things are fair and equitable.

Lamson stated there are beautiful businesses down to Rye Harbor which is run efficiently under the Harbormaster.

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

XII. New Business:

In the interest of the schedules for the attendees of these two items, discussions were moved and heard earlier in the meeting as items VI.A.3. & 4.

A. Approvals:

- 1. ATDG, LLC - Ambulatory Surgical Center and Outpatient Building - 360 Corporate Drive – Letter of Intent and Concept Approval**
- 2. Shaines & McEachern - 282 Corporate Drive – Concept Approval**

XIII. Special Event:**A. Report:**

1. **Veterans' Count - Pack & Boots 5K Road Race to be held on July 4, 2023**

XIV. Upcoming Meetings:

Levesque stated the Port Committee meeting will be postponed and has not yet been rescheduled.

Transportation Management Committee meeting will be postponed and has not yet been rescheduled.

Noise Committee	June 15, 2023 @ 6:30 p.m.
Transportation Management Committee	June 22, 2023 @ 8:30 a.m.
Port Committee	July 6, 2023 @ 8:00 a.m.
Board of Directors	August 17, 2023 @ 8:30 a.m.

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

XV. Directors' Comments:

Brean commended staff for the detailed Board packet; PDA is fortunate to have staff who provide detailed data to the Board so it can make appropriate decisions.

Duprey spoke to news coverage regarding the discussions concerning MA and PCA and the continued review by staff. He is a believer that PDA should thoroughly explore whether PDA should be an FBO as we are good at running airports and this would provide a competitive leg. Brean spoke to Andrew Pomeroy, Director of Aviation Planning & Regulatory Compliance, looking to what makes the most sense for Portsmouth International Airport at Pease.

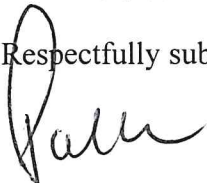
XVI. Adjournment:

Director Lamson **moved** the **motion** and Director Levesque **seconded** to **adjourn the Board meeting. Meeting adjourned at 10:33 a.m.**

XVII. Press Questions:

No comments from the press.

Respectfully submitted,



Paul E. Brean
Executive Director