

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

Thursday, May 18, 2017

Presiding: George M. Bald, Chairman  
Present: John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman; Franklin G. Torr, Robert A. Allard, Treasurer; and Robert F. Preston  
Attending: David R. Mullen, PDA Executive Director; Lynn Marie Hinchee, PDA Deputy Director/General Counsel; PDA staff members; members of the public

**I. Call to Order**

Chairman Bald called the meeting to order at 8:03 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

**II. Acceptance of Minutes: April 20, 2017**

Director Lamson moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the April 20, 2017 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

**III. Public Comments**

There were no public comments.

**IV. Old Business**

Director Allard moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves and authorizes the Executive Director to complete negotiations with Spyglass Development, LLC and to enter into a Lease Agreement for the premises located at 30 New Hampshire Avenue; substantially in accordance with the memorandum from Lynn Marie Hinchee, PDA Deputy Director/General Counsel, dated May 8, 2017, attached hereto.** Discussion: Attorney Hinchee reported that the deal was worked out and the Kanes are ready to move forward. Chairman Bald was pleased. Disposition: Resolved by unanimous vote for; motion carried.

**V. Finance Committee Report**

Irv Canner, PDA Director of Finance, reported that the Finance Committee met on April 19, 2017 to review the status of PDA finances.

**A. Financial Reports**

**1. Operating Results for Nine Month Period Ending March 31, 2017**

Mr. Canner reported on the status of the PDA FY 2017 finances for the nine month period ending March 31, 2017: including reviews of PDA's operating income and expenses; budget variances; status of the Balance Sheet; and the analysis of PDA business units.

**2. Nine Month Cash Flow Projections to January 31, 2018**

Mr. Canner reviewed PDA cash flow projections for the nine month period ending January 31, 2018, including a review of PDA's debt status; grant funded capital improvement projects including the

runway rehabilitation and the airport obstruction removal projects; status of PDA's revolving line of credit; and the status of the Division of Ports and Harbors unrestricted funds.

### **3. Revolving Loan Fund Semi-Annual Report Ending March 31, 2017**

Mr. Canner presented a review of the status of the Revolving Loan Fund through March 31, 2017. There have been 95 loans since inception in July of 1994 and utilizing the fund has saved or created approximately 300 jobs.

*Note: Director Preston stepped out of the meeting at 8:18 a.m. and returned at 8:26 a.m.*

## **VI. Licenses/Easements/Rights of Way/Options**

### **A. Approvals**

#### **1. EAA-Chapter 225 - ROE**

Director Torr moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New England Seacoast Region Chapter 225 of the Experimental Aircraft Association (EAA) at Skyhaven Airport for the purpose of staging and hosting EAA 225 Young Eagle Flight Rally events through December 31, 2017; all in accordance with the memorandum from Paul E. Brean, Airport Director, dated May 10, 2017, and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

#### **2. New England Aerobatic Club - ROE**

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to execute a Right of Entry with New England Aerobatic Club (NEAC) for the purpose of holding airplane aerobatic practice at Skyhaven Airport through December 31, 2017; all in accordance with the memorandum from Paul E. Brean, Airport Director, dated May 10, 2017, and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

*Note: Director Bohenko stepped out of the meeting at 8:30 a.m. and returned at 8:33 a.m.*

## **VII. Leases**

### **A. Reports**

#### **1. 222 International Limited Partnership**

222 International Limited Partnership entered into a sublease with KAT Implants, LLC ("KAT") for 4,042 square feet (Suite 185) within the Leased Premises at 222 International Drive for a period of seven years effective September 1, 2017. KAT will use the premises for office and light industrial use. Director Lamson approved the sublease.

#### **2. Two International Group, LLC**

Two International Group, LLC entered into a sublease with Primmer Piper Eggleston and Cramer, PC ("Primmer") for 3,176 square feet within the Leased Premises at Two International Drive for a period of five years and two months effective September 1, 2017. Primmer will use the premises for office and related uses. Director Lamson approved the sublease.

**B. Approvals**

**1. 119 International Drive, LLC – Concept Plan**

Director Torr moved and Director Loughlin seconded that **The Pease Development Authority Board of Directors hereby approves of the Concept Plan attached hereto submitted by 119 International Drive, LLC for the premises located at 19 Rye Street, Portsmouth, New Hampshire; all on terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Engineering Manager, dated May 12, 2017, attached hereto.** Discussion: Maria Stowell, Engineering Manager, introduced Shannon Alther from TMS Architects (“TMS”) who gave a brief presentation of the proposed building for the Department of Health and Human Services (“DHHS”). Director Loughlin explained that this is a replacement building on the site of the old church. Director Loughlin noted his concerns regarding the 25’ wetland setback and wanted to be sure the PDA keeps track of that. Director Lamson agreed and expressed concern with snow removal and treatment near the wetlands area. Mr. Alther indicated TMS will work with PDA on this issue. Disposition: Resolved by unanimous vote; motion carried.

**VIII. Contracts/Agreements**

**A. Reports**

In accordance with Article 3.9.1.1 of the PDA Bylaws, Mr. Mullen reported that PDA entered into the following contracts:

**1. Colliers Golf Course Advisory Services - Assessment**

PDA contracted with Colliers Golf Course Advisory Services for an assessment of the Pease Golf Course. The expenditure of \$4,850.00 was approved by Treasurer Allard.

**2. MTE Turf Equipment Solutions**

PDA contracted with MTE Turf Equipment Solutions for the purchase and delivery of one Turfco Tow behind debris blower for use at the Pease Golf Course. The expenditure of \$7,765.00 was approved by Vice-Chairman Loughlin.

**3. Tec Solutions Concepts, Inc.**

PDA contracted with Tec Solutions Concepts, Inc. for the purchase and installation of the CyberKey electronic key system at the Portsmouth International Airport at Pease. The expenditure of \$4,000.00 was approved by Vice-Chairman Loughlin.

**B. Approvals**

**1. Pease Golf Course – Fairway Mower**

Director Preston moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby approves of and authorizes the Executive Director to enter into a contract with Turf Products Corp. of Enfield, Connecticut, for the purchase of a Toro Fairway Mower for a price not to exceed \$59,981.36; in accordance with the memorandum from Scott DeVito, PGA General Manager, dated May 4, 2017 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## 2. PSM Runway Reconstruction Design – Grant Acceptance

Director Loughlin moved and Director Torr seconded that The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:

(1) accept on behalf of the PDA for design work for the runway reconstruction at Portsmouth International Airport at Pease, a Federal Aviation Administration (“FAA”) Grant Offer of AIP funding in the amount not to exceed \$838,065.00;

(2) accept from NHDOT Division of Aeronautics an amount not to exceed \$46,555.00 for project costs;

(3) expend \$106,555.00 PDA matching funds which includes a contingency of \$60,000.00;

(4) enter into a contract with Hoyle, Tanner & Associates, Inc. for the PSM runway reconstruction project in the total amount of \$1,165,900.00;

(5) accept a grant offer for an FAA Reimbursable Agreement associated with the project including \$30,395.00 in AIP funding from FAA;

(6) accept \$1,689.00 in matching funds from NHDOT Division of Aeronautics;

(7) expend PDA funds in an amount not to exceed \$1,689.00;

(8) enter into an FAA reimbursable agreement in the amount of \$33,773.00; and

(9) execute such other documents and/or agreements as are necessary or appropriate, to implement the PSM runway reconstruction; all in accordance with the memorandum from Maria J. Stowell, PE, Manager-Engineering, dated May 10, 2017 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

## 3. PSM Airspace Obstructions/Lights – Grant Acceptance

Director Bohenko moved and Director Lamson seconded that The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:

(1) accept on behalf of the PDA a Federal Aviation Administration (“FAA”) Grant Offer of AIP funding equal to 90% of the project costs, in the amount not to exceed \$1,017,000.00, for removal of airspace obstructions and construction of obstruction lights at Portsmouth International Airport at Pease;

(2) accept from NHDOT Division of Aeronautics 5% of the project costs in an amount not to exceed \$56,500.00;

(3) expend PDA funds equal to 5% of the project costs in an amount not to exceed \$56,500.00;

(4) enter into a contract with Hoyle, Tanner & Associates, Inc. for construction phase engineering services for the project in the total amount of \$197,200.00; and

(5) enter into a contract with Pine Hill Construction, LLC for the project construction in an amount not to exceed \$824,786.00; all in accordance with the memorandum from Maria J. Stowell, PE, Manager-Engineering, dated May 9, 2017 and attached hereto.

Discussion: Director Lamson asked if item number 5 includes all the trees to be replanted and install the lights and asked who will be doing the planting. Ms. Stowell reported that PDA has landscapers who are on call for the replanting. Ms. Stowell further reported that PDA has had discussions with a Newington forester with an outline for replanting. PDA will discuss with the Town of Newington how the Town of Newington will help with maintaining the new trees. This project will come back to the Board once the obstructions are removed and the project is closer to the replanting phase which should be around August because PDA will not get final grant approval before July. Director Lamson thanked Ms. Stowell for her work on the project. Disposition: Resolved by unanimous vote; motion carried.

#### 4. PSM Terminal Improvements Planning – Grant Acceptance

Director Allard moved and Director Lamson seconded that The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:

(1) accept on behalf of the PDA a Federal Aviation Administration (“FAA”) Grant Offer of AIP funding equal to 90% of the project costs, in the amount not to exceed \$353,700.00, for design work for the Terminal improvement planning at Portsmouth International Airport at Pease;

(2) accept from NHDOT Division of Aeronautics 5% of the project costs in an amount not to exceed \$19,650.00;

(3) expend PDA funds equal to 5% of the project costs in an amount not to exceed \$19,650.00;

(4) enter into a contract with McFarland Johnson, Inc. for the PSM Terminal planning project in the total amount of \$389,900.00; and

(5) execute such other documents and/or agreements as are necessary or appropriate, to implement the PSM Terminal improvement planning; all in accordance with the memorandum from Maria J. Stowell, PE, Manager-Engineering, dated May 8, 2017 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

#### 5. Skyhaven Airport Snow Removal Equipment – Grant Acceptance

Director Preston moved and Director Torr seconded that The Pease Development Authority Board of Directors hereby authorizes the Executive Director to:

(1) accept on behalf of the PDA a Federal Aviation Administration (“FAA”) Grant Offer of AIP funding equal to 90% of the project costs, in the amount not to exceed \$452,822.00, for snow removal equipment at Skyhaven Airport in Rochester, New Hampshire;

(2) accept from NHDOT Division of Aeronautics 5% of the project costs in an amount not to exceed \$25,127.00;

(3) expend PDA funds equal to 5% of the project costs in an amount not to exceed \$25,127.00;

(4) award a contract to the lowest responsible bidder in an amount not to exceed \$487,205.00 for the purchase of snow removal equipment; and

(5) execute such other documents and/or agreements as are necessary or appropriate, to purchase the snow removal equipment which total project is estimated to be less than \$503,200.00; all in accordance with the memorandum from Maria J. Stowell, PE, Manager-Engineering, dated May 12, 2017 and attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

### IX. Executive Director’s Reports/Approvals

#### A. Reports

##### 1. Golf Course Operations

Scott DeVito, PGA General Manager, reported on the activities at the Pease Golf Course, including course membership, simulator activities, Golf Course maintenance work and marketing. Director Bohenko inquired how the drainage was working. Mr. DeVito reported that there was a lot of water but it is working fine. All 27 holes are now open. Director Preston asked whether there were any plans for future expansion for storage. Mr. DeVito reported that at this time they will make it work but have entertained the possibility of making use of space under the stairwell which would be approximately 250 square feet of extra storage space.

##### 2. Airport Operations

Paul E. Brean, Airport Director, reported on aviation activities.

a) **PSM**

Since January 1, 2017, there were 14,382 passengers on Allegiant Air and 8,198 charter passengers. Allegiant will continue the Sanford/Orlando route all year and Myrtle Beach route will start on June 1. Mr. Brean reported on the addition of seating and the changing of core locks at the Terminal.

b) **Skyhaven Airport**

Skyhaven is undergoing a drainage project.

c) **Noise Line Report**

There were a total of 28 noise inquiries at PSM. There were 24 inquiries regarding rotor activities; originating from five Portsmouth residents. There were four inquiries regarding fixed wing activities. Mr. Brean reported that there were no noise complaints in connection with the F-15s that were flying out of PSM due to the use of social media releases informing the public prior to the activity.

The Directors asked Mr. Brean how he was enjoying his position at PDA and said that he was doing a good job.

**B. Approvals**

**1. Bills for Legal Services**

Director Lamson moved and Director Preston seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to expend funds in the total amount of \$38,232.95 for legal services rendered to the Pease Development Authority by:**

<b>1. Kutak Rock LLP</b>		
<b>Through March 31, 2017</b>	<b>\$11,831.22</b>	
	<b><u>\$ 7,556.23</u></b>	<b>\$19,387.45</b>
<b>2. Sheehan Phinney Bass + Green</b>		
<b>Through March 31, 2017</b>	<b>\$18,468.50</b>	
		<b><u>\$18,845.50</u></b>
<b>Total</b>		<b><u>\$38,232.95</u></b>

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

**X. Division of Ports and Harbors**

Geno Marconi, Division Director, reported on the Division activities. Mr. Marconi reported on the Mooring Application Analysis and Mooring Waitlist Analysis. Director Bohenko asked about the order of the wait list for people who already have moorings. Mr. Marconi stated that each person is allowed one application per mooring field per year and that the waiting list is determined by the application dates.

**A. Reports**

**1. Port Advisory Council**

Mr. Marconi reported that the Port Advisory Council met on May 10, 2017. The Council discussed and recommended the increase in pilot rates and recommended that a letter be sent to the US Coast Guard regarding constructing a bascule bridge when the Wentworth Bridge is replaced. The date of the next meeting was changed to June 7, 2017 because Mr. Marconi will be unavailable on June 14, 2017.

**2. Commercial Mooring Transfer**

Mr. Marconi reported that in accordance with the “Delegation to Executive Director: Consent, Approval and Execution of Mooring Permit Transfers,” a commercial mooring was transferred for:

<u>Applicant</u>	<u>Permit</u>	<u>Business</u>	<u>Date of Approval</u>
Seabrook Harbor	No. 7541	Commercial Fishing	05/03/17
Transferor:	Randell Collins		
Transferee:	Stephen C. Smith		

**B. Approvals**

**1. Portsmouth Pilots Rates**

Director Torr moved and Director Preston seconded that **the Pease Development Authority Board of Directors hereby approves of the Initial Proposed Amendments to the “Schedule of Pilotage Fees and Pilotage Unit Rates, Portsmouth Harbor and Piscataqua River” attached hereto; and authorizes the Division Director to take any necessary or recommended action in furtherance of this matter; all in accordance with the memorandum of Geno J. Marconi, Division Director, dated May 11, 2017, attached hereto. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.**

**2. Electro Source, LLC**

Director Loughlin moved and Director Bohenko seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to complete negotiations and to execute a License and Operating Agreement with Electro Source, Inc. (ESI) for use of bulk storage space at the Market Street Terminal, on terms and conditions substantially similar to those set forth in the draft Letter of Intent dated May 9, 2017 attached hereto, and such other conditions as shall be necessary or desirable to this matter subject to concurrence of the Division Director and PDA General Counsel.**

Discussion: In response to Director Bohenko, Mr. Marconi reviewed ESI operations, safety, shipment timetables, inventory and fugitive dust. Attorney Hinchee responded to Director Bohenko regarding the Letter of Intent and that the License and Operating Agreement will be brought before the Board for approval.

Director Torr commended Mr. Marconi on his efforts. Director Bohenko stated he would like Mr. Marconi to draft a two-page FAQ to address public concerns. Director Preston further asked and Mr. Marconi reported on the shipping destinations, revenue and maintenance for the cargo. Director Bohenko requested a roll call vote. Disposition: Resolved by unanimous roll call vote; motion carried.

**3. Albany Safran Composites, LLC – FTZ Subzone Agreement**

This item is not going forward at this time. Director Bohenko moved and Director Allard seconded that this item be tabled. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

**XI. New Business**

No new business was brought before the Board.

**XII. Upcoming Meetings**

Chairman Bald reported that the following meeting will be held:

Golf Committee	June 12, 2017
Finance Committee	June 12, 2017 @ 8:30 a.m.
Board of Directors	June 15, 2017

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

**XIII. Directors' Comments**

Director Preston commented on a recent trip to Punta Gorda and how he was pleased to see the airport was associated with Pease.

**XIV. Adjournment**

Director Lamson moved and Director Loughlin seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 9:25 a.m.

**XV. Press Questions**

No members of the press attended the meeting.

Respectfully submitted,

  
David R. Mullen  
Executive Director