

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

Thursday, June 16, 2016

Presiding: George M. Bald, Chairman
Present: Robert A. Allard, Treasurer; John P. Bohenko; Margaret F. Lamson; Peter J. Loughlin, Vice Chairman; Robert F. Preston; and Franklin G. Torr
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 8:04 a.m. in the Board conference room at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire.

II. Acceptance of Meeting Minutes: May 19, 2016

Director Loughlin moved and Director Lamson seconded that **The Pease Development Authority Board of Directors hereby accept the Minutes of the May 19, 2016 Board meeting.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

III. Public Comment

There were no comments from the public.

IV. Old Business

No old business was brought before the Board.

V. Finance

A. Financial Reports

1. Operating Results for the Ten Month Period Ending April 30, 2016

Irv Canner, PDA Director of Finance, reported on the status of the PDA FY 2016 finances for the ten month period ending April 30, 2016. The overall trend shows that operating revenues are on budget while operating expenses are under budget due to delayed invoicing including winter snow work. Operating expenses are expected to end the year at approximately 5% under budget. The 2016 external audit begins on June 20, 2016. Physical inventories at PDA facilities will be conducted on June 30, 2016. Mr. Canner reviewed the variances in line item operating expenses, including payroll expenses. A review of the variances in operating revenues included fuel sales and golf merchandise. The cost of goods sold at the Golf Shop is currently ahead of budget for the same period last year. The review variances in operating expenses included the cost of utilities, professional services, and fuel. PDA's interest expense is below budget.

The Balance Sheet shows that overall cash balance has increased by approximately \$800,000 since June, 2015. PDA spent approximately \$1.2 million for construction projects including runway work at Skyhaven Airport ("DAW"), the Golf Course Clubhouse kitchen, and street lighting. PDA is waiting for information from the State regarding PDA's pension obligations before a reconciliation of the pension can be done. The Business Units shows that as of May 30th, enplanements at the Portsmouth International Airport at Pease ("PSM") exceeded 28,000. Operating revenues for DAW of approximately \$206,000 are on budget and fuel sales have increased from the same period last year. Since DAW was transferred to

PDA, the cumulative cash flow to PDA is approximately \$1.5 million. Rounds of golf played at the Pease Golf Course and bar and grill sales have increased from the same period last year. The Division of Ports and Harbors shows a positive cash flow for the period including revenues from facilities' rentals and fuel sales. Applications for new loans are pending from the Revolving Loan Fund. Due to the increased loan demand, the Economic Development Administration will authorize the release the previously sequestered funds of approximately \$45,000 needed to fund pending loans.

2. Nine Month Cash Flow Projections to February 28, 2017

Mr. Canner reviewed PDA cash flow projections for the nine month period ending February 28, 2017. PDA's opening cash balance as of June 1 was \$633,000 and is expected to reach approximately \$3.6 million as of February 28, 2017. PDA anticipates renewing its \$5 million revolving line of credit with the Provident Bank; the current line of credit expires on December 31, 2016. Mr. Canner reviewed the anticipated grant funds for the NH ANG taxiway project and the Identification Management System at PSM. PDA's only current debt obligation is for the sewer bond from the City of Portsmouth. Mr. Canner reviewed the status of DPH's cash flow.

In response to Director Preston, Mr. Canner confirmed that PDA pays down the revolving line of credit as funds become available. Director Preston commended PDA staff for their efforts.

VI. Leases

A. Approvals

1. Client 80R-2015

Director Allard moved and Director Preston seconded that **The Pease Development Authority Board of Directors authorizes the Executive Director to extend the option with Client 80R – 2015 for the premises located at 100 New Hampshire Avenue. The Amendment is effective June 26, 2016, for a period of six (6) months at a fee of \$18,150.00 with one (1) option to extend for an additional six (6) months through June 25, 2017 at a fee of \$36,300.00; all on substantially the same terms and conditions set forth in the Amendment No. 1 to Option Agreement and Term Sheet attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

2. NextLevelNow, Inc. – 16 Pease Blvd.

Director Torr moved and Director Preston seconded that **The Pease Development Authority Board of Directors hereby approves and authorizes the Executive Director to complete negotiations with NextLevelNow, Inc. and to execute a Lease for the premises located at 16 Pease Boulevard on terms and conditions substantially similar to those set forth in the Letter of Intent dated June 6, 2016 attached hereto.** Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.

3. Lonza Biologics, Inc. 101 International Drive Concept Plan

Director Lamson moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby approves of the Concept Plan dated June 8, 2016 submitted by Lonza Biologics, Inc. attached hereto for the premises located at 101 International Drive; all on terms and conditions set forth in the memorandum of Maria J. Stowell, P.E., Manager - Engineering, dated June 8, 2016 attached hereto.** Discussion: Director Lamson felt that this was a good plan. Director Bohenko reported that the City Economic Development Commission held its last meeting at PDA. The commission was briefed on the Lonza project and took an informative tour of the facility. Disposition: Resolved by unanimous vote for; motion carried.

VII. 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 contract:

1. Division of Ports and Harbors – 911 Call Boxes

The Pease Development Authority contracted with Monadnock Security Systems, Inc. for the provision and installation of 911 Emergency Call Boxes at the Portsmouth Fish Pier, the Rye Harbor marine facility and the Hampton Harbor marine facility. The expenditure of \$8,554.00 was approved by Director Allard.

B. Approvals

1. Eckhardt & Johnson, Inc. – HVAC

Director Loughlin moved and Director Allard seconded that **The Pease Development Authority Board of Directors hereby approves and authorizes the Executive Director to enter into a contract with Eckhardt & Johnson, Inc. of Manchester, NH for the purpose of providing on-call heating, ventilation and air conditioning maintenance services for the Tradeport and the Division of Ports and Harbors= facilities. The contract is for an initial term of three (3) years with two (2) one (1) year extensions exercisable at the Executive Director’s sole discretion, all in accordance with the memorandum from Joseph W. McPherson, Facilities Resource Manager, dated June 8, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

2. Pinard Waste Systems Co., Inc. – Contract Option

Director Preston moved and Director Torr seconded that **The Pease Development Authority Board of Directors hereby authorizes the Executive Director to exercise the option to extend the contract with Pinard Waste Systems Co., Inc. for the purpose of providing non-hazardous solid waste removal services at Pease Development Authority facilities through April 30, 2017 at the rate of \$4,219 per month; all in accordance with the memorandum of David R. Mullen, Executive Director, dated June 7, 2016 attached hereto. Discussion: None. Disposition: Resolved by unanimous vote for; motion carried.**

VIII. 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. The course opened on March 17, 2016. Rounds of golf played are up and the goal is to reach 55,000 rounds of golf played for the season. Marketing is ongoing to take advantage of underutilized times, such as early morning. Three golf outings are scheduled during the next two weeks. Director Preston commended Mr. DeVito for the e-mail marketing programs.

Director Bohenko commended Mr. DeVito for the work at the Golf Course. Director Bohenko, as Golf Committee Chair, expressed his concerns that the Golf Committee is not being fully utilized and is not being kept apprised of the Golf Course activities. He suggested that either the Committee be eliminated and brought back if needed; or that the Committee meet regularly on a quarterly basis. Chairman Bald will review the Committees. Director Preston, Golf Committee member, disagreed with

the elimination of the Committee and agreed that quarterly meetings should be held. Chairman Bald asked that staff to work on setting up quarterly meetings for the Committee. Director Lamson commended the Golf Course staff for the landscaping of the lower 9 course. Mr. DeVito noted that there is a dedicated staff at the Golf Course who work very hard at keeping the Golf Course running.

2. Airport Operations

Bill Hopper, Airport Manager, reported on aviation activities.

a) Skyhaven Airport

The Wings and Wheels event was held on June 4, 2016 with over 10,000 people attending. More than 5,000 pounds of food was collected for Jerry's Food Pantry.

b) PSM

The Pease Greeters will celebrate the one thousandth troop flight that is expected to land on Monday, June 20, 2016. Enplanements have exceeded 28,000 passengers as of May 30th and may reach 60,000 by December 31, 2016.

c) Noise Line Report

PDA received a total of 67 inquiries on the Noise Line for the month of May. Twenty-five Inquiries were related to Seacoast Helicopter operations. Forty-two inquiries were related to fixed wing operations including military aircraft and non-military operations.

IX. Division of Ports and Harbors

A. Reports

1. Port Advisory Council

Geno Marconi, Division Director, reported that the Port Advisory Council met on June 8, 2016. The Council voted to adjourn for the summer and will reconvene in September.

Mr. Marconi reported that a training ship from the Maine Maritime Academy will be at the Port on Saturday, June 18, 2016. The Portsmouth Fire Department will tour the vessel to familiarize itself with the vessel for firefighting purposes. DPH staff participated in the drills that the Navy conducted on the Piscataqua River. The marine facilities are up and running for the summer season.

B. Approvals

1. Pda 300, Pda 500, Pda 600 – Fixed Text

Director Bohenko moved and Director Allard seconded that **In accordance with the provisions of RSA 12-G:42, XI, the PDA Board of Directors hereby approves of the Final Proposal - Fixed Text attached hereto for:**

- a. Amendments to various sections of Administrative Rules Pda 300;**
- b. Readoption with amendment to various sections of Administrative Rules Pda 500; and**

c. Amendments and readoption with amendment to various sections of Administrative Rules Pda 600;

and authorizes the Division Director to take any necessary or recommended action in accordance with RSA 541-A, in furtherance of this matter. Discussion: None. Disposition: Resolved by unanimous vote; motion carried.

X. New Business

A. Approvals

1. Resport LLC / 177 Corporate Drive, LLC

Director Loughlin moved and Director Torr seconded that **WHEREAS, Resport LLC owner of an interest in property located at 1 International Drive and 177 Corporate Drive, LLC owner of property at 177 Corporate Drive have each requested the consent of PDA to sell their respective building ownership interests and to assign their interests in the Ground Leases to new owners;**

WHEREAS, the Authority deems it necessary to the management and regulation of its affairs to delegate to the Executive Director the authority to negotiate, consent to, approve, and execute required documents for the assignment and assumption of Ground Leases, to include the sale and transfer of buildings and improvements associated with such Ground Leases including all documentation as may be required or appropriate and to facilitate any related financing of the sale and transfer of such property.

NOW, BE IT RESOLVED, that the Authority does hereby delegate to the Executive Director the authority to negotiate, consent to, approve, and execute certain required or appropriate documentation subject to and in accordance with the terms and conditions of the Ground Leases for Resport, LLC and 177 Corporate Drive, LLC and subject further to the review and approval of all related documentation and transactions by the Executive Director and General Counsel. Discussion: Mr. Mullen reported that the ownership of the business assets are changing and the businesses will continue their operations. Disposition: Resolved by unanimous vote; motion carried.

XI. Upcoming Meetings

Chairman Bald announced that the following meetings will be held. All Meetings begin at 8 a.m unless otherwise posted.

Port Committee	July 7 @	55 Market Street
Board Meeting	August 18	

XII. Directors' Comments

Director Bohenko reported that on June 20th he will ask the Portsmouth City Council to approve \$3 million in bonding for street paving and sewer work at the Tradeport. Director Torr confirmed that repairs will be made to Corporate Drive. Director Preston expressed his approval of new logo on the new water tower. Director Bohenko reported that an environmental review will be done before the water tower can be taken down. Director Loughlin commended the staff for the landscaping operations on the Tradeport and the small touches that make the Tradeport look good. Chairman Bald added his thanks and felt that the landscaping does make a difference.

XIII. Adjournment

Director Allard moved and Director Lamson seconded to **adjourn the Board meeting**. Discussion: None. Disposition: Resolved by unanimous vote; motion carried. Meeting adjourned at 8:46 a.m.

XIV. Press Questions

Respectfully submitted,

David R. Mullen
Executive Director/Secretary