NOV10'21 AM 9:21 RCVD
10'21 AM 9:21 RCVD

58

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

November 8, 2021

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court and

His Excellency, Governor Christopher T. Sununu
And the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a VI, authorize the Pease Development Authority, Division of Ports and Harbors (Port Authority) to accept and expend $1,450,064 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to cover a portion of the project to rehabilitate the Main Wharf at the Market Street Marine Terminal (Terminal) in Portsmouth and related wetlands mitigation, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. **100% Federal Funds.**

If future federal legislation authorizes funding to the State for which this would be an eligible use, such as funding for infrastructure projects, the requested SFRF funds will be replaced by those newly available funds.

This is an allowable use of ARP FRF funds under Section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue.

Funds are to be budgeted in FY2022 as follows:

03-13-013-130510-24XX0000[1] ARP PDA MAIN WHARF PROJECTS		FY2022	FY2022	FY2022
CLASS	ACCOUNT	CURRENT MODIFIED BUDGET	BUDGET REQUEST	REVISED BUDGET
EXPENDITURES				
040 – Indirect Costs	501587	$0	$5,000	$5,000
041 – Audit Fund Set Aside	500801	$0	$1,449	$1,449
103 – Contracts for Op Svcs	502664	$0	$1,443,615	$1,443,615
TOTAL EXPENSES		**$0**	**$1,450,064**	**$1,450,064**
SOURCE OF FUNDS				
000 – Federal Funds	400338	$0	$1,450,064	$1,450,064
TOTAL REVENUE		**$0**	**$1,450,064**	**$1,450,064**

[1] All direct program costs will be accounted for using activity 00FRF602GS1301A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1301Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

EXPLANATION

MAIN WHARF REHABILITATION AND MODIFICATION

On July 19, 2018 the Port Authority submitted a BUILD[2] Grant application to the U.S. Department of Transportation (USDOT) Maritime Administration (MARAD) for the Rehabilitation and Modification of the Main Wharf at the Market Street Marine Terminal (Terminal) in Portsmouth. The Terminal is the only, State-Owned, deep water ship facility in State tidal waters. The Port Authority was awarded a grant, in the amount of $12,508,089.00, ($7,504,854.00 federal/$5,003,235.00 State) on December 06, 2018. The total grant included design, engineering, permitting, construction management and construction.

The final grant agreement was executed on March 17, 2020 and preliminary design began on June 19, 2020. Final design was approved and the project bid was advertised on September 10, 2021. A public bid opening was held on October 14, 2021, with an apparent low bid of $11,726,450.00. However, only $10,782,835.00 was the available balance for construction, leaving a short fall of $943,615.00.

Securing the additional amount of $943,615.00 is necessary to issue the Notice of Award to the contractor and proceed with this rehabilitation of the only State-Owned deep water ship wharf. Bid documents require the Notice of Award be given no later than sixty (60) days from the bid opening (December 13, 2021).

WETLANDS MITIGATION

The New Hampshire Department of Environmental Services (NHDES) Wetlands Permit requires a mitigation component for the BUILD Project. The Port Authority is also engaged in two (2) other construction projects at the terminal that will be requiring mitigation:

- Functional Replacement Project, with NH Department of Transportation, associated with the Sarah Mildred Long Bridge Replacement and,
- Sixty foot (60) South Extension of the Main Ship Wharf (application to USDOT under the Port Infrastructure Development Program (PIDP)

Each of the three aforementioned projects require separate NHDES Wetlands Permits and each require mitigation, all of which are outside of the funding sources of all three (3) projects. However, NHDES has indicated that all three (3) mitigation components may be combined into one project of a size that meets regulatory requirements. A project has been in discussion with NHDES to complete approximately six hundred (600) lineal feet of shoreline restoration in the Cutts Cove area, adjacent to the terminal. The initial restoration project was constructed by the University of New Hampshire (UNH) and this proposed mitigation would complete the restoration. The cost estimate of the combined mitigation for the three (3) projects is five hundred thousand dollars ($500,000).

---

[2] Better Utilizing Investments to Leverage Development Transportation Grants Program through the U.S. Department of Transportation

The Main Wharf rehabilitation is critical to bringing the Market Street Marine Terminal to a "State of Good Repair" in order to continue to service the needs of those companies dependent on access to the ocean to move cargo and goods. As we see the advancement of development in the marine environment, such as offshore energy, the Market Street Marine Terminal remains New Hampshire's portal to the sea.

Funds are being budgeted in the classes listed below as follows:

Class 040 – Indirect Costs to recover, per by RSA 21-I:75, a proportional share of the outside funding source to alleviate agency indirect costs.

Class 041 – Audit Fund Set Aside to comply with RSA 124:16 that requires all agencies that receive federal funds to set aside a percentage (0.1%) of the federal revenue amount received to pay for financial and compliance audits.

Class 103 – Contracts for Operation Services to pay vendors for their work on the Main Wharf BUILD project and Wetlands Mitigation efforts.

This is an allowable use of ARP FRF funds under Section 602 (c)(1)(C) for provision of government services to the extent of a reduction in revenue. In accepting ARP FRF funds, the Department agrees to work collaboratively with the Governor's Office for Emergency Relief and Recovery to ensure accurate and timely reporting to U.S. Department of Treasury on the use of the funds.

In the event that Federal Funds become no longer available, General Funds will not be requested to support these programs.

Respectfully submitted,

Paul E. Brean
Executive Director, Pease Development Authority