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PEASE
INTERNATIONAL

555 Market Street, Suite 1 Portsmouth, NH 03801

PORTS AND HARBORS

46

September 13, 2022

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 (the "Division"), to amend Fiscal Committee item FIS 21-351 (originally approved November 19, 2021) and Governor and Council item #58 (originally approved November 22, 2021), to alter the purpose of the use of a portion of the funds, in the amount of \$500,000, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. **100% Federal Funds.**

EXPLANATION

Following a recommendation by the New Hampshire Department of Environmental Services (NHDES) Wetlands Division, the Division received ARPA funding approval in the amount of \$1,450,064. That approved item described using five hundred thousand dollars (\$500,000) of the accepted funds to construct four hundred (400) lineal feet of shoreline restoration in Cutt's Cove to satisfy mitigation requirements for both the Division's BUILD Main Pier Rehabilitation project (the "Project"), and the Functional Replacement of the Barge Dock project. Of the remaining \$950,064, \$943,615 was used to fund the difference between the available State and Federal Funds for the initial contract amount as the low bid was higher than anticipated, and \$6,449 is planned to be used for the Project's indirect costs and future audits. The Project began in early January 2022.

In mid-May 2022, after the project had commenced, NHDES notified the Division that the U.S. Army Corps of Engineers (ACOE) would not accept the shoreline restoration as mitigation for the construction permits at the Market Street Marine Terminal as outlined in the approved accept and expend. Instead, the ACOE proposed an alternative to satisfy the mitigation requirement of a \$238,570.34 payment into the Aquatic Resource Mitigation (ARM) fund at NHDES. The Division made payment to the ARM Fund out of Division funds to satisfy the mitigation requirement and keep the project on schedule. The Division now seeks approval of this change in mitigation funding in order to be reimbursed by the available Federal Funds. Additionally, the Division seeks to use the remaining balance of \$261,429.66, from the \$500,000 original mitigation amount approved, to fund Project change orders, which are expected on a project of this magnitude.

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

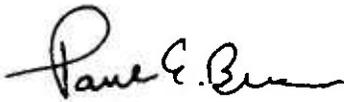
His Excellency, Governor Christopher T. Sununu
and the Honorable Council

September 13, 2022
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This change in purpose of funds is an allowable use of ARPA SFRF funds under Section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue.

Please note this item does not include a request for additional funding, nor will it change the end date of June 30, 2023, for use of the funds. This item previously came before you as an informational item, however subsequent analysis and discussion indicated that it should have instead been presented as an amendment item.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul E. Brean". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Paul E. Brean
Executive Director, Pease Development Authority

JUL12'22 PM12:14 RCVD


PEASE

INTERNATIONAL

PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

July 12, 2022

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

INFORMATIONAL ITEM

Relative to an item, requesting authority to Accept and Expend \$1,450,064 of American Rescue Plan Act (ARPA) funds, approved by Fiscal Committee on November 19, 2021 (FIS 21-351) and Governor and Council on November 22, 2021 (#58), the Pease Development Authority is writing to inform you of a change in purpose or use of a portion of those funds.

Following a recommendation by the New Hampshire Department of Environmental Services (NHDES) Wetlands Division, the Division of Ports and Harbors (Division) received ARPA funding approval, and that approved item described using five hundred thousand dollars (\$500,000) of the accepted funds to construct four hundred (400) lineal feet of shoreline restoration in Cutt's Cove in Portsmouth to satisfy mitigation requirements for both the BUILD Main Pier Rehabilitation project, and the Functional Replacement of the Barge Dock project, two projects of vital importance to New Hampshire's only deep water port.

On Monday, May 16, 2022, NHDES notified the Division that the U.S. Army Corps of Engineers (ACOE) would not accept the shoreline restoration as mitigation for the construction permits at the Market Street Marine Terminal. Addressing this sudden change was extremely time sensitive as any delay in satisfying this mitigation requirement would delay the start date (July 1) of the in-water work at the terminal.

Therefore, with approval from the PDA Board of Directors, in order to satisfy the mitigation requirements of NHDES and the ACOE for the BUILD Project and keep the project on schedule, the Division made a \$238,570.34 contribution into the Aquatic Resource Mitigation (ARM) fund at NHDES. While the accept and expend approved by the Fiscal Committee and Governor and Executive Council was for construction of a mitigation project and not the ARM contribution, this is an allowable use of ARPA SFRF funds under Section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue.

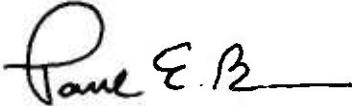
The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court

His Excellency, Governor Christopher T. Sununu
and the Honorable Council

July 12, 2022
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Please note this item does not include a request for additional funding, nor will it change the end date of June 30, 2023 for use of the funds. This is just a slight modification for the use of the approved funding. The modified use is completely consistent with the original request given the purpose of both were to meet mitigation requirements for the Wetlands Permits. The remaining funds will be used towards mitigation efforts for the Functional Replacement Project, which is currently in final design and is expected to go out to bid in September 2022.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul E. Brean", with a horizontal line extending to the right.

Paul E. Brean
Executive Director, Pease 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:

<u>03-13-013-130510-24XX0000¹ ARP PDA MAIN</u>		<u>FY2022</u>	<u>FY2022</u>	<u>FY2022</u>
<u>WHARF PROJECTS</u>				
<u>CLASS</u>	<u>ACCOUNT</u>	<u>CURRENT MODIFIED BUDGET</u>	<u>BUDGET REQUEST</u>	<u>REVISED BUDGET</u>
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 BUILD² 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 Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court

His Excellency, Governor Christopher T. Sununu
and the Honorable Council

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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 21-1:75, a proportional share of the outside funding source to alleviate agency indirect costs.

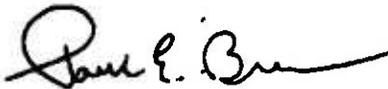
Class 041 – Audit Fund Set Aside to comply with RSA 124:16 that requires all agencies that receive federal funds to set aside a percentage (0.1%) of the federal revenue amount received to pay for financial and compliance audits.

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