

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Monday, April 21, 2014

MEMBERS PRESENT:

Rep. David Campbell, Chair

Rep. Alfred Lerandau

Rep. Katherine Rogers (Alt.)

Rep. John Graham (Alt.)

Sen. David Boutin

Sen. James Rausch

Sen. Nancy Stiles

Sen. Sylvia Larsen

ALSO PRESENT: Gerard Murphy, Budget Director
Office of the Governor

Michael Connor, Deputy Commissioner
Department of Administrative Services

(Hearing convened at 11:00 a.m.)

(1) Acceptance of Minutes of the March 4, 2014 meeting.

CHAIRMAN CAMPBELL: Okay. We'll call the meeting of the Long Range Capital Planning and Utilization Committee to order for this date. And first --

****** REP. GRAHAM: Move acceptance of the minutes.

SEN. BOUTIN: Second.

CHAIRMAN CAMPBELL: Minutes have been moved and seconded by Representative Graham and seconded by Boutin. All those in favor say aye? Opposed? The minutes are accepted.

***** {MOTION ADOPTED}**

(2) Old Business:

CHAIRMAN CAMPBELL: Go to Old Business and I think we'll get right into it with the Community College System. They're here to report to us on the second amendment and an update of what's going on.

SHANNON REID, Director of Communications, Community College System of New Hampshire: Good morning.

CHAIRMAN CAMPBELL: Good morning. Welcome.

MS. REID: Thank you. I expect Chancellor Gittell here momentarily, but we can go ahead and start.

CHAIRMAN CAMPBELL: You're able to --

MS. REID: I hope so.

CHAIRMAN CAMPBELL: -- pitch hit?

MS. REID: I'm Shannon Reid for the Community College System of New Hampshire. With me is Greg Sancoff, CEO of Juliet Marine Systems.

CHAIRMAN CAMPBELL: Good morning.

GREG SANCOFF, Chief Executive Officer, Juliet Marine Systems: Good morning,

MS. REID: When we were before you a few months ago, we thought that that might be the last time we would have to come back for approval of an amendment on the original purchase and sale agreement. But we are back for an additional extension of time. You have the materials, I believe, that were e-mailed out to you earlier. We are asking the Committee to extend the due diligence period through September 15th. In exchange for this additional time, the company has committed to some provisions in a third amendment, including making the initial deposit non-refundable and committing to responsibility for renovations of the site that relate to the mold that was discovered. And

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Greg is here to talk about their continued commitment to this transaction.

MR. SANCOFF: Thank you very much. I know I've been here a few times before talking about this facility. I know you're probably getting tired of hearing about this facility, but let me explain to you the situation that we have.

When we put the building under contract, the building was in a state that we could have moved directly into the facility. The building molded that summer very heavily so about 25,000 square feet of the first floor molded to the extent where all the ceiling tiles had to be removed, all the toilets had to be removed. They cut four feet up every wall, removed all the drywall. So right now we have pretty much wires hanging from the ceilings. There's no ceiling tiles, there's no carpet, and all the walls have been cutoff. That created a situation from my Board of Directors that they wanted to make sure that there was not a sick building syndrome going on there. So we spent an awful lot of time doing analysis.

When I appeared before you the last time, we were in the process of getting construction quotes from some reputable New Hampshire large construction companies to go in and do this work. What they came back and pretty much told us is that we expend approximately \$1.1 million additionally, more than what we originally thought we were going to spend to deal with the mold problem.

Now in light of the fact that this building is critically important to us because of its size and high bay areas in the back, and that we are totally committed to -- totally committed to the facility, what we need to do is raise additional capital to do this. I mean, that's what we are doing right now as we speak is bring in an additional \$1.5 million to be able to handle the repair of this building. So what we are asking for today is an extension to September to allow us to actually raise that additional money to solve this problem permanently so we don't have the re-appearance of mold inside this building in the future. And it's fairly extensive. I mean, some of the heating

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system needs to be replaced. All the bathrooms are ripped out of the facility. So we're looking at something that we never expected to see when we originally put this building under contract, and it's fairly substantial what's happened to the building.

So what I'm here today to do is ask you to allow us the time to raise the additional funding to close on this building. I'm asking you to extend it out to September 15th. If the money -- if we bring in the funding early, we will close the building earlier. Our intent, our need is to get into the building as soon as we can, and we will probably have to use some temporary office space this year to accommodate the additional people we are going to hire until the building is ready for us.

CHAIRMAN CAMPBELL: Chancellor, you want to add?

DR. ROSS GITTELL, Chancellor, Community College System of New Hampshire: Yes, and I apologize for being late. I mean, I want to add that I've been in touch with Greg on a frequent basis, visited the facilities with Representatives and the Governor, recognize the significant investment that the company wants to make and will make in the facility, and recognize that it is an innovative company. It's an entrepreneurial company, and it takes awhile to put together a deal of this size. And there's significant benefit to the Community College System. The buyer has assumed, since we last appeared before the Committee, has assumed responsibility for the greater renovation costs. That's significant. Because as you know, when we in the first due diligence period encountered some difficulty with the facility and facility hadn't been used for a period of time and developed mold and the buyer is committed to hold this sale price at the original price and assume the renovation costs. And also we come before you asking for this further extension with the buyer making the commitment to turn the original 25,000 deposit into a non-refundable. It was a refundable deposit before. So those are changes.

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You know, to say I'm sure that the Committee is disappointed that after this one month period that you gave us that we weren't able to close the deal. It was ambitious to be in front of you a month ago and say we were going to close this in a month. We continue to be very optimistic that this is going to happen, that we'll get the full asking price which is a fair market value, that this innovative company, Juliet Marine System, will bring significant investment to the state, make this property which, you know, has been dormant, was a community college, into a world-class, high-tech assembly facility with major investment and bring significant employment and value added -- economic value added to the greater Stratham area and to the whole State of New Hampshire.

I know a Committee member has visited the facility that currently the Ghost is located. It's very impressive. I want to be as honest and open and transparent with this Committee as possible. I'm disappointed, too, that we haven't been able to close this deal. But I've been meeting with Greg on a regular basis. We have been open and honest. And he's agreed to appear before this Committee and the company has put in significant costs, personal time costs and dollars as far as looking at the facility, analyzing in detail, and figuring out what kind of investment has to be made to make this a world-class assembly facility. And I'll be continuing to be committed to staying in touch with Greg, informing this Committee on a formal basis, on an informal basis, but I'm confident that this will end up in the best interest for the Community College System and for the State of New Hampshire.

CHAIRMAN CAMPBELL: Thank you. So under this purchase and sale agreement, where it says the seller is not obligated to renovate any walls or the buyer is going to be, and what's the estimated cost of that at this point?

MR. SANCOFF: One point one million to take the building up to a standard that it won't mold again. To repair the damage that's there right now is about \$400,000. Right now.

DR. GITTELL: Right.

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CHAIRMAN CAMPBELL: And who's absorbing that?

MR. SANCOFF: We will.

CHAIRMAN CAMPBELL: You will as well. Okay.

DR. GITTELL: That's been the commitment with this new extension request.

CHAIRMAN CAMPBELL: So what you're looking for is in the meantime, beyond giving these new financial assurances which are this financial obligation in a much greater way, you're looking for time to raise additional revenue.

MR. SANCOFF: That's right.

CHAIRMAN CAMPBELL: Is that private, a venture?

MR. SANCOFF: It's private, it's venture, right.

CHAIRMAN CAMPBELL: What's your prognosis? You expect this --

MR. SANCOFF: We have offers of foreign investment right now that are being reviewed by the State Department. They're existing right now from some foreign countries. But right now we are actively looking of raising U.S. funds and we are actively looking at going public with Barclays in New York City and the prognosis is extremely good.

CHAIRMAN CAMPBELL: But if you go public, it's a long time usually.

MR. SANCOFF: It's a long time, right, unless you use an existing vehicle, an existing corporate vehicle to go public with.

****** SEN. STILES: I'd like to move approval of 14-005 and speak after it's seconded.

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SEN. RAUSCH: Second.

SEN. BOUTIN: I think it's 14-012, Senator. That's the extension.

SEN. STILES: Okay. Whatever the number is.

SEN. BOUTIN: 14-012.

SEN. STILES: Okay, 14-012.

CHAIRMAN CAMPBELL: Is that right?

MICHAEL KANE, Deputy Legislative Budget Assistant, Office of Legislative Budget Assistant: That's correct.

CHAIRMAN CAMPBELL: The item that Senator Stiles moves is 14-012 and seconded by Senator Boutin.

SEN. STILES: I'd just like to say that I did have the privilege of actually visiting the Ghost ship. And I think we have the opportunity to see it, we would understand that how critically important it would be for them in the facility that they're trying to purchase to make sure that all of the mold is completely out of there. And I just think that they're really working. I mean, this is all private investment to build this thing. It's just unbelievable. I still -- as I said to them when I toured it, I think we ought to take a bunch of six graders here. I think it would really invigorate them to become engineers. So I would hope the Committee would see that.

CHAIRMAN CAMPBELL: Thank you. Further comments? Questions? Yes.

REP. LERANDEAU: Just have a question. Refresh me on the original purchase and sale agreement what the price is? Have you agreed on the number?

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DR. GITTELL: Yes, we have agreed. It's 2.75. And then, you know, the payments would come to the State in three different -- in three different equal installments of \$916,667. And we would -- with the sale of in September, we would have two of those payments still within this biennium. So the first payment would be October 2014 with the second one in June of 2015.

CHAIRMAN CAMPBELL: At this point all that money goes to the State, not to the Community College.

DR. GITTELL: Yes, that's correct.

CHAIRMAN CAMPBELL: One last thing. Commissioner Rose called this morning and wanted me to pass onto the Committee wearing his economic development hat that he is in favor of this. And I believe -- you'd like to speak briefly?

CHRISTOPHER WAY, Deputy Director, Division of Economic Development, Department of Resources and Economic Development: For the record, my name is Christopher Way. I'm Deputy Director of Division of Economic Development. I think I'd like to echo what's been said here today and from an economic development standpoint we are very confident in this project. It's doing exactly what we'd like it to do. It's bringing the type of jobs we feel the area needs. But we also see the strong commitment from both parties, and that is what really gives us the confidence. So we would be very supportive of this amendment moving forward. We think it's a very good project.

CHAIRMAN CAMPBELL: Okay. Any further discussion?

SEN. RAUSCH: No.

CHAIRMAN CAMPBELL: Seeing none. All those in favor say aye? Opposed? Thank you. 14-012 is adopted.

***** {MOTION ADOPTED}**

MR. SANCOFF: Thank you.

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DR. GITTELL: Thank you very much.

CHAIRMAN CAMPBELL: Thank you. Thanks for coming, keeping us apprised and we'll have you back to keep us up to speed. Okay. Next item. We need to act on 14-005 at this point?

MICHAEL KANE, Deputy Legislator, Budget Assistant Office of Legislative Budget Assistant: No. That was the Committee previously conditionally approved the item based on receiving that signed agreement.

CHAIRMAN CAMPBELL: Do we need to dispose of it or table it?

MR. KANE: No, it's just informational so you're all set.

(3) New Business:

CHAIRMAN CAMPBELL: Okay. Fine. New Business, Item 14-010, Department of Transportation. Good morning.

CHUCK SCHMIDT, Administrator, Bureau of Right-of-Way, Department of Transportation: Yes, good morning. I'm Chuck Schmidt from the Bureau of Right-of-Way of the Department of Transportation. I have Phil Miles with me today. He is the Chief Property Manager.

PHIL MILES, Chief Property Manager, Department of Transportation: Good morning.

MR. SCHMIDT: LRCP 14-010, the Department requests to sell two parcels of small property on South Willow Street or actually on the 293 off-ramp adjacent to South Willow Street. It's in the shape of a long triangular piece that goes down the ramp. It's about 4,320 square feet. AutoFair came to us requesting to buy the property. They have a need for additional green space as required by the City of Manchester, and the sale price that we recommend is 351,000, including an \$1,100 administrative fee. Important to note is the green space or this area will be

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limited to green space use only. It won't be buildings, it won't be cars parked on it, et cetera.

CHAIRMAN CAMPBELL: Senator Boutin.

****** SEN. BOUTIN: Mr. Chairman, I move adoption of 14-010 as presented.

REP. LERANDEAU: Second.

CHAIRMAN CAMPBELL: Moved by Senator Boutin, seconded by Representative Lerandeau. Discussion? Seeing none. You ready for the question? All those in favor say aye? Opposed? The item passes.

******* {MOTION ADOPTED}

MR. SCHMIDT: Thank you.

CHAIRMAN CAMPBELL: Thank you. Department of Transportation, LRCP 14-011

MR. SCHMIDT: Yes, good morning. Chuck Schmidt, but I also have Steve LaBonte from the Attorney General's Office here with me. He's been working on this project, also.

STEPHEN LABONTE, ESQ., Assistant Attorney General, Department of Justice: Good morning.

CHAIRMAN CAMPBELL: Good morning. Welcome.

MR. SCHMIDT: This request for the use of the right-of-way is actually a second part of a two-part process. This Committee approved a no-cost 50-foot wide permanent easement under the Piscataqua River that was brought forth by DES back on June 26th, 2012. This request is for the area that's within the Department's right-of-way. And it's for the relocation of a gas line which was caused by the construction of Piscataqua River Bridge Project. And the use of the -- the use of the

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right-of-way would be for a 15-year term with one extension of five years.

****** SEN. BOUTIN: I'll move adoption of 14-011.

CHAIRMAN CAMPBELL: Senator Boutin moves and Representative Lerandeau seconds adoption. My only question is why is the term, if it's for a gas transmission line, why is it for the short term?

MR. SCHMIDT: Beyond that, we didn't know what our needs would be for a Department so we wanted to have some flexibility on that end of it. As of right now, we don't have any plans for it so the 15-year gap by then we would know if there was anything needed.

CHAIRMAN CAMPBELL: Okay. Senator Larsen.

SEN. LARSEN: With a pipeline like this in what's essentially probably a floodplain, is there adequate protection for that increased hazard in that area?

MR. SCHMIDT: Good question and I was remiss. I have two representatives from the gas company here this morning. They may be able to answer that question a little better than I am. Roger Barham and -- I'm sorry.

MAUREEN SMITH, ESQ., Orr & Reno, Concord, NH: Maureen Smith.

MR. SCHMIDT: Maureen Smith.

MS. SMITH: Good morning. Maureen Smith, Orr & Reno, representing Granite State Gas Transmission. With me today is the Senior Gas Engineer, Roger Barham.

I will say that the pipeline when before it's installed went from all the environmental reviews through the Department of Environmental Services, Council on Resources and Development, Rivers Advisory Management Committee, the --

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(The court reporter interrupts.)

CHAIRMAN CAMPBELL: Would you come up and testify. Pull a chair up. Members are having trouble hearing, too.

MS. SMITH: Granite State Gas Transmission obtained all the necessary regulatory reviews and approvals because, of course, there is concern about the river and the variable of the pipeline. So the Department of Environmental Services, Wetlands Bureau, Shoreland Protection Bureau, Alteration of Terrain Bureau, the Coastal Zone Management Program, the Corp of Engineers, the Coast Guard, the Site Evaluation Committee, the Public Utilities Commission, and Local Advisory Committee on Rivers Management all looked at this project and approved it as complying with all environmental requirements.

Plus, I'll add, and Mr. Barham can expound, if you like, that putting the pipeline at a depth of about 30 feet under the bed of the river in bedrock and coming up to the shore about 300 feet from each side of the river, each shore of the river, is actually the best way to install a pipeline across a river using modern technology. It lasts longer. It's much better than the pipeline being strung across the bridge which is the way it was before. So the whole -- the whole change has been an improvement environmentally.

The pipeline has been installed. There have been no issues. It is in use and so it's there. And Granite State just needs the ability to have some certainty that it can remain there for at least 15 years and the Department of Transportation was good enough to grant that time frame. Given that it did want to have the flexibility to have it moved after that point, it did reserve the right to ask that it be moved after 15 years and Granite State was willing to accommodate that need. And we, you know, had hoped and Department of Transportation has asked that this 15-year easement be granted without cost to Granite State other than the administrative fee of \$1,100, but it will bear all costs, it has borne all costs to date, and it will continue to bear all costs.

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CHAIRMAN CAMPBELL: Senator Larsen, does that answer your question?

SEN. LARSEN: Yes, it does. Thank you.

MS. SMITH: More than enough, I'm sure.

SEN. BOUTIN: I have a question which is more out of curiosity than anything else. Did you have to get a permit from any of the agencies you that identified to put that pipe underneath the riverbed? Did you have to get an actual permit?

MS. SMITH: Well, the permits that were received all related to the shoreland and the potential impact to the shoreland. What we needed was an easement from the State and that was granted last year.

SEN. BOUTIN: So there wasn't an actual permit for underneath the riverbed when you came up on the land?

MS. SMITH: When you say a permit, not as such; but there are Federal Energy Regulatory Commission requirements and it has a certificate --

SEN. BOUTIN: Right.

MS. SMITH: -- that applies to it. So if you want to call that a permit, it does have it.

SEN. BOUTIN: Thank you. That's all I needed.

MS. SMITH: Thank you.

CHAIRMAN CAMPBELL: Any further discussion on this item? Seeing none. Are you ready for the question? All those in favor say aye? Opposed? Thank you.

*** {MOTION ADOPTED}

MS. SMITH: Thank you.

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CHAIRMAN CAMPBELL: Thank you very much. Thank you for coming in this morning.

MR. SCHMIDT: Thank you.

CHAIRMAN CAMPBELL: Next item is disposal of real estate, LRCP 14-007, Department of Administrative Services. Mr. Connor, good morning.

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: Good morning, Mr. Chairman.

CHAIRMAN CAMPBELL: One side of the desk to the other.

MR. CONNOR: Mike Connor from the Department of Administrative Services where I serve as a Deputy Commissioner, and I'm here today to seek your approval to reduce the sale price for the former Nashua District Court from \$1 million to \$800,000, plus an administrative fee of \$1,100, with the ability to negotiate with any prospective buyers within 10% of the reduced sale price established by the Committee.

In addition, we are also requesting approval to extend the term of our listing agreement with NIA Norwood Group for an additional six months from June 24, 2014, to December 24, 2014.

We received approval from the Long Range Planning and Utilization Committee in May of 2013 to list the property with NIA Norwood Group for 1,153,778. We, consequently, entered into a listing agreement with the Norwood Group in June. We received several inquiries. Discovered through one of the developers that in order to convert the building into multi-tenant office space, they are required to install a fire suppression system, increase the size of the underground water main, and remove a fuel oil tank. Total estimated cost for this extra work is 254,000.

As a result, we sought and obtained approval from the Long Range Planning and Utilization Committee in September of 2013 to reduce the cost from 1,153,778 to \$1 million. Unfortunately,

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during that time frame, the developer that expressed interest initially had to withdraw due to one of his tenants that had withdrawn their interest in the property.

We've had a few interested buyers since then that have identified additional renovations that we need to do or they need to do at the facility, including replacing the roof, some mechanical systems, and some interior fit-up. This additional cost totals anywhere from four hundred to \$650,000. As a result, we're requesting your approval to reduce the sale price from 1 million to 800,000, plus an administrative fee of 1,100, with the ability to negotiate with any prospective buyers within 10% of the revised sale price. We are also requesting your approval to extend our listing with NIA Norwood for an additional six months to December 24th, 2014. I'd be glad to answer any questions you may have.

CHAIRMAN CAMPBELL: It's my understanding that you have somebody interested?

MR. CONNOR: We have a couple buyers that are interested, yes.

****** SEN. BOUTIN: Mr. Chairman, I'll move adoption of 14-007.

CHAIRMAN CAMPBELL: Senator Boutin moves adoption. Is there a second?

SEN. STILES: I'll second it, and I have a question.

CHAIRMAN CAMPBELL: Second by Senator Stiles. Please, Senator Stiles.

SEN. STILES: I was looking at your explanation. It says the property was originally owned by the City of Nashua and leased to the State. The State purchased it in 1992. What caused that to happen?

MR. CONNOR: The unification of the state court system. Prior to that all the different towns and cities had their own

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courts and revenue with that in that direction. Then the State unified the court system where the revenues come to the State and a lot of the municipalities and towns said, well, we are not going to make any money then so it was something we were leasing. It was court facility for our needs. So we purchased it in, I think, 1992 for 1.3 million.

SEN. STILES: Thank you.

CHAIRMAN CAMPBELL: And since that time codes have changed and lot of what the prospective buyers have found out is that they have to bring it up to current code. They have to put in what you say, about how much money?

MR. CONNOR: Well, yeah. Initially, it was the sprinkler system which adds about a quarter of a million. And then most recently because they're looking at the facility and actually one of the buyers would like to have their office there, the roof is original. So they are looking to replace the roof. The HV systems are a little tired. They'd like to renovate those. So, again, another four to 600,000, depending on who you talk to.

CHAIRMAN CAMPBELL: Okay.

MR. CONNOR: The properties in the area, just to let you know, have decreased. There are a couple other buildings. Dartmouth-Hitchcock has two buildings that were listed at like 1.4, about the same as our original numbers. They reduced theirs to about 800,000. So we are trying to stay comparable and theirs are more ready to move in than ours because we have a court building that needs to be fit-up somewhat, whereas one of the buildings is really the kind of office space that someone could move in.

CHAIRMAN CAMPBELL: So market driven, too?

MR. CONNOR: Yes.

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CHAIRMAN CAMPBELL: Okay. Is there any other questions, comments? If not, all those in favor say aye? Opposed?

REP. GRAHAM: No.

CHAIRMAN CAMPBELL: One in opposition. Thank you.

***** {MOTION ADOPTED}**

CHAIRMAN CAMPBELL: All right. That brings us up to some railroad issues. Thank you. Nice to see Mr. Barker back hale and hardy?

LOU BARKER, Bureau of Rail and Transit, Department of Transportation: Yes.

CHAIRMAN CAMPBELL: Welcome.

MR. BARKER: Thank you. Lou Barker from the Department of Transportation, Bureau of Rail and Transit. Good morning, Ladies and Gentlemen.

I come representing the Department of Transportation to request approval to sell approximately .12 acres of State-owned Mountain Division Railroad Property in the Town of Bartlett to the Cabin Fever Property LLC for \$13,500 and assess \$1,100 administrative fee. We have already received \$500 toward that fee as part of the process for reviewing the transaction.

This is a win/win situation for the State and for Cabin Fever Property. Cabin Fever Property's a little restaurant in a triangular piece of property just east of the Route 302 railroad crossing. The previous owners dating back to before the State acquired the property had built the structure, a fire escape, a septic tank and leech field all of which encroached into the railroad corridor. In evaluating the site, we realized or we came -- we formed the opinion that we could do without this particular strip of property along the edge of the railroad corridor and get out of any potential or responsibility for a

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septic tank leak we learned was in the corridor. If you have any questions, I'd be glad to answer them.

****** REP. GRAHAM: Move approval.

SEN. BOUTIN: Second.

CHAIRMAN CAMPBELL: Representative Graham moves and Senator Boutin seconds adoption of -- for the record, I should have done this beginning of the meeting. Our two alternates are sitting today, Representative Graham for Representative Chandler so it's appropriate he makes this motion. And Representative Cloutier couldn't make it either, so Representative Rogers is here.

SEN. RAUSCH: I do have a question. I mean, we have had a number of cases like this where abutting properties have built onto State land, and most of it was done before there was a whole lot of survey. Was this done a number of years ago?

MR. BARKER: Yes, sir.

SEN. RAUSCH: And, like, do you know what year?

MR. BARKER: No.

SEN. RAUSCH: Okay.

MR. BARKER: I speculate, but both the Boston Maine and Maine Central Railroads had not been doing well financially for many decades. So staff cutbacks and they weren't following their property issues nearly as closely as most people would.

SEN. RAUSCH: Okay.

CHAIRMAN CAMPBELL: Representative Stiles -- Senator Stiles.

SEN. STILES: Thank you. Thank you. I'm looking at the comments here and signed by the abutter, Cabin Fever Property LLC and the owners, Tom and Dawn Ramadon. They are the owners of Cabin Property?

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MR. BARKER: Yes, a recent purchase.

SEN. STILES: Follow-up?

CHAIRMAN CAMPBELL: Yes.

SEN. STILES: Because going on-line to look that up I saw that there were Cabin Fever Properties in many states, not just in this state, that do the same thing. Washington, North Carolina, Virginia. Just wanted to make sure it was a local.

CHAIRMAN CAMPBELL: And it is to your knowledge?

MR. BARKER: It's my understanding is that basically are retiring to New Hampshire and opening a business. They're from Connecticut.

SEN. STILES: Probably have one in Connecticut, too.

CHAIRMAN CAMPBELL: Any further questions? Comments? Ready for the question? All those in favor say aye? Opposed?

***** {MOTION ADOPTED}**

CHAIRMAN CAMPBELL: And there's none. You have one more might item, Mr. Barker.

MR. BARKER: Yes, sir. Item LRCP 14-008. The Department of Transportation requests approval to lease the Merrimack Valley Railroad sidings on approximately .87 acres on the State-owned Concord to Lincoln Railroad corridor in the town of Northfield at a cost of \$.10 per square foot for a cost of \$3,757.50, plus \$100 per year for the pedestrian at-grade crossing and an electric utility crossing, for a total of \$3,857.50 for a period of five years, with a five-year renewal provision, and assess a one-time \$1,100 administrative fee.

This location, an interesting story, is the Boston and Maine Railroad sold the old freight station to the Merrimack Valley Railroad, probably in the 1960's before the State owned

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it. But they withheld or they held because possibly still using the railroad sidings, and they -- so there was a little freight station, you know, track access. The group Merrimack Valley Railroad is actually a club which owns cabooses and private cars, and they need a place to store the cars. So they came to the State of New Hampshire and asked if they could do the sidings -- use the sidings adjacent to their building. And since they also hire our railroad operating contractors periodically to take the cabooses on trips, we thought it was an advantage -- advantage to the State to rent them the sidings, and then we also get 5% of the revenue when they rent a locomotive, so to speak. Any questions, I'd be glad to answer.

****** SEN. STILES: Move to approve 14-008.

SEN. BOUTIN: Second.

CHAIRMAN CAMPBELL: Senator Stiles moves approval, Senator Boutin seconds. Any further discussion? Seeing none. All those in favor say aye? Opposed?

******* **{MOTION ADOPTED}**

MR. BARKER: Thank you, sir.

(4) **Miscellaneous:**

(5) **Informational:**

(6) **Date of Next Meeting and Adjournment:**

CHAIRMAN CAMPBELL: Thank you, and that is all we have. We do need a meeting. We did set a date for Capital Budget Overview so I think we are looking at everybody else's schedule. What was the date on that?

MR. KANE: Tuesday, May 13th.

CHAIRMAN CAMPBELL: Tuesday at 1:30. So 2:30 for Long Range?

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REP. GRAHAM: Yeah.

CHAIRMAN CAMPBELL: 2:30 on the 13th.

SEN. RAUSCH: On May 13th?

CHAIRMAN CAMPBELL: We already scheduled Capital Budget Overview for 1:30 so we would propose an hour later to do Capital Budget -- I mean, Long Range at 2:30, May 13th, Tuesday.

SEN. RAUSCH: I think we'll be okay in Transportation. I think we'll be okay.

CHAIRMAN CAMPBELL: Okay. So that's --

SEN. RAUSCH: We need to do some exec'ing. That gives us an hour and a half.

CHAIRMAN CAMPBELL: Okay. So we decided we'll schedule the next meeting for Tuesday, May 13th, at 2:30 p.m. in this room. Any further business?

SEN. LARSEN: I just warn you that Finance meets and if we go into 2:30 time frame I am tied up.

CHAIRMAN CAMPBELL: I understand. Anything else? Seeing none, take a motion.

****** REP. LERANDEAU: So moved.

CHAIRMAN CAMPBELL: Lerandeau moves to adjourn.

SEN. BOUTIN: Second.

CHAIRMAN CAMPBELL: Seconded by Boutin. All those in favor say aye? We are adjourned.

***** {MOTION ADOPTED}**

(Meeting adjourned at 11:31 a.m.)

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CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask
Cecelia A. Trask, LSR, RMR, CRR
State of New Hampshire
License No. 47

