

**LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE**

Legislative Office Building, Room 201

Concord, NH

Wednesday, June 6, 2018

**MEMBERS PRESENT:**

Rep. John Graham, Chair

Rep. John Cloutier

Rep. Mark McConkey

Speaker Gene Chandler

Rep. David Danielson (Alt.)

Sen. Dan Feltes

Sen. Bill Gannon

Sen. Bob Giuda

**ALSO PRESENT:** Mac Zelle

Budget Director, Office of the Governor

(The meeting convened at 10:00 a.m.)

**(1) Acceptance of Minutes of the February 21, 2018 Meeting.**

JOHN GRAHAM, State Representative, Hillsborough County, District #07 and Chairman: Time being 10 o'clock, I'd like to call the meeting of the Long Range Capital Planning and Utilization Committee to order. The first order of business is the acceptance of the minutes from our February 21<sup>st</sup> meeting. Do I hear a motion?

**\*\* MARK MCCONKEY, State Representative, Carroll County, District #03:** So move.

CHAIRMAN GRAHAM: Moved and second.

JOHN CLOUTIER, State Representative, Sullivan County, District #10: Mr. Chairman, the second?

CHAIRMAN GRAHAM: Second was Senator --

REP. CLOUTIER: Senator Gannon. Okay, thank you.

CHAIRMAN GRAHAM: Any discussion? All those in favor say aye? Opposed nay? The ayes have it and it is adopted.

\*\*\* {MOTION ADOPTED}

(2) Old Business:

(3) New Business:

CHAIRMAN GRAHAM: The first order of business LRCP 18 -- I was going to say I was going to hold it until the Speaker got here but he is here. He asked to be present.

Department of Business and Economic Affairs requests approval of a ten-year lease agreement with Maple Valley Manchester Partners, LLC, doing business as Brady Sullivan Properties, for approximately 17,897 square feet of space at Eagle Square for an amount not to exceed 3.919 million. Who is here to talk about this?

TAYLOR CASWELL, Commissioner, Department of Business and Economic Affairs: My name is Taylor Caswell. I'm the Commissioner of the Department of Business and Economic Affairs.

We've been through a significant process over the past year since we were established by the Legislature last year and working with the Department of Administrative Services have been through the usual process of trying to find new space. The lease on the current building where we are located is due to expire at the end of September of this current year. And we identified this location with this lease arrangement as the best possible location for our -- for our operation. There's been legislation that's been passed both houses and conference report has passed.

CHAIRMAN GRAHAM: I would correct you. It has passed, but it has not been signed by the Governor.

MR. CASWELL: I understand it has not yet been signed.

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CHAIRMAN GRAHAM: So we have no authority to spend any money at the moment.

MR. CASWELL: That's correct. But I would point out that the conference report has been approved by both houses.

CHAIRMAN GRAHAM: That we all know.

MR. CASWELL: Yes, sir.

CHAIRMAN GRAHAM: Any questions from the Committee? Mr. Speaker.

GENE CHANDLER, State Representative, Carroll County, District #01, and Speaker of the House of Representatives: If I may? Thank you. My question is the people that are going to this new facility, where are they now?

MR. CASWELL: They're at 172 Pembroke Road at the old DRED building.

SPEAKER CHANDLER: Right. You said the lease there is expiring?

MR. CASWELL: Yes, sir. It actually -- it actually expired last September; but it was extended by Commissioner Rose for one year while the new Department came into being and worked it.

SPEAKER CHANDLER: Okay. If I may?

CHAIRMAN GRAHAM: Follow-up.

SPEAKER CHANDLER: But there are other people still there after these -- I mean --

MR. CASWELL: Yes, the Department of Natural and Cultural Resources is still there. I'm not sure what their -- what their plan is, whether they're staying or leaving.

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SPEAKER CHANDLER: Okay. Thank you. How many -- if I may?

CHAIRMAN GRAHAM: Follow-up.

SPEAKER CHANDLER: How many people are there now in the facility in this Department?

MR. CASWELL: In our Department there's currently 45 people sitting at desks. We have additional people that staff the welcome centers around the state.

SPEAKER CHANDLER: Right.

MR. CASWELL: But they're not located in Concord.

SPEAKER CHANDLER: I'm sorry, let someone else jump in.

CHAIRMAN GRAHAM: Mr. Speaker, I will allow it.

SPEAKER CHANDLER: But I notice that they're asking for 51.

MR. CASWELL: Yes, sir. We have a couple of open spots currently that are not filled that we need to be able to accommodate for once we actually move. We'd have to accommodate for them whether we were in either position.

SPEAKER CHANDLER: I guess I'll ask.

CHAIRMAN GRAHAM: Follow-up.

SPEAKER CHANDLER: I realize that the worst thing that comes up is at the last minute someone starts raising questions so for that I apologize for myself, at least. I don't know if anyone else, but it's the whole thing kind of escalated, I guess, I don't know what the word is, and maybe we weren't paying enough attention. But having said that, has any thought been given to building a building? I mean, we are paying, what, roughly \$3.6 million for ten years here. And it may be the best deal, but has anyone sat down and analyzed what the --

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DAVID DANIELSON, State Representative, Hillsborough County,  
District #07: 3.9.

SPEAKER CHANDLER: -- 3.9 million, it's even worse or better. Has anyone analyzed whether or not this is the best thing for the State of New Hampshire to do this or should we be trying to get another year or two and build a facility; and the second question part of that is if everyone is existing in this facility now, why can't we just extend the lease and have them exist there later?

MR. CASWELL: Well, to your second question, a number of reasons. Both departments now are at a point where because when we split we had to turn one, for example, business office into two business offices, one HR office into two HR offices so that requires additional space. So for the ability for both Departments to continue to exist at that facility we do not see that as being possible given the space that it is.

The other piece is that within that current building there is -- the configuration of the building is set up for DRED, not for two separate departments. So our divisions are not contiguous. So that's a secondary management related issue.

As far as your question as to whether or not we considered building a building, I would have to say no, we did not consider whether or not that would be a worthwhile expenditure.

SPEAKER CHANDLER: Thank you. I guess I'm just very concerned with this expenditure of this much money. I'm not saying it's too much for what we're doing, but whether or not it's the financially appropriate thing. This agency is going to be there longer than ten years I would expect, and whether we should be looking at something more permanent as a facility. That's all.

CHAIRMAN GRAHAM: Any other questions from Members of the Committee? What is the pleasure of the Committee on this item?

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DAN FELTES, State Senator, Senate District #15: I have a question.

CHAIRMAN GRAHAM: Oh, you do have a question?

SEN. FELTES: Thank you, Mr. Chairman. Thank you, Commissioner. The bill that hasn't been signed yet, 1356, the way I read it doesn't necessarily have an impact on our action today, because our action today is the lease.

MR. CASWELL: Yes.

SEN. FELTES: And, presumably, the Governor will sign the bill providing for the moving expenses. And by the time the lease is operational and by the time you have to move in that money will be available provided the Governor signs the bill.

MR. CASWELL: That's correct.

SEN. FELTES: Is that understanding --

MR. CASWELL: Yes, sir.

SEN. FELTES: All right. Just want to clarify that.

CHAIRMAN GRAHAM: Any other questions? What is the pleasure of the Committee?

**\*\*** SEN. FELTES: I move to approve item LRCP 18-018.

CHAIRMAN GRAHAM: Is there a second?

(Senator Gannon gestures.)

CHAIRMAN GRAHAM: Second.

REP. CLOUTIER: Excuse me, Mr. Chairman. Question. Should we add a provision contingent on House Bill 1356 becoming law just in case for some reason that does not?

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SEN. FELTES: I'll modify my motion that we move approval contingent upon the signing of House Bill 1356 by the Governor.

REP. CLOUTIER: Okay.

SEN. FELTES: Senator Gannon, that okay with you?

REP. CLOUTIER: Motion by Senator Feltes, second by Senator Gannon to approve this motion.

CHAIRMAN GRAHAM: Is there any discussion on the motion?

SPEAKER CHANDLER: Yeah, I just would say I am concerned. I would prefer that we table this, but I'm not going to make a motion. But I'm very concerned that part of the or at least my understanding was when these Departments were separated would provide a more beneficial situation for the Departments to run, and I agree that it probably will. Right off the bat we're already running into what is -- we hear there's two human services offices. We're going to have more officers and more Commissioners. It's going in opposite of what I thought the intent of forming these two things were to be efficiency in government, and we're creating more government and I have a concern with that. So that's it.

CHAIRMAN GRAHAM: Any other discussion?

REP. DANIELSON: Chairman, follow-up to Speaker's question. Is there any offset or is there anything that's bad about us delaying this?

CHAIRMAN GRAHAM: I would ask the Commissioner to address that. If we were to delay this -- this motion, we're not planning on meeting again until September, although we could meet some time over the summer if anybody is around.

MR. CASWELL: I would say that at this point, you know, I think a delay would -- would impact the amount of lease that we've had potentially pending approval by the Governor. There

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are also resources available in that to help for the move to the new facility.

I would point out that we've also been able to acquire some surplus federal furniture for a very, very low cost to additionally reduce the cost to the state. And that the -- the lease arrangement that we do have in place is a frozen lease for a period of ten years with no escalation. All other -- all the other proposals that we did receive were -- included at least a 2 or 3% escalation clause.

So I do -- I did feel that this was short of, you know, going down the road of trying to consider whether we should build a building, that this is -- this is a good choice on a number of different fronts. My own opinion. But as far as the lease goes, there's a pending lease and with Brady Sullivan that would take effect upon approval of this; Governor and Council still has to approve this as well.

CHAIRMAN GRAHAM: Representative Giuda.

ROBERT "Bob" GIUDA, State Senator, Senate District #02:  
Thank you, Mr. Chairman.

CHAIRMAN GRAHAM: Senator Giuda, excuse me.

SEN. GIUDA: I've been called worse. Commissioner, is there any out clause or any provision for us to extract ourselves from this lease in a ten-year period?

MR. CASWELL: I'm not sure I would be able to answer that question. Do we know?

UNIDENTIFIED FEMALE SPEAKER: I don't have the lease handy.

MR. CASWELL: I'm not sure of the answer to that question. I think the lease we are going -- that we've agreed to is a pretty standard lease. So, you know, whatever the current commercial standards are for a lease like that I would say that would be the provisions that we've agreed to.

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SPEAKER CHANDLER: I just want to, for the record, say I had no problem with the amount of the lease per se. It's just the idea that we hadn't even looked at the feasibility of whether this was the best approach financially for the State of New Hampshire, and I find a problem with that. Even if it was -- I guess even if there was a delay of a month, I would approve the House coming in here if that's the problem, but to at least get that answered. And I don't know whether it is. I realize this lease includes everything. So that's always a plus. I mean, when we've got all the things if we owned our own building would be an extra cost, the heat and things like that; but still, owning the building we own it forever. I just think it should have been considered. That's all. I'm sorry.

REP. MCCONKEY: Thank you, Mr. Chairman. Following up on Representative Chandler's point, supportive of what the Speaker has suggested, I'll be voting against this.

SEN. FELTES: Thank you, Mr. Chairman. I was one of the people during the budget process who opposed this splitting up of the Departments and Senator Giuda may remember that conversation because I thought it would cost more money. Notwithstanding that, we made that decision. We also passed this bill and I understand the Governor is going to sign it to provide for the moving expenses to do this. So the full Legislature has made these decisions. I didn't agree with them, but they made the decisions.

Now we're at where we're at, and if we delay this for what purpose; to think about the possibility of making a permanent building? I just don't understand it. I think it could have a negative impact, Commissioner had indicated that. I think it makes sense to take action right now.

CHAIRMAN GRAHAM: Senator.

SEN. GIUDA: Thank you, Mr. Chairman. Could we special order this to the end of this meeting and have Commissioner find out if there's an out clause --

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CHAIRMAN GRAHAM: I was just going to ask that because I saw people whispering in his ear.

MR. CASWELL: So the lease that we are using is a standard lease from the Department of Administrative Services and they will be signing the lease, as is the current law. And the Attorney General's Office and DOJ has reviewed the lease and approved it. So, you know, that may partially answer your question. Whether there's a specific out provision, I can't say.

CHAIRMAN GRAHAM: Is there any objection from the Committee to Senator Giuda's recommendation that we find out about the escape clause, if any, in the lease and we take this up?

MAC ZELLEM, Budget Director, Office of the Governor: I think the Commissioner has an answer.

MR. CASEWELL: They're working very feverishly behind me, Chairman.

CHAIRMAN GRAHAM: I saw that.

MR. CASWELL: So under Section 5 of the lease there is a provision that states it is further expressly understood and agreed by the landlord that in the event the State of New Hampshire makes available State-owned facilities for the housing of tenant, the tenant may, at its option, serve 30 days written notice to the landlord of its intention to cancel the lease in whole or in part. Whenever the tenant decides to cancel the lease in whole or in part, this section the tenant shall vacate all or part of the premises within 30 days.

SEN. GIUDA: Follow-up. Thank you, Mr. Chair. Is there any kind of a penalty for vacating the lease?

MR. CASWELL: It does not say any penalty, no.

SEN. GIUDA: Thank you.

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CHAIRMAN GRAHAM: Any further discussion? The motion before us is that we approve item 18 -- what is it -- 18-018, contingent upon the Governor signing the appropriate bill.

SEN. GIUDA: I would also propose an amendment that would require the Commissioner or the Department to evaluate the feasibility and the cost effectiveness, the cost benefit analysis of building a structure sometime, you know, in a time period in the next year, so that we can address Representative Chandler's concern and also see if we can do it less expensively and more permanently.

MR. CASWELL: That's fine.

SEN. FELTES: Okay. So modified.

CHAIRMAN GRAHAM: Okay. Let me restate the motion then. The motion is to approve item 18 contingent upon the signing of House Bill 1356 by the Governor and requiring the Commissioner to -- and I will put a date on it -- to come in as part of the Capital Budget process in 2019 with an alternative to the lease.

REP. CLOUTIER: Okay. Again, Mr. Chairman, for the record. I'm just writing --

CHAIRMAN GRAHAM: I know you are. So is she.

REP. CLOUTIER: And maybe she can state the motion. Contingent -- this is also contingent, right, on -- I'm sorry, repeat.

CHAIRMAN GRAHAM: And having the Commissioner come in.

REP. CLOUTIER: Okay, having which Commissioner we talking about, please?

CHAIRMAN GRAHAM: What's your title?

MR. CASWELL: Department of Business and Economic Affairs.

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REP. CLOUTIER: Okay.

CHAIRMAN GRAHAM: We're all getting used to the new name.

MR. CASWELL: I understand, I understand, Mr. Chairman.

SEN. GIUDA: Mr. Chairman, I would ask that we maybe reconsider that specific language that we use to have a cost benefit analysis done as opposed to require, you know, construction. Just take a look at it.

CHAIRMAN GRAHAM: That's all part of the Capital Budget process.

SEN. GIUDA: Okay, I'm not familiar with that.

CHAIRMAN GRAHAM: Yeah, that's what it will be.

REP. DANIELSON: Chairman, point of order. I'm not sure if I've been appointed an alternate or are you expecting me to vote?

CHAIRMAN GRAHAM: Yes.

REP. DANIELSON: Thank you.

MR. ZELLEM: One clarification. I don't think we can make the funding for the lease contingent upon the Commissioner coming --

CHAIRMAN GRAHAM: No.

MR. ZELLEM: I just want to make sure it's not contingent.

CHAIRMAN GRAHAM: It's not contingent. He will come in.

SEN. FELTES: He will come in at least and give a presentation about options.

MR. CASWELL: Yes, sir.

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CHAIRMAN GRAHAM: I was not clear that that was the intent. All right. Are we ready for the question? All those in favor say aye? Opposed? There are three nos.

(Representatives McConkey, Chandler and Danielson voted against the motion.)

REP. CLOUTIER: Three nos. So five to 3.

\*\*\* {MOTION ADOPTED}

CHAIRMAN GRAHAM: Next item. Thank you.

MR. CASWELL: Thank you.

CHAIRMAN GRAHAM: Item LRCP 18-019 from the Department of Health and Human Services. Another request approval of a ten-year renewal lease agreement with C&C Thibodeau Properties in Conway for approximately 14,500 square feet of space at Hobbs Street, Conway, retroactive to June 1<sup>st</sup>, 2018. The amount not to exceed \$3,490,298.40, subject to the schedule of annual rent and conditions as specified in the request. Commissioner.

DAVID CLAPP, Director of Facilities, Department of Health and Human Services: No, Director of Facilities for the Department of Health and Human Services. My name is David Clapp. This is a renewal lease. We've been at the location for approximately 22 years. Over those 22 years the operation of the Department has changed drastically. So the -- we are going to require a full renovation of the space. We currently have 60 employees at this location and the new rate is approximately \$22 a square foot.

CHAIRMAN GRAHAM: And who is going to, if I may, who is going to pay for the renovation, the landlord?

MR. CLAPP: The landlord is, yes.

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CHAIRMAN GRAHAM: Okay, that's what I thought. Any questions?

MR. ZELLEM: Question. What was the previous rate per square foot?

MR. CLAPP: I believe it was around -- I don't have that right in front of me.

MR. ZELLEM: Do you have the previous annualized percentage increase?

MR. CLAPP: The previous was being annualized at 2% increase per year.

MR. ZELLEM: Okay.

MR. CLAPP: Due to the extensive renovations there is a substantial increase in the rent cost.

MR. ZELLEM: Understood.

CHAIRMAN GRAHAM: Representative McConkey.

**\*\*** REP. MCCONKEY: Thank you, Mr. Chairman. Motion to accept.

CHAIRMAN GRAHAM: Motion by Representative McConkey to accept.

SEN. FELTES: Second.

CHAIRMAN GRAHAM: Senator Feltes seconds. Any further discussion? Anybody else have anything to say about that? If not, all those in favor say aye? Opposed nay? The ayes have it. The item is accepted.

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

MR. CLAPP: Thank you very much.

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CHAIRMAN GRAHAM: LRCP 18-011 from the Department of Transportation – they have to make several – requests authorization to sell a 5.63 plus or minus acre parcel of State-owned land located on the easterly side of New Hampshire Route 125 in the Town of Kingston by a sealed bid process to the general public with a minimum bid of 35,100 which includes \$1,100 administrative fee subject to the conditions as specified in the request. Anybody from the Department wish to speak? You might as well come up because you have several others.

CHUCK SCHMIDT, Bureau of Right-of-Way, Department of Transportation: Good morning. I'm Chuck Schmidt from the Bureau of Right-of-Way. I'm the Administrator for the Bureau from the DOT. I have Phil Miles here who's the Chief Property Manager at the DOT.

So 18-011 is a parcel that we've had, we have tried to market several times historically. We've come before this Committee and --

CHAIRMAN GRAHAM: I remember.

MR. SCHMIDT: And we do have an abutter who has expressed interest. So this is an attempt to move it along. Basically, the value that we're asking for is very similar to the previous value that was approved by this Committee.

CHAIRMAN GRAHAM: And if I remember we've been trying to do this for a decade.

MR. SCHMIDT: Yes, tough property.

CHAIRMAN GRAHAM: Is there anybody in the audience who has anything to say about this item? If not --

**\*\*** REP. MCCONKEY: Motion to accept.

CHAIRMAN GRAHAM: Representative McConkey moves and Senator Feltes seconds that we approve item 18-011. Is there any

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discussion? Seeing none, all those in favor say aye? Opposed nay? The ayes have it, and the motion is approved.

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

CHAIRMAN GRAHAM: Item 18-012 from the Department of Transportation, request authorization to lease 9,782 plus or minus square foot parcel of State-owned land located on the southeast quadrant of Interstate 93, Exit 12 Interchange in the City of Concord to the South Main Realty LLC, for five years at \$7,500 per year, plus a one-time \$1,100 administrative fee.

MR. SCHMIDT: We've been approached by a developer to lease this area for needed parking, an expansion of parking. We negotiated that if we need it for future projects that we'll take it back. They'll work with us on making the site, preparing the site and so on. Specifically in mind would be the Bow/Concord job. It's early in the design phase so we're not sure exactly what we need. But in the meantime it is excess to our needs.

CHAIRMAN GRAHAM: Your statement you said you would have a cancellation clause --

MR. SCHMIDT: Absolutely.

CHAIRMAN GRAHAM: -- in case we need it as we continue to look at expansion of the roads through Concord.

MR. SCHMIDT: Absolutely.

CHAIRMAN GRAHAM: Is there anybody else who wishes to weigh in on this? I was looking at the audience, Dave.

REP. DANIELSON: Oh, I'm sorry.

CHAIRMAN GRAHAM: Seeing none, go ahead.

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REP. DANIELSON: Thank you. Thank you. Thank you for taking my question. I think you referred to the project, 89 Project, whatever that turns out to be.

MR. SCHMIDT: Yeah.

REP. DANIELSON: That's a difficult intersection now. And certainly the traffic coming through there at any particular time, particularly rush hour, how is this going to impact that flow of traffic? Is it going to make it -- I'm sure he wouldn't make it more dangerous so how is it going to ease the pressure in that?

MR. SCHMIDT: I don't know per se if it will ease the traffic on the Interstate or the -- at the ramp.

REP. DANIELSON: The ramp is the particular thing.

MR. SCHMIDT: Right. It will provide access via -- is that 3-A? So but I don't know the impacts to the ramp itself. I can't speak to that.

REP. DANIELSON: Thank you.

MR. SCHMIDT: I apologize.

REP. DANIELSON: Thank you, Chair.

CHAIRMAN GRAHAM: What's the pleasure of the Committee?

**\*\*** REP. MCCONKEY: Move to accept.

SEN. GIUDA: Second.

CHAIRMAN GRAHAM: Moved by Representative McConkey, Senator Giuda seconds. Any further discussion? Seeing none, all those in favor say aye? Opposed nay? The ayes have it. The motion is approved.

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

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CHAIRMAN GRAHAM: Item 18-023 from the Department of Transportation, request authorization to sell an access point through the limited access right-of-way on New Hampshire Route 125 in the Town of Kingston directly to Kingston Crossing, LLC for \$192,100 which includes \$1,100 administrative fee, subject to the conditions specified in the request dated May 15<sup>th</sup>. I do have a question.

How did you arrive -- looking through all of the back where they start talking 600, \$800,000 parcel, how did we arrive at 192,000?

MR. SCHMIDT: Sure. Basically, our appraisers do a before and after. What they do is they value the property without the access and then they value it again with the access, and they take the difference in value, and that's how this was developed. Does that answer your question, Mr. Chairman?

REP. MCCONKEY: I have a different question, Mr. Chairman.

CHAIRMAN GRAHAM: Yes.

REP. MCCONKEY: If I could, just a quick explanation. Authorize to sell an access point through a limited access right-of-way. So there's already restrictions put on this section and you're opening that up to create this right-of-way through.

MR. SCHMIDT: Yes, at this specific location.

REP. MCCONKEY: Okay. Not a common request, is it?

MR. SCHMIDT: No, not overly.

REP. MCCONKEY: Okay. Thank you.

CHAIRMAN GRAHAM: Any other questions? Is there anybody in the audience who wishes to weigh in on this particular issue? Seeing none. What is the pleasure of the Committee?

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**\*\***     REP. MCCONKEY: Motion to accept.

SEN. FELTES: Second.

CHAIRMAN GRAHAM: Motion by McConkey, seconded by Senator Feltes. You ready for the question? All those in favor say aye? Opposed nay? The ayes have it. And the motion is approved.

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

CHAIRMAN GRAHAM: Disposal of real estate from the New Hampshire Fish and Game Department. You guys will be back up later.

MR. SCHMIDT: Yes. Thank you.

CHAIRMAN GRAHAM: Item 18-024 from the Fish and Game Department, authorization of the sale of 2.23-acre parcel of land located near Peppercorn Road in the Town of Ashland to Courtney Craig Smith of Philadelphia, Pennsylvania, for the fair market value of \$4,000, plus an \$1,100 administrative fee, subject to the conditions as specified in the request. We're ready.

RICHARD COOK, Land Agent, Department of Fish and Game: Good morning. My name is Richard Cook. I'm a Land Agent for the Fish and Game Department. This property we've known for many years has boundary issues, and we decided to resolve them and discovered we owned the land under this gentleman's house and we'd like to just fix that.

CHAIRMAN GRAHAM: Okay.

REP. DANIELSON: I'm sure the gentleman would like that.

CHAIRMAN GRAHAM: Any questions of the Department? Anybody in the audience have anything to add?

REP. DANIELSON: I assume the property owner would probably like to get this --

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CHAIRMAN GRAHAM: Well, I was just wondering if he was here, that's all.

MR. COOK: His attorney is here.

CHAIRMAN GRAHAM: Okay.

FRANK MICHEL, ESQ., Meredith, NH: Be great to own the property.

(The court reporter asked the Chairman to have the witness identify himself.)

CHAIRMAN GRAHAM: Yes, if you could identify yourself.

MR. MICHEL: Frank Michel, attorney, Meredith, New Hampshire.

CHAIRMAN GRAHAM: Thank you for that. What is your pleasure on 18-024?

MR. ZELLEM: I'm sorry.

**\*\*** SEN. GIUDA: Move the issue.

MR. ZELLEM: How have taxes been levied? If the State has actually owned the land and we were unaware of it, has the landowner been paying local state property taxes all these years?

MR. COOK: Yes, and has had complete use of it throughout his ownership.

MR. ZELLEM: Okay.

CHAIRMAN GRAHAM: Been moved by Representative McConkey, seconded by Senator Giuda that we approve item 18-024. Any discussion? Seeing none, all those in favor say aye? Opposed nay? The ayes have it.

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\*\*\* {MOTION ADOPTED}

CHAIRMAN GRAHAM: New Hampshire Fish and Game item 18-025, authorization to lease an approximately three-acre lot containing an existing privately-owned camp on Greenough Pond in Wentworth's Location to the North Country Outing Club of Milan, New Hampshire, for a period of ten years, at a cost of 4,409,000 -- \$4,409, right? And waive the \$1,100 administrative fee. And, two, to lease an approximately one-acre lot containing an existing privately-owned camp on Greenough Pond in Wentworth's Location to Donald Couture of Berlin for a period of ten years at a cost of \$4,409.89 and waive the \$1,100 administrative fee.

MR. COOK: This is a renewal of leases. This Committee approved this in 2014. For reasons I don't fully understand, the Attorney General said I needed to come back to you to renew the lease so here I am.

CHAIRMAN GRAHAM: Any questions?

\*\* SEN. GIUDA: Move it.

CHAIRMAN GRAHAM: Senator Giuda moves item 20 -- 18-025.

REP. MCCONKEY: Second.

CHAIRMAN GRAHAM: Seconded by Representative McConkey. Discussion? Representative Chandler.

SPEAKER CHANDLER: Thank you, Mr. Chairman. My question is apparently there are two camps on that lot. North Country Outing Club. There are two camps. Is that -- they said we are doing a camp and second part of that is is the lease -- is the lease allowed for two camps to be there?

MR. COOK: There's not two camps on that lot. There's outbuildings but there's not two camps. Mr. Couture has two --

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SPEAKER CHANDLER: Do I have the wrong lot?

MR. COOK: You said the North Country Outing Club.

SPEAKER CHANDLER: I know.

MR. COOK: Mr. Couture does have an old -- very small old camp -- well, they're both old -- and has a very small camp that he uses in the winter and a larger camp that is used in the summer.

SPEAKER CHANDLER: Okay, I'm sorry. It's the other lot, the Couture one. There are two on that; is that correct?

MR. COOK: There are two usable camps. One's pretty rough.

SPEAKER CHANDLER: Thank you.

CHAIRMAN GRAHAM: Any further discussion?

MR. ZELLEM: If this lease is identical to the previous one, and I'm assuming the previous one was also for a period of ten years.

MR. COOK: Four.

MR. ZELLEM: This was only for four. Okay.

MR. COOK: And I'm asking for the waiver because these folks have paid the \$1,100 last time, so.

CHAIRMAN GRAHAM: Okay. The motion has been made to approve the item. All those in favor say aye? Opposed nay? The ayes have it and the motion is approved.

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

MR. COOK: Thank you very much.

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CHAIRMAN GRAHAM: 18-026, the Department of Natural and Cultural Resources, authorization to sell approximately 0.18 acres of land located along the edge of the Presidential Rail Trail in Gorham to Jeanne Anne Lariviere – I hope I said that right – an abutting landowner for the value of \$1,000 plus administrative fee of \$1,100 subject to the conditions specified in the request.

CHRISTOPHER GAMACHE, Chief Supervisor, Bureau of Trails, Division of Parks and Recreation, Department of Natural and Cultural Resources: Good morning, Mr. Chairman. Chris Gamache, Chief of the Trails Bureau at the DNCR. This is to try and rectify a situation we believe that occurred prior to the State taking ownership of this railroad bed. There's a mobile home park that abuts it. We knew several of the homes were really close to the right-of-way. But this woman is selling the park to the park owners going co-op. So they had it surveyed and four of the homes the property line actually follows right down the roof peak so we own half of four homes. So we're proposing it's roughly a 20-foot by 200-foot section of rail corridor that will clean up the property line abutments and allow them to go forward with their co-op plans.

The railroad right-of-way at this location is 100 feet wide so we're still retaining an 80-foot wide right-of-way at this location for recreation and transportation purposes. And the thousand dollars we had them appraise it and that's what the report came back with, plus your administrative fees.

CHAIRMAN GRAHAM: Any questions?

\*\* SEN. GIUDA: I would move that we reduce the administrative fee to \$500. It just seems --

CHAIRMAN GRAHAM: You can move that, but I would not support it.

\*\* SEN. GIUDA: Well, it's been moved.

CHAIRMAN GRAHAM: Is there a second to Senator Giuda's motion to reduce the administrative fee from 1100 to 500?

(Senator Gannon gestured.)

CHAIRMAN GRAHAM: It's been seconded. Any discussion?

SPEAKER CHANDLER: I would be against that because fair amount of work. I realize the amount we are selling it for isn't very much and I question that actually. But given the situation, because I'm not sure we should be reducing our right-of-way there. And I'd like to see that we get a chance to buy it back if we need it. But saying all that, there's a fair amount of work had to go into doing this with a number of properties and the size of the parcel. If you look at it, it's quite a lengthy parcel at least.

MR. GAMACHE: Yes.

SPEAKER CHANDLER: I don't think it's unreasonable to stick to that administrative fee, in my opinion.

CHAIRMAN GRAHAM: Any other discussion?

SEN. GIUDA: Can you clarify if the potential owner paid for the survey?

MR. GAMACHE: They did.

CHAIRMAN GRAHAM: The motion is to reduce the administrative fee from \$1,100 to 500. If you're in favor you'll signify by saying aye. How many? Raise your hands. Four. Opposed? Two, four, five. The motion fails.

**\*\*\* {MOTION FAILED}**

CHAIRMAN GRAHAM: What is the pleasure of the Committee? Is there anybody in the audience who wishes to say anything about this item? What is the pleasure --

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**\*\***     REP. MCCONKEY: Move to accept, Mr. Chairman.

REP. DANIELSON: Second.

CHAIRMAN GRAHAM: Moved by Representative McConkey, second by Representative Danielson to approve the item, 18-026. All those in favor say aye? Opposed nay? The ayes have it.

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

CHAIRMAN GRAHAM: Thank you. Department of Transportation, item 18-013, request authorization to enter into a lease retroactive to January 1<sup>st</sup>. You'll have to explain that. For approximately 450 plus or minus square feet on State-owned Portsmouth Branch Railroad corridor in the City of Manchester located on the east side of Route 28B near the Massabesic Circle under Participating Lease to Outfront Media at a rate of 30% annual advertising income with a minimum base rent of 1100 for a year for five years with a renewal provision of five years and a waiver of the \$1,100 administrative fee. If I remember this, we've done this before.

LOU BARKER, Railroad Planner, Bureau of Rail and Transit, Department of Transportation: Good morning, sir. My name is Lou Barker from the Department of Transportation, Bureau of Rail and Transit, Railroad Planner.

This, in essence, is a renewal request. Because of the conditions of the previous lease, there was a one year lease which was actually requested by Long Range until we settled an outstanding payment plan, if you will, because these locations, not just this one but the following subsequent ones, had existed since State ownership unbeknownst to the Bureau.

The Outfront Media and the Department agreed -- met and agreed on a payment. A payment was made. So we're back having met the conditions of the first lease to request a longer term or normal term lease for these properties.

CHAIRMAN GRAHAM: Yes, Representative Chandler.

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SPEAKER CHANDLER: Are we privileged or be able to know what that payment was since we knew -- we knew what it was supposed to be. So let us know how much the State was paid.

MR. BARKER: I believe it was \$350,000. Excuse me. Mike, is that right?

MICHAEL HOFFMAN, Senior Budget Officer, Office of Legislative Budget Assistant: 325.

MR. BARKER: 325. Oh, beat me out of 25.

SPEAKER CHANDLER: That has been received?

MR. BARKER: That has been received, yes.

SPEAKER CHANDLER: My next question, since this was a whole year ago and I don't remember, did we deal with five, six of these then or five of these?

MR. BARKER: Yes. Yes, sir.

SPEAKER CHANDLER: So the same ones.

MR. BARKER: Exactly.

SPEAKER CHANDLER: Thank you.

CHAIRMAN GRAHAM: And that 325 is for this particular one or for all?

MR. BARKER: For all of them.

CHAIRMAN GRAHAM: In total for all the next several -- okay.

**\*\*** SPEAKER CHANDLER: I'll move acceptance if you're ready.

SEN. GIUDA: Second.

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CHAIRMAN GRAHAM: Moved by Representative Chandler, seconded by Senator Giuda that we approve 18-013. Any discussion? All those in favor say aye? Opposed nay? The ayes have it. The motion is approved.

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

CHAIRMAN GRAHAM: Item 18-014, Department of Transportation, request authorization to enter into a lease, different location, Manchester-Lawrence Railroad Corridor in the City of Manchester under a Participating Lease to Outfront Media, same provisions as the prior one. What is your pleasure?

SPEAKER CHANDLER: Excuse me. I intended to make my motion for all these. I -- and I didn't. So I would move 18-014, 18-015, 18-016, and 18-017.

REP. DANIELSON: Second.

SEN. GIUDA: And I'll second.

CHAIRMAN GRAHAM: Moved and seconded that items 18-014, 18-015, 18-016, 18-017 be approved at this time. Everybody understand the motion?

REP. CLOUTIER: So Representative Chandler made the motion on this.

CHAIRMAN GRAHAM: And Senator Giuda --

REP. CLOUTIER: Giuda seconded. Okay, all right. I just want to be clear, Mr. Chairman.

CHAIRMAN GRAHAM: Any discussion on those? All those in favor say aye? Opposed nay? The ayes have it and those motions -- those items are approved.

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

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CHAIRMAN GRAHAM: Item 18-020, Department of Transportation, request authorization to lease an approximately 3,900-square foot (.09-acre) parcel on State-owned Manchester-Lawrence railway in the City of Manchester to the Redimix Companies for a thousand dollars per year for five years with a five-year renewal rate and a one-time \$1,100 administrative fee.

MR. BARKER: Concord Redimix at one time was a consignee of railroad cars of cement for their concrete business. And a siting was built up parallel to their property line for the off-loading of these -- of rail cars. Subsequently, the Boston and Maine or Gilford Railroad abandoned and sold the line to the State. Since we're not in the railroad business, this property was laying unused.

Redimix reconfigured their plant or is in the process of reconfiguring their plant and basically use the old rail siting for ingress and egress of their concrete trucks. Since we're not using the property, we feel it's a good deal for the State to lease what had previously been a rail siting.

CHAIRMAN GRAHAM: Any questions?

**\*\*** REP. MCCONKEY: Move to accept.

CHAIRMAN GRAHAM: Representative McConkey moves it be approved.

SEN. FELTES: Second.

CHAIRMAN GRAHAM: Seconded by Representative Feltes -- excuse me, Senator Feltes. My apologies. Is there any discussion on the motion? Seeing none, all those in favor say aye? Opposed nay? The motion is approved.

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

CHAIRMAN GRAHAM: Disposal of Highway or Turnpike Funded Real Estate. Thank you. LRCP 18-027, authorization to sell a 2.6 plus or minus acre parcel of State-owned land located on the

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easterly side of Main Street, adjacent to Lake Mascoma in the Town of Enfield directly to the Town of Enfield for \$128,600, which includes an \$1,100 administrative fee.

MR. SCHMIDT: Yes, the Town has approached us several years ago regarding this, and we're finally at the point where we're able to release it. The property is a non-buildable site as far as permanent structures. It will have an access, a walkway/emergency access through the center of it that will be retained and will not be allowed to be moved without DOT approval. The Town has been maintaining it under agreement for several years.

CHAIRMAN GRAHAM: I do have one question. You talk about the restriction on the development of the parcel, but that buildings would be allowed for recreational or educational purposes. Who defines what those are?

MR. SCHMIDT: Hum --

CHAIRMAN GRAHAM: Will it be the Town or do they have to ask the State?

MR. SCHMIDT: They'll have to come back and propose it to us; but they were talking a kiosk type setup.

CHAIRMAN GRAHAM: I just was curious as to who would be the approving and how big it would be. Senator Feltes.

SEN. FELTES: Just a follow-up on the Chair's question. So if they come back to you and they're not going to do a kiosk, they're going to do something else, do you have rules or standards about what recreational means, what -- and how would you apply that?

MR. SCHMIDT: Very good question. I'm not sure if it's been defined in this particular discussions. Other discussions we based on what the local zoning would be.

SEN. FELTES: Okay.

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CHAIRMAN GRAHAM: Representative Chandler.

SPEAKER CHANDLER: Thank you, Mr. Chairman. I would point out that I understand what you're saying; but in the explanation here, unless I'm misinterpreting something, I didn't bring my glasses, but it says a charrette has been created for potential future development of this parcel's long-term use, including multi-purpose public building, amphitheater, public restrooms, information kiosk and parking.

MR. SCHMIDT: Right.

SPEAKER CHANDLER: Which is not anywhere near, in my opinion, what you indicate the use of that property could be.

MR. SCHMIDT: Right.

SPEAKER CHANDLER: I'd like to see what the proposed restrictions are going to be instead of waiting -- just pass this article and then find out what they're going to be, in my opinion, but that's just a thought.

MR. SCHMIDT: Representative, there are members from the Town who may be able to answer some of those questions a little better.

CHAIRMAN GRAHAM: We'd be more than willing to listen to them at this point.

RYAN AYLESWORTH, Town Manager, Town of Enfield, NH:  
Ryan --

CHAIRMAN GRAHAM: You're going to have to come up to the table.

MR. AYLESWORTH: Thank you, Mr. Chairman, and Members of the Committee. I'm Ryan Aylesworth. I'm the Town Manager of Enfield. I'm also joined today by our Select Board Chair, Meredith Smith; Shirley Green who sits on many different committees but is also

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on our Budget Committee, as well as New Hampshire Lakes Association, both members of our state legislative -- State Reps and legislative delegation, and members of the Enfield Village Association.

This is a project that is incredibly important to the Town of Enfield. As was already alluded to, it's been in the works for some time. We're very excited that we're able to reach financial terms with DOT that both our independent appraisal and their appraiser are comfortable with.

As far as use restrictions go, it's our intent to use this as a passive recreation site. The facilities that the Speaker alluded to, several of those were brainstormed in the early going several years ago during a series of public forums. And it's our understanding in terms of the conversations we've had with DOT that building something like a pavilion, which would be potentially multi-use but essentially for recreational purposes, open to the public, potentially reservable space for group functions, things of that nature, potentially a bath house, again, to support, you know, recreational use of the property so people don't have to leave the property for restroom facilities; but that's all in keeping with the spirit.

We're not looking to, you know, relocate our town hall, library, fire station, any major public facility. And I think, ultimately, the footprint of any facilities we build would be relatively minor in nature. I think for a lot of financial reasons we likely wouldn't be moving forward with -- necessarily moving forward with bandstands, amphitheaters, and things like that that were dreamed up during the charrette process; but we'd certainly like to keep, when it comes to recreational uses and educational uses, certain options open for future discussion with DOT after we purchase the site.

CHAIRMAN GRAHAM: Questions?

SPEAKER CHANDLER: Well, I still have the same concern. I'm all in favor of doing this; but there are absolutely no limitations. We don't have a clue as to what might be approved

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or what would be approved. I understand it's okay to say that these things aren't being considered, but they're part of the packet that we're voting on. And I can tell you that four years from now when it comes up that X amount of these things want to be built, they will come back and say, well, we had them included in here. It's just I think we should know -- have the results of the -- what the restrictions are going to be before we vote on the parcel. And I have no problem with approving it but -- at some point but that's all.

CHAIRMAN GRAHAM: Representative Danielson.

REP. DANIELSON: Thank you, Chair. The first three bullets are the conditions of the sale. Recreational purposes, which you've addressed. Building restriction and, therefore, not allow any development on this parcel. Therefore, not allow any development on this parcel. Buildings would be allowed for recreational and educational purposes. But then it says the parcel be open to all citizens. It's not stated, but it's implied that would be all citizens of New Hampshire?

MR. AYLESWORTH: It would be open to any -- anybody, not only New Hampshire residents. We have a very active sailing club. A lot of those members come from Vermont. The verbiage that's here was provided by DOT. I think the thrust of why it's in there is basically just to emphasize it won't be just for residents. It will be open to everybody. If there's verbiage that the Committee's more comfortable with that specifies that any citizen, regardless of state, you know, can visit the property, we would be comfortable with that.

REP. DANIELSON: Thank you, Chair.

CHAIRMAN GRAHAM: Follow-up.

REP. DANIELSON: My follow-up is improvements have to be made to the property because there's such a -- hoping there's a demand for the facilities, and there's improvements made. Will you charge citizens that are using? Do you intend to charge for the use of the properties?

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MR. AYLESWORTH: We've established a Trust Fund, and we've been actively raising funds for the acquisition, and I'm happy to say that we've raised enough money for the acquisition of the property. So Phase II of that private fundraising effort which targets private donors, charitable foundations, et cetera, is for capital improvements to the property, as well as ongoing operations and maintenance expense.

A couple of the groups I've mentioned, Enfield Village Association, the sailing club, they've offered to the extent that their finances allow to actually make an annual contribution for at least the first several years to offset the operating expenses.

So our goal from the beginning has been to administer this park, make it available to our residents and visitors for, essentially, as little to no tax dollars as possible. Although we don't own it now, we do budget for it in the operating budget as basic maintenance. And so that Trust Fund that I mentioned that we set up, the goal is to have enough of an ongoing balance in that basically continued annual fund raising to always offset the capital costs.

And so we've made it very clear promises have been made from our local leaders and administrators to our residents that public tax dollars will not be used to fund capital improvements. And to the extent that there would be a fee, we have talked with DOT extensively about wanting to leave the option open, although no decisions have been made yet, for imposing a non-resident fee only at a recognition of the fact that residents will likely support the operation of the park through their tax dollars. And so it would be a little backwards for us to raise money from resident tax dollars if there wasn't also a mechanism, however nominal, to collect things like parking fees for non-residents. So there's a little bit of -- there's better equity there between residents and non-residents.

REP. DANIELSON: Thank you for the explanation, appreciate it. Chairman, I suggest that bullet then is a bit contradictory because it implies that it's going to be open. And I would think that we'd want to put some kind of -- some kind of explanation that the Town is able to collect fees for.

MR. SCHMIDT: May I? There is a condition in there that will allow for that. It will have to have prior approval of the DOT and PWAAB, Public Work Waters Access Advisory Board before any fees are set.

REP. DANIELSON: Any schedule of fees?

MR. SCHMIDT: Yes.

MR. MILES: There's another bullet, sir.

REP. DANIELSON: Say again?

MR. MILES: There's another bullet there on the back side.

MR. SCHMIDT: So the Town would have to come to the State, request that. That was a similar concern of PWAAB. They wanted to make sure that it was open to everybody. The Federal Highway Administration also expressed that concern, make sure that it was open not to just town residents but everybody.

REP. DANIELSON: Thank you. Thank you, Chair. Thank you for your explanation.

CHAIRMAN GRAHAM: Does anybody from the Select Board wish to say anything?

MEREDITH SMITH, Chair, Select Board, Town of Enfield: I'm Meredith Smith, and I'm Chairman of the Enfield Select Board. I've been working on this project for ten years. I feel passionately that this beautiful piece of land should be open to everyone, and that everybody should have this gift to be able to just even go and sit there. It's a magnificent spot.

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I'd also like to say that it's, I believe, the only lakefront lot in the State of New Hampshire that is bordered by the Rail Trail. So we have people coming off the Rail Trail to sit and have a picnic. It's -- it's just a magical place.

CHAIRMAN GRAHAM: Did you have something?

**\*\*** SEN. GIUDA: Let me move to amend the third bullet point and say this parcel will be open to the general public. You start talking about citizens and now you start creating --

MR. SCHMIDT: Sure. That certainly was the intent.

CHAIRMAN GRAHAM: Yeah.

SPEAKER CHANDLER: Just I'll throw this out as a question to Committee. Does anyone, 'cause I don't want to go down the road there all by myself, is anyone else concerned with the fact that we don't have any concise or even idea of what eventually will be permitted to be built or constructed on this property?

SEN. GIUDA: I think in that we're selling it, I think the only concern I might have would be if it reverts back, if ownership reverts back. We have building codes that they have to subscribe to and other things. So I guess the question is do we want to sell it subject to strictures or we want to just sell it subject to more strictures or sell it subject to the strictures already in this parcel.

SPEAKER CHANDLER: If I may? Thank you. Whether we want to go on or whatever, restrictions that -- it's being proposed that there are restrictions, but then in what we read the restrictions that we're hearing about are not what is written in the document. And I just think -- I think it should be perfectly clear in my opinion. And I don't know what it should be; but I think it should be perfectly clear when we approve it what will be allowed there as far as we're concerned. Because I'm not concerned with restricting what's allowed, but I think it should be clear what is allowed, that's all. Right now in my mind it is not clear. That's all I'm saying.

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CHAIRMAN GRAHAM: Senator Feltes.

SEN. FELTES: Thank you, Mr. Chairman. Just a suggestion to -- consistent with those concerns, is there a way to -- A, do we have to approve this today? Can it wait until September? That's the first question. And, second, is there a way to better clarify what recreational purposes means for the reversionary interest back to the State? Number one.

Number two, what these building restrictions are. Is that something that the parties can work on to better clarify so that this Committee has a better understanding of what -- what we're approving moving forward. And, certainly, I think, speaking for myself, probably the full Committee we would prefer that you do that and not us. It's your transaction and don't want to necessarily get involved with local matters. It's been worked on for a long time. Is that something you can do and clarify those two bullet points and number one; and number two is do we have time to wait till September 5<sup>th</sup> to allow you the time and space to do that clarification and bring it back?

MR. SCHMIDT: If I may? The intent is any improvements would be sent to the DOT for approval. So I'm not sure if that addresses some of your concerns.

The other pieces we can strengthen this wording here today to say it will conform -- any proposal would conform to the local zoning regulations.

MR. AYLESWORTH: Certainly things like, if I may, you know, zoning ordinance in the Town of Enfield does specify, you know, what recreation means. I don't have it with me. I can't quote you chapter and verse right now, unfortunately. But like any town, you know, we have building codes and zoning ordinances that specify certain activities and defines what those are. And I would also, you know, echo what was just said that, you know, the DOT offers a check and balance here because they have review and oversight before any final decisions are made.

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So if it seems that, and I would pledge here that the Town wouldn't venture astray of anything that was in the intent of this as far as recreational space. But I think it's challenging for us. It's difficult for me as I sit here now to, I guess, be entirely comfortable with trying to spell out every possible structural option, because I think that it kind of goes above and beyond what we typically see, I think, in any transaction where, you know, when you sell a deed from one party to another, I'm not familiar with too many experiences or too many examples where there's a really prescriptive layout of exactly what can go where.

You have a definition recreation and education facilities only. And so -- but there was also the question raised about the timing. I just would make one more point that we have applied for a very substantial grant from the Northern Border Regional Commission to build a pavilion, a recreational pavilion that I already alluded to. And our ability to get that funding is contingent on our ownership of the property. And I fear that our application would be entirely negated if there were any delays in our acquisition of the property based on the timeline we reported in the grant.

SEN. GIUDA: Just trying to squeeze everything and address all these concerns. If we looked on the first page on the paragraph that begins the Town of Enfield, and the sentence that goes a charrette has been created for potential future development of this parcel's long-term use, would it be acceptable to the Town and Members of the Committee if we limit any construction to those specific buildings, a multi-use public building, amphitheater, public restrooms, information kiosk, and parking lot, if we limit it to that and took out any, you know, potential for going beyond that. Would that work for you so we can get this done today?

MR. AYLESWORTH: Yes.

MR. SCHMIDT: Yeah.

SPEAKER CHANDLER: So you're including amphitheater? Then I guess my question, where does amphitheater fall under recreation? I can't even connect --

SEN. GIUDA: Concerts.

SPEAKER CHANDLER: Concert is recreation?

MR. ZELLEM: Sure, I would say so.

SEN. FELTES: As an alternative --

SPEAKER CHANDLER: Unfettered world, I guess.

SEN. FELTES: As an alternative, Mr. Speaker, maybe we say consistent with the local ordinances on recreational purposes. 'Cause I think that's the testimony that we have today. You're saying you want to comply with that. That allows the local process to take its course. If recreational purposes is going to be changed, it's going to be a debate at the local level. But maybe we add a condition that says this is conditioned on complying with the recreational purposes ordinances. Is that okay?

MR. AYLESWORTH: It's suitable for the Town. I don't want to lose sight of the educational purpose, too. We talked about environmental education. So as long as it's recreational or educational that's the language I would propose.

CHAIRMAN GRAHAM: There's only so much you can do on 2.6 acres. Representative McConkey.

REP. MCCONKEY: Thank you, Mr. Chairman. Having some familiarity, in coming to the Speaker's defense on this to a certain extent, in the towns that I represent recreational would be non-commercial. And an amphitheater by definition in the towns I represent and work in would be a commercial operation. So I understand where the Speaker is coming up with that. I guess I have the same concern.

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CHAIRMAN GRAHAM: All right. We have had a lot of discussion. What is the pleasure of the Committee?

**\*\* SEN. FELTES**: I would move approval with Senator Giuda's edit to the third bullet point which is that the parcel will be open to the general public. With that condition, and also another condition that says that in bullet point number one for the reversionary clause in the deed consistent with recreational purposes as defined by local regulations.

REP. CLOUTIER: Could you repeat that please, Senator?

SEN. FELTES: So after the comma in the second line of the bullet point say as defined by local regulations.

REP. CLOUTIER: Okay. For being used as defined by local regulations.

SEN. FELTES: Correct.

REP. CLOUTIER: All right. Thank you.

SEN. FELTES: Put another comma.

REP. DANIELSON: Senator, that would include the restriction that the State still has the --

CHAIRMAN GRAHAM: That's further on.

REP. DANIELSON: Okay, good. Thank you.

SEN. GIUDA: Just if I could straw poll. Is there any interest in limiting to the building uses there as opposed to saying including? Is there any interest in pursuing that?

SEN. FELTES: I think it's a good idea, but I think maybe just capturing -- the local ordinance captures your intent, Bob, that, you know, they'll be able to define recreational purposes.

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CHAIRMAN GRAHAM: Okay. You've heard the motion. Is there a second?

SEN. GIUDA: Second.

CHAIRMAN GRAHAM: Okay, discussion.

SPEAKER CHANDLER: I have a question. Is there something in here going to be in there where the Department gets to review any proposed uses? I don't see that in the proposal.

MR. SCHMIDT: We can add that.

REP. DANIELSON: Wasn't that what you had addressed earlier?

MR. SCHMIDT: Yes.

SEN. FELTES: Mr. Speaker, I think we covered that by adding because the reversionary is going to have to be reviewed by the Department.

SPEAKER CHANDLER: Reversionary, but even the approval. Whatever they want to build there, it was stated the Department would have approval on what was going to be built, I think.

SEN. FELTES: Okay.

MR. SCHMIDT: Why don't we add that?

SPEAKER CHANDLER: But I don't see that in the --

SEN. FELTES: So I think you're right. So I'll make a third condition. The second bullet point at the end of the second sentence, building will be allowed for recreational or educational purposes, comma, as approved by the Department. Is that okay?

MR. AYLESWORTH: And consistent with local regulations. Is that where that --

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MR. SCHMIDT: We've already got that in there.

MR. AYLESWORTH: Okay.

SEN. FELTES: As approved by the Department and consistent with local regulations.

CHAIRMAN GRAHAM: Everybody clear? Is there a second?

SEN. GIUDA: Here.

REP. CLOUTIER: So Senator Feltes made the motion, Senator Giuda made the second. Thank you, Mr. Chairman.

CHAIRMAN GRAHAM: Any further discussion? Seeing none, all those in favor of the motion signify by saying aye? Opposed? The ayes have it. The motion is approved.

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

MR. AYLESWORTH: Thank you.

(4) **Miscellaneous:**

(5) **Informational:**

CHAIRMAN GRAHAM: The next couple of items are informational. Is there any desire from the Committee to go over them? Seeing none.

MR. BARKER: Representative Graham, excuse me. Is it possible to reconsider item 18-017?

CHAIRMAN GRAHAM: 18 --

MR. BARKER: Yeah, the lease of 1,000 square feet on Frontage Street, Manchester.

CHAIRMAN GRAHAM: And why would that --

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MR. BARKER: My request was for 35% of the revenue and the item says 30%. And, also, the applicant would like to discuss a longer term lease because of the size of the investment they make in this particular location.

CHAIRMAN GRAHAM: What is the pleasure of the Committee? It's been suggested that we redo -- reconsider our actions on 18-017.

\*\* SEN. FELTES: I'll move to reconsider.

SEN. GIUDA: Move to reconsider.

REP. CLOUTIER: Remember that was a block.

CHAIRMAN GRAHAM: That's why we're just doing --

REP. CLOUTIER: We have to reconsider the whole block.

SEN. FELTES: Reconsider the whole block and then approve the other three and discuss this one. So we reconsider --

CHAIRMAN GRAHAM: Move reconsideration. Second. All those in favor say aye?

THE COURT REPORTER: I'm sorry, who seconded the reconsideration?

SEN. FELTES: Giuda. Feltes, Giuda.

THE COURT REPORTER: Thank you.

CHAIRMAN GRAHAM: Feltes, Giuda.

\*\*\* {MOTION ADOPTED}

CHAIRMAN GRAHAM: All right. Go, Senator.

**\*\*** SEN. FELTES: I will move approval of items 014, 015, and 016 so that we can move on to our discussion of the reconsidered item of 017.

CHAIRMAN GRAHAM: Moved by Senator Feltes.

SEN. GIUDA: Second.

CHAIRMAN GRAHAM: Seconded by Senator Giuda. All those in favor say aye? Opposed nay? The ayes have it.

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

CHAIRMAN GRAHAM: Item 18-017, go.

MR. BARKER: Yes. So, actually, I met with Outfront Media and negotiated 35%, because this is a high visibility location. I can't remember the numbers, but it's exceedingly more valuable for advertising than the other locations. So the appraiser recommended and we concurred 35%.

MR. ZELLEM: I'm seeing 35% in here.

PAMELA ELLIS, Administrative Assistant, Office of the Legislative Budget Assistant: It's in the item.

MR. BARKER: It's in the item.

MR. ZELLEM: Yes, I see 35%. You said it was 30.

MR. BARKER: Well, if you look at the agenda --

CHAIRMAN GRAHAM: No, we were voting on this.

MR. ZELLEM: The agenda might be incorrect, but the item appears to be correct.

MR. BARKER: Okay, I just wanted to make sure.

MR. ZELLEM: Let's continue though.

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CHAIRMAN GRAHAM: You had --

MR. BARKER: Yes, Outfront Media. Mike.

CHAIRMAN GRAHAM: Come on up.

MR. BARKER: Mr. Cawley would like to be recognized at your pleasure.

MICHAEL CAWLEY, Outdoor Media: Good morning. Michael Cawley from Outdoor Media. Thank you for allowing me to join Lou. We are asking that that particular item be extended to a 15-year lease as opposed to a five-year lease in that we would hope to upgrade the sign with the possibility of bringing in more revenue. Last year, we -- our base rent was \$23,400. In addition to that we paid another 21,000. We hoped to be able to, if we can upgrade the sign, to almost triple the percentage rate, but we're not positive on that but that's our plan. In order to do that though we would need a longer term lease.

That being said, you do have outs in your leases. You've got a 10-day default on your behalf that you could cancel. You also have a 30-day for no cause cancellation. So although I'm asking for 15 years, you still have the outs in your leases.

CHAIRMAN GRAHAM: To 15 years. Mike, is that even allowable?

MR. HOFFMAN: There's no -- this is --

CHAIRMAN GRAHAM: I know we've done ten as exceptions to the law.

SPEAKER CHANDLER: I think it's anything over five has to come here.

MR. HOFFMAN: I think it is anything over five.

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SPEAKER CHANDLER: I have a question which I'm ambivalent on this in a way, I guess, except it's not as quite a deviation from what it was posted. And I know last year we had the discussion about the City of Manchester and we got concurrence with them for what we were doing.

MR. CAWLEY: Correct.

SPEAKER CHANDLER: I would be concerned that the City of Manchester would be aware and would like to have something come in saying they don't have a problem since it was different from what was advertised. That's all. So I don't know.

CHAIRMAN GRAHAM: How about I suggest this to the Committee. That we approve the item as is, and you come back in in September and with something from the City to extend it out to 15 at that point. So you'd have the five-year with renewable right now. We can take it up again in September for 15 years, waive the \$1,100 and all the rest; but at least we would know the City knows what we're doing. Have you talked to them about 15 years and what you plan on doing there and the rest?

MR. CAWLEY: No, sir. Because until we had the 15 -- until we had a longer lease we wouldn't approach them.

CHAIRMAN GRAHAM: I'd feel much more comfortable if the Mayor and Aldermen knew what was going on. But I would be willing to entertain a longer lease in September if you can come in with that approval from them.

SPEAKER CHANDLER: If I might add? So what you would be eventually now or eventually asking for, now you have five years with a five-year renewal. You just want straight 15 years or five with a ten year renewal or what --

MR. CAWLEY: Ten with the five-year renewal after that.

SPEAKER CHANDLER: Ten years with a five-year renewal or five years with two 5-year renewals? I guess we'll have to figure out if we do that for September anyway.

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MR. CAWLEY: Well, I'd like to see a 15 with a five-year; but if we could do it ten-year today and a five-year renewal, I would be comfortable with that.

**\*\*** MR. ZELLEM: Why don't we just make this ten then and leave the five-year renewal. So ten-year lease with five-year renewal we can do that today.

SEN. FELTES: Second.

CHAIRMAN GRAHAM: It's been moved and seconded that we amend this to a ten-year lease with a five-year option for renewal.

SPEAKER CHANDLER: No. I thought -- I don't want to just do that. It didn't include a renewal. Wasn't it just straight ten years whoever made that motion?

MR. ZELLEM: No, I made it with a five-year renewal.

SPEAKER CHANDLER: Oh, ten years with a five-year.

CHAIRMAN GRAHAM: Yeah.

SPEAKER CHANDLER: Okay.

CHAIRMAN GRAHAM: Is there any discussion on that motion?

REP. DANIELSON: What happened to Manchester?

CHAIRMAN GRAHAM: They have approved for 5 and 5, right?

SPEAKER CHANDLER: Well, we haven't heard if they did.

MR. CAWLEY: I haven't talked to them regarding this; but I will be going in immediately if we do have this today to see if we can upgrade it.

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SPEAKER CHANDLER: Regarding my situation, I have one with Manchester; but I know when we did this before they -- we tabled it at one point, I guess, to ask them to get back to us. They did. Going with the assumption of a five-year and a five-year, I felt we didn't hear anything from Manchester, it's publicly noted, they would have been okay with it. I'm just concerned going to 10 and 5 is a different scenario, that's all. And I don't know if it's important enough to not do it or pass a motion. I don't have -- see, I don't have a problem with doing something by phone call if we can get the information. Just call the members and say they're happy with it or approve it subject to Manchester saying it's okay. I don't know, whatever.

MR. ZELLEM: I'll amend my motion to approve it subject to confirmation from the City of Manchester.

REP. DANIELSON: That's cool. That's good.  
Yeah, that's good.

CHAIRMAN GRAHAM: The motion is --

MR. CAWLEY: May I?

CHAIRMAN GRAHAM: -- to amend --

MR. ZELLEM: Mr. Chair.

MR. CAWLEY: I have a question. Do you want me to go to the City of Manchester and ask them for their approval for a lease with you?

CHAIRMAN GRAHAM: At least for them to acknowledge that you're doing -- that you're getting the ten-year lease. The Department can do it. The two of you work out who has to go to ask.

SPEAKER CHANDLER: This is what I think the Department went before.

MR. BARKER: The City is aware of this because there was a building permit issued --

MR. CAWLEY: In 1972.

MR. BARKER: -- years ago for this location.

SPEAKER CHANDLER: I just want to rephrase. The City is aware. We went to the City last time when it was a five and five, and they -- they -- we put -- I think we tabled it, actually, at that point to wait to hear from them. That's why I feel comfortable with five and five, not at reasking the City. We are now changing the terms of that situation and I think the City should have the right to know it, that's all. And they don't get a vote. I get that. They can say no and we can still approve it. But I think we should notify them that this is what we're looking to do, say are they comfortable with this term, that's all.

MR. BARKER: We have open dialogue with the City of Manchester. I will have no trouble talking --

SPEAKER CHANDLER: Pretty simple phone call, just call them up.

MR. BARKER: Yes, be glad to.

CHAIRMAN GRAHAM: I will allow it there, Senator.

LOU D'ALLESANDRO, State Senator, Senate District #20: Thank you. Thank you very much, Mr. Chairman. I concur with what the Speaker said. Why don't you just touch base with Manchester and let them know --

MR. BARKER: Yes, sir.

SEN. D'ALLESANDRO: -- that there's a change. We have a new administration in City Hall. We have a new Mayor, and it seems to me just letting them know what you're asking for. As the Speaker correctly points out, the action will be taking place

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here. This is where the decision is made. But it seems like communication is the key to information and be nice to let them know what you're asking for. And I thank the Chairman for allowing me to speak. I'm from Manchester and I represent Manchester, so.

MR. BARKER: Sure.

SEN. D'ALLESANDRO: Thank you.

**\*\*** SEN. GIUDA: I would move to amend the motion to 10 and 5 with notice provided to the City of Manchester by the tenant.

REP. CLOUTIER: Okay. Just for the sake, what is the amendment? What -- who made the motion?

SEN. FELTES: The amendment just changes the five years of the lease to ten.

CHAIRMAN GRAHAM: The motion would be that we approve the lease for ten years with a renewal for five with the provision that the Department and/or the lessee notify the City of Manchester of the changes.

REP. CLOUTIER: Again, Mr. Chairman, who made the motion altogether would be?

CHAIRMAN GRAHAM: Senator Giuda and Senator Feltes.

REP. CLOUTIER: Feltes. Okay, thank you.

CHAIRMAN GRAHAM: Everybody clear on the motion on 18-017? All those in favor, signify by saying aye? Opposed nay? The ayes have it.

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

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

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CHAIRMAN GRAHAM: As I said a minute ago, the last two items are informational. Anybody have any questions about that? We at our last meeting rescheduled the next meeting for September 5<sup>th</sup>. If that's still acceptable to everybody, because that's what I'm going to call.

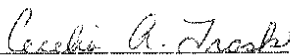
REP. CLOUTIER: Fine with me.

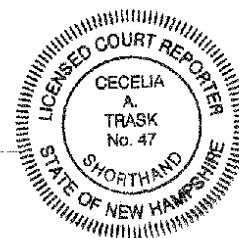
CHAIRMAN GRAHAM: All right. This meeting is adjourned.

(The meeting adjourned at 11:15 a.m.)

## 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, LSR, RMR, CRR  
State of New Hampshire  
License No. 47



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