LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 201 Concord, New Hampshire Wednesday, November 6, 2019

MEMBERS PRESENT:

Rep. John Cloutier, Chair

Rep. John Graham

Rep. Michael Edgar

Rep. Martin Jack (Alt.)

Rep. Erin Hennessey (Alt.)

Sen. Lou D'Allesandro

Sen. Regina Birdsell

Sen. Kevin Cavanaugh

ALSO PRESENT: Mac Zellem

Office of the Governor

Karen Rantamaki

Department of Administrative Services

(The meeting convened at 10:08 a.m.)

(1) Acceptance of Minutes of the September 10, 2019 meeting

JOHN CLOUTIER, State Representative, Sullivan County,

District #10: I'm going to call this meeting of the Long Range
Capital Planning and Utilization Committee to order. And I will
begin with the acceptance of the minutes of the September 10th,
2019, meeting. Do I have a motion?

** REGINA BIRDSELL, State Senator, Senate District #19: So move.

JOHN GRAHAM, State Representative, Hillsborough County, District #07: Second.

<u>CHAIRMAN CLOUTIER</u>: Motion by Senator Birdsell, second by Representative Graham to accept the minutes of the September $10^{\rm th}$, 2019, meeting. Are we ready for the vote? All

those in favor of accepting the September 10th meeting minutes signify by saying aye? All those opposed say nay? The ayes have it. The minutes are accepted.

*** {MOTION ADOPTED}

ERIN HENNESSEY, State Representative, Grafton County,
District #01: Mr. Chairman, I just want to abstain. I abstain.

CHAIRMAN CLOUTIER: You abstain. Okay.

LOU D'ALLESANDRO, State Senator, Senate District #20: I wasn't here either.

CHAIRMAN CLOUTIER: Okay. So two abstentions. All right.

All right. Going on then. We have -- there is no Old Business according to our agenda. I will now go on to New Business, and these are approval of State Agency leases exceeding five years. And I will begin with Item 19-033 under the Department of Health and Human Services. And is someone here from the Department to give a presentation and answering our questions, please?

 $\underline{\text{DAVID}}$ CLAPP, Director of Facilities, Department of Health and Human Services: Yes.

CHAIRMAN CLOUTIER: Okay. Welcome and, for the record,
please identify yourself.

MR. CLAPP: David Clapp, Director of Facilities for Health and Human Services.

CHAIRMAN CLOUTIER: Thank you for coming and if you want to give a brief presentation and I'll open up for questions.

MR. CLAPP: Sure. This lease is a ten-year lease. We've been at this location for ten years previously so this is a renewal. There are multiple State Agencies at this location. The existing

lease that we have right now is modified gross, and the new lease will be a full gross lease. That means it encumbers all costs to operate the facility where before we had paid the utilities and cleaning. The new rate -- the old rate was 24.58 per square foot. The new rate, starting rate for the new lease is \$22 a square foot. So we've actually negotiated down to a lower cost. The location houses Health and Human Services, the Bureau of Court Facilities, and Department of Education, Vocational Rehab.

<u>CHAIRMAN CLOUTIER</u>: Okay. Thank you for the presentation. Questions from the Committee of the Department?

** REP. GRAHAM: Move approval of 19-033.

CHAIRMAN CLOUTIER: Okay. Motion by Representative Graham. Do I have a second on that motion?

SEN. BIRDSELL: Second.

CHAIRMAN CLOUTIER: Second by Senator Birdsell. Okay. All those in favor of adopting Item 19-033, signify by saying aye? All those opposed say nay? The ayes have it and Item 19-033 is adopted.

*** {MOTION ADOPTED}

CHAIRMAN CLOUTIER: Second item, this is under the Department of Corrections. Again, this is approval of State Agency leases exceeding five years. Is someone from the Department of Corrections here? Okay. Welcome, and please, for the record, identify yourself.

JASON SMITH, Deputy Director, Department of Corrections: Jason Smith, Deputy Director from Department of Corrections, Probation/Parole.

CHAIRMAN CLOUTIER: Thank you. And thank you for coming in, and please give us a briefing and I will open up for questions.

MR. SMITH: Yes. This is a lease that we have at the Belknap County Superior Courthouse. The courts are in there as well. We've been there for five years. We like the location. We're looking to extend a year to allow us some time to negotiate a five-year lease moving forward. There's some work that needs to be done. It's an old building. And for infrastructure or for -- well, right-of-path and other ADA things that are in process. So we just need, because it expires in December, we're looking to extend the year under the current rate to allow us some time to negotiate and to let the changes be made to get a new five-year moving forward.

<u>CHAIRMAN CLOUTIER</u>: Okay. Thank you. Questions from the Committee? Are there any questions on this item?

** SEN. BIRDSELL: Move to approve.

CHAIRMAN CLOUTIER: Okay. Senator Birdsell makes a motion.
Do I have a second?

KEVIN CAVANAUGH, State Senator, District #16: Second.

CHAIRMAN CLOUTIER: Second by Senator Cavanaugh. We ready for the vote? All those in favor of adopting Item 19-036, signify by saying aye? All those opposed say nay? The ayes have it. The motion 19 -- Item 19-036 is adopted.

*** {MOTION ADOPTED}

CHAIRMAN CLOUTIER: Next item under the Department of Education, Item 19-037. Again, this is a State Agency lease exceeding five years. Welcome. And, for the record, could you please identify yourself?

LISA HINSON HATZ, Vocational Rehabilitation Director,

Department of Education: Sure. Good morning. Lisa Hinson Hatz.

I'm the State Vocational Rehabilitation Director with the

Department of Ed.

CHAIRMAN CLOUTIER: Okay. Please give us a briefing and then I'll open up to questions.

MS. HINSON HATZ: Sure. To add actually to the HHS conversation that happened just two items ago, Vocational Rehabilitation has been in the same space underneath actually the Health and Human Services agency for the last ten years. We were very pleased that we were able to negotiate a lower rate starting and moving forward. This is a very accessible space for our individuals with disabilities that utilize the program. And so we are looking to stay and continue our work there.

CHAIRMAN CLOUTIER: Thank you. Questions from the Committee on this item? Are there any questions? Any questions?

** SEN. BIRDSELL: Move to approve.

CHAIRMAN CLOUTIER: All right. Senator Birdsell moves. Do
I have a second?

REP. HENNESSEY: Second.

CHAIRMAN CLOUTIER: Second by Representative Hennessy. All right. Are we ready for the vote? All those in favor of adopting Item 19-037 signify by saying aye? All those opposed say nay? The ayes have it and the motion 19 -- Item 19-037 is adopted.

*** {MOTION ADOPTED}

MS. HINSON HATZ: Thank you.

CHAIRMAN CLOUTIER: Thank you for coming in. Okay. Next we will go now to Disposal of Highway or Turnpike Funded Real Estate. Again, under the Department of Transportation. And I guess we have -- yes, gentlemen who normally come before us and thank you very much for coming. We have three items in a row. So thank you for coming in. So let's start with Item 19-032. Go

ahead, please. For the record, could you please identify yourself?

STEVE LABONTE, Administrator, Bureau of Right-of-Way,
Department of Transportation: Will do. Thank you, Mr. Chairman,
Members of the Committee. I am Steve LaBonte. I'm the
Administrator of the Bureau of Right-of-Way at the Department of
Transportation. With me today is Phillip Miles, who is the Chief
of Property Management within the Bureau.

The first item we have here is a parcel that is approximately 6.7 plus or minus acres located in the Town of Warner. Parcel is located southerly side of New Hampshire Route 103 and we are looking to sell this for a price of \$14,600, which includes an \$1,100 administrative fee. The parcel was purchased in 1939 for the construction of New Hampshire Route 103. The town proposes to use the parcel for recreational purposes as it runs along the Warner River in a section extremely popular for whitewater rafting. It also abuts the old roadway which the town is considering to use as a multi-purpose path throughout the town. And the Conservation Commission is working diligently to preserve the riverfront there. So if this is -- if this sale is approved the -- it will be conveyed with the condition that it will be used or remain as open space and will not be able to be developed. In coming up with our price we had an appraiser use four sales comps in Warner and surrounding areas, which support the price we're asking.

CHAIRMAN CLOUTIER: Okay. Thank you, Mr. LaBonte. Questions of Mr. LaBonte or Mr. Miles from the Committee? Are there any questions?

** SEN. BIRDSELL: Move to approve.

CHAIRMAN CLOUTIER: All right. A motion by Senator Birdsell.

Do I have a second on that motion?

SEN. CAVANAUGH: Second.

CHAIRMAN CLOUTIER: Second by Senator Cavanaugh to adopt Item 19-032. Any further questions or comments? Then all those in favor of adopting Item 19-032, signify by saying aye? All those opposed say nay? The ayes have it and Item 19-032 is adopted.

*** {MOTION ADOPTED}

CHAIRMAN CLOUTIER: Next item, again, continuing under the Department of Transportation, Disposal of Highway or Turnpike Funded Real Estate, Item 19-034. Please continue, gentlemen.

MR. LABONTE: Thank you, Mr. Chairman. Just for the record I'll identify myself again. Steve LaBonte with the Department of Transportation. I'm here with Phil Miles, also from the Department.

This next parcel actually has been before the Committee a couple of times before. It is a two-acre parcel located on the northwesterly corner of New Hampshire Route 111 and New Hampshire Route 28 in the Town of Windham. The Department originally brought this to the Committee back in September of 19 -- September 19, 2007, at which time it was recommended for a fee -- a listing price of \$450,000 and a descending commission rate. So it would be the commission worked out as I believe it was 6% for the first 500,000 and then a reduced 5% after that.

MR. MILES: Yes.

MR. LABONTE: So we -- it was listed for quite a while. It turns out that the area is wetter -- the parcel is wetter than we originally expected. So we weren't getting much interest. We did come back, I believe it was in October, November of 2018 or -- yeah, November 2018. We asked to reduce the price from 450,000 to 300,000. The Committee at that point was somewhat reluctant to do that and asked us to reach out to DES to see if we could get someone there to maybe do a wetlands delineation, a wetlands scientist to do a wetlands delineation. Although our Bureau of Environment folks deal significantly with wetlands did

look at the area and got a pretty good idea of the extent of the wetlands there, we didn't have -- we don't have a certified wetlands scientist on-site, somebody with the credentials.

So we did try to -- our Bureau of Environment did reach out to DES and they just didn't have the resources to be able to help us out. So it sat on the market. Our -- our contract with Berkshire Hathaway expired. However, they were willing to continue to market the property and they did. An interested party came forth and made us an offer of \$300,000. So we felt we should bring it to the Committee to consider. So what we'd be asking you to do is reduce -- to extend our contract with Berkshire Hathaway at a straight rate of 6% Commission and then reduce the price down to 330,000 which will be the price we offer to the town and then allow us to negotiate within that 10% if the town chooses not to -- to accept the offer.

SEN. BIRDSELL: Mr. Chair, I just have a question.

CHAIRMAN CLOUTIER: Yes, go ahead please, Senator.

SEN. BIRDSELL: So you have on the listing here you say a listing price from 450,000 to 333. Is it 300,000 or 333?

MR. LABONTE: The price we have offered was 300,000. That's our offer. If we were to offer it to the town it would be at that 33, an under the policy we're allowed some negotiation room. So we would, ultimately, if the town doesn't want it, then we would go with the price of 300,000.

** SEN. BIRDSELL: Mr. Chair, I move approval.

CHAIRMAN CLOUTIER: Yes. Senator Birdsell, please continue.

SEN. BIRDSELL: No, move to approve.

CHAIRMAN CLOUTIER: Move approval. Do I have a second?

REP. GRAHAM: Second.

CHAIRMAN CLOUTIER: Second by Representative Graham. So I have a motion and a second to adopt Item 19-034. All those in favor of adopting Item 19-034, signify by saying aye? All those opposed say nay? The ayes have it and Item 19-034 is adopted.

*** {MOTION ADOPTED}

CHAIRMAN CLOUTIER: Okay. Continuing to the next page, still under Department of Transportation Item 19-038. Please continue, gentlemen.

MR. LABONTE: Thank you. Mr. Chairman. This next parcel consists of 13,438 square feet, which is located in the southwest quadrant of Interstate 93, Exit 12 interchange in the City of Concord. The idea would be to lease this to Capital Company -- to Capital Hotel Company VI, LLC, for a term of five years at \$11,250 per year, plus a one-time administrative fee of \$1,100 with an option for an additional five years at a renegotiated value.

The idea is that the -- the leasing party owns the parcel next door. They would incorporate this parcel into their development of a hotel and restaurant. There will be no access to the parcel going along this lease, and all access will be through the abutting parcel. The property was acquired by the Department in 1956 as a portion of the Interstate 93 limited access right-of-way. An appraisal was completed using four sales comparisons and it supports -- the appraisal supports the price.

CHAIRMAN CLOUTIER: Okay. Thank you, Mr. LaBonte. Questions of Mr. LaBonte or Mr. Miles from this Committee? All right. Are there any questions? All right. Entertain a motion.

** SEN. BIRDSELL: Move to approve.

CHAIRMAN CLOUTIER: A motion by Senator Birdsell to approve Item 19-038. Do I have a second on that motion?

SEN. D'ALLESANDRO: Second.

CHAIRMAN CLOUTIER: Second by Senator D'Allesandro. Okay. All those in favor of adopting Item 19-038, signify by saying aye? All those opposed say nay? The ayes have it. Item 19-038 is adopted.

*** {MOTION ADOPTED}

<u>CHAIRMAN CLOUTIER</u>: Okay. Thank you, gentlemen, for coming in. I appreciate your help in answering our questions.

 $\underline{\text{MR. LABONTE}}$: Thank you, Mr. Chairman, Members of the Committee.

(Mr. Mac Zellem enters the Committee room.)

CHAIRMAN CLOUTIER: All right. Okay. Mr. Zellem is here. Okay. Thank you for coming in, Mr. Zellem.

MAC ZELLEM, Budget Director, Office of the Governor: I apologize.

CHAIRMAN CLOUTIER: I'll wait a minute. We still have a few items left.

Okay. Welcome. And, Mr. Zellem, we are on item second page, Disposal of Real Estate. We're going to Item 19-035, Department of Military Affairs and Veterans Services. So do I have someone from the Department of Military Affairs and Veterans Services present?

WARREN PERRY, Deputy Adjutant General, Department of Military Affairs and Veterans Services: Yes, sir

CHAIRMAN CLOUTIER: For the record, could you please
identify yourself?

MR. PERRY: For the record, Warren Perry. I'm the Deputy Adjutant General for the Department of Military Affairs and Veterans Services.

CHAIRMAN CLOUTIER: Okay, welcome. And if you could give us a brief presentation and I will open up for questions.

MR. PERRY: So this is a re-bringing of the item concerning the Berlin Readiness Center. Initially, we had intended on transferring the ownership to the Department, to Fish and Game. Fish and Game was not able to make that happen. So we have since offered the property to the City of Berlin and they're interested in acquiring the property for use as either a police department or for the motor pool of their -- when I say motor pool, the bus parking for their School District.

Our intent is to deed this property to them without cost, less fees. It is a win for both the Department and for the City of Berlin. We get to give them some infrastructure that they could use as their police department. It's infrastructure that we no longer have use for. The cost is sunk. The State really has no financial interest other than the value of the property. It was paid for; the construction was paid for by the federal government. The land was deeded to the State. So our intent is to allow the City of Berlin to use this where they need it, subject to your questions.

CHAIRMAN CLOUTIER: Thank you. Yes, Representative Graham.

<u>REP. GRAHAM</u>: Two interrelated questions, I suppose. One, there is no reversion clause on the deed if we stop using it as an Armory; is that correct?

 $\underline{\text{MR. PERRY}}$: So the deed -- the way this particular deed and there are several deeds for our properties and they're all different.

REP. GRAHAM: I know, that's why I'm asking.

MR. PERRY: So the deed on this particular property says the National Guard and State of New Hampshire own the property outright. There is no -- and there is no financial interest for the Federal Government. When the Federal Government pays to improve or do additional construction on the site, there's a period by which it has to be used for its intended purposes. We passed all of those periods so the Federal Government has no financial interest in this property at all.

REP. GRAHAM: And final question.

CHAIRMAN CLOUTIER: Yes, go ahead, please.

REP. GRAHAM: If we don't approve this and it doesn't go forward, how much will you be spending each year just to mothball the building?

 $\underline{\text{MR. PERRY}}$: So about \$46,000 a year to keep and maintain an empty building. So it would be a cost-saving for us if we didn't have it, if we didn't transfer it.

<u>CHAIRMAN CLOUTIER</u>: Okay. Any further questions from the Committee? Yes, Representative Edgar.

** REP. EDGAR: No, but I move to approve.

REP. GRAHAM: Second.

<u>CHAIRMAN CLOUTIER</u>: Move to approve. Motion by Representative Edgar. Is there a second?

REP. GRAHAM: Second.

CHAIRMAN CLOUTIER: Second by Representative Graham. Okay. Are we ready for the vote? This is Item 19-035. Everybody in favor of adopting Item 19-035 signify by saying aye? All those opposed say nay? The ayes have it and Item 19-035 is adopted.

*** {MOTION ADOPTED}

MR. PERRY: Mr. Chairman, if I could just make one statement. We do have a representative from Berlin here. I just wanted to say thank you for coming down.

PETER MORENCY, Chief of Police, Town of Berlin: Thank you all.

<u>CHAIRMAN CLOUTIER</u>: Yes, thank you very much for coming and just watching us.

(The court reporter asked the Chairman to have the representative from the Town of Berlin identify himself.)

<u>CHAIRMAN CLOUTIER</u>: Oh, I'm sorry, Yeah, very important for our minutes. Could you please identify yourself?

MR. MORENCY: Peter Morency.

CHAIRMAN CLOUTIER: Thank you. I'm sorry about that. Thank you for reminding me.

Next item, again, Disposal of Real Estate, Item 19-039, Department of Natural and Cultural Resources. Welcome and, for the record, could you please identify yourself.

TRACEY BOISVERT, Administrator, Division of Forests and Lands, Department of Natural and Cultural Resources: Thank you. I'm Tracy Boisvert. I'm the Land Manager Bureau Administrator for the Division of Forests and Lands at DNCR.

CHAIRMAN CLOUTIER: Okay.

MS. BOISVERT: We're requesting your authorization to swap a 30.3-acre parcel of land that the State owns, Contoocook State Forest for a 97 acre parcel of land that is owned by the Town of Hopkinton that abuts our Mast Yard State Forest. Both tracks are in the Town of Hopkinton.

The Contoocook State Forest the 30.3 acres of land is actually three individual tracts that are bisected by Route 202, 9, and Maple Street. They're on three separate corners. So from our perspective we would consider this to be a win. The small — the tracts are, you know, in the range of 9.7, 7.2 and 13.4—acre individual parcels. And so having the opportunity to swap that for 97 acres that abuts a larger state forest property we think is a win.

CHAIRMAN CLOUTIER: Okay. Thank you. Questions from the Committee about this Item 19-039? Are there any questions? Okay. I will entertain a motion.

** SEN. D'ALLESANDRO: Move approval.

CHAIRMAN CLOUTIER: Motion by Senator D'Allesandro. Do I
have a second on that motion?

SEN. CAVANAUGH: Second.

CHAIRMAN CLOUTIER: Second by Representative Edgar.

REP. EDGAR: Senator.

CHAIRMAN CLOUTIER: Senator Cavanaugh make the second?

SEN. CAVANAUGH: Yes.

CHAIRMAN CLOUTIER: Okay, I'm sorry, Senator.

SEN. CAVANAUGH: That's all right.

CHAIRMAN CLOUTIER: Okay, are we ready for the vote on Item 19-039? All those in favor of adopting Item 19-039, signify by saying aye? All those opposed say nay? The ayes have it and Item 19-039 is adopted.

*** {MOTION ADOPTED}

(4) Miscellaneous:

(5) Informational:

CHAIRMAN CLOUTIER: Okay. Nothing under Miscellaneous. We do have Informational Item 19-031. This is a New Hampshire Council on Resources and Development, and there are two memorandums regarding surplus land review for the Hampton SLR 19-066 and the Hopkinton SLR 19-007. So look those over. I -- as I said, if there's going to be any further, you know, action, then I'm going to ask that, I know we -- I've received some e-mails and I'm going to rule though that this Committee and LBA needs to receive those e-mails in written form and only I'm going to put it out there we have an action item on this. Okay. Anything to do with these items. Okay. So I just want to make it clear in advance.

I know there's some concern. That's fine. But I think this Committee needs to study and examine both sides before -- and should be an action item. Informational I don't think is necessary to get into the controversy here if there's any controversy. So I will so rule that. Okay. Everybody understand that? Are there any Members of the Committee or LBA or those present? That's fine. But I'm more than happy to take it up but not under informational, please.

(6) Date of Next Meeting and Adjournment

CHAIRMAN CLOUTIER: All right. Unless there's anything else, date of next meeting. I mean, I just talked with Capital Budget. We try to have these meetings on the same date. And is there -- I -- basically there was some concern about holding it January 9th at three. This is Capital Budget. So I'm going to keep this date in place, but it's a possibility we do have session as we get closer to the 9th. If there is going to be a House and/or Senate session or both, then I'm going to have to change the date, so. But I'm going to keep it as is as of now

because I don't know what's going on with our -- the Speaker and the Senate President, so.

SEN. D'ALLESANDRO: I have a comment?

CHAIRMAN CLOUTIER: Sure, absolutely.

SEN. D'ALLESANDRO: Your narrative on 19-031.

CHAIRMAN CLOUTIER: Right.

SEN. D'ALLESANDRO: You're holding it in abeyance and considering it an informational item.

CHAIRMAN CLOUTIER: It's informational because there were some e-mails or at least I received them. I'm not sure whether everybody on this Committee whether you're a voting member or non-voting member received it.

SEN. D'ALLESANDRO: Okay.

CHAIRMAN CLOUTIER: But I think we need to have all the information in one packet and it should be an action item.

SEN. D'ALLESANDRO: So your request is from those who are
e-mailing to submit the documentation --

CHAIRMAN CLOUTIER: Right, right.

SEN. D'ALLESANDRO: -- in writing to the LBA. The LBA will bring it forward at our next meeting as an action item with this material associated with it?

CHRISTOPHER SHEA, Deputy Director, Office of Legislative

Budget Assistant: We wouldn't bring it forward as an action

item. The Agency needs to come forward with an item that they

identify that they want to either lease or dispose of property.

SEN. D'ALLESANDRO: Okay. So we're referring it back to the Agency. The Agency will then provide us with the documentation.

MR. SHEA: So the item you have here is just CORD. We typically include these from CORD in the packet as informational. When an agency comes forward with an item, we will sometimes find these also attached to that item.

SEN. D'ALLESANDRO: Right.

MR. SHEA: But as we get them we put them in there just so the Committee is aware there's been some action by CORD so that down the road you may see an action related to this. If the Committee comes forward or, excuse me, if an Agency comes forward with an action item, we'll definitely put it on the agenda and have this Committee look at it. I think what the Chair is also asking is if there's additional information associated with that item that it come to our office so that we can put it in the packet so that everybody has an opportunity to see that as they look at the item --

SEN. D'ALLESANDRO: Thank you.

CHAIRMAN CLOUTIER: Okay, you have a further question?

SEN. D'ALLESANDRO: No, no, that's fine.

CHAIRMAN CLOUTIER: Okay. But I just wanted to be sure that all the Members of the Committee, whether you're voting today or non-voting, we have some agencies have all the information before we take this up at all, okay, as an action item. Because I've received some e-mails. I'm not sure whether the rest of you did. So I don't think it's fair, you know, and it's not, you know, I don't think it's a fair process if we don't have all the information. So I just wanted to -- I took that -- I take that stand and I feel it's very important for the process. Okay. So

any questions -- further questions? Appreciate your question, Senator D'Allesandro.

** REP. GRAHAM: Move to adjourn.

<u>CHAIRMAN CLOUTIER</u>: Okay, motion to adjourn by Representative Graham. Do I have a second?

SEN. D'ALLESANDRO: Second.

CHAIRMAN CLOUTIER: Second by Senator D'Allesandro. Okay. All those in favor of adjourning signify by saying aye? All those opposed say nay? The meeting is adjourned. Thank you very much for coming everybody, and your patience while we awaited Capital Budget Overview.

*** {MOTION ADOPTED}

(Adjourned at 11:04 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

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