

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Tuesday, January 31, 2012

MEMBERS PRESENT:

Rep. John Graham (Chairman)

Rep. Carl Seidel

Rep. David Campbell

Rep. Chris Nevins (Alternate)

Rep. John Cloutier (Alternate)

Sen. Jim Rausch

Sen. Sylvia Larsen

Sen. Jack Barnes

Sen. John Gallus

ALSO PRESENT:

James Richardson

Office of the Governor

Michael Connor

Department of Administrative Services

DECEMBER AGENDA

CHAIRMAN GRAHAM: I'd like to call the meeting of the Long Range Capital Planning and Utilization Committee to order. For Committee Members, what we're going to do is work through the December Agenda first and then move on to the January Agenda. We had to postpone the December meeting and once we approve the minutes from the November, I am going to ask Commissioner Reardon to come up. She had been requested to provide some information on her move to the Tobey Building at the Gallen Office Park and rather than have the Commissioner wait until we finished all the other business, essentially, I'm just going to ask her to spend the five minutes or so to talk about that and then we'll go on to the action items, if there's no objection from the Committee.

(1) Acceptance of Minutes of the November 3, 2011 meeting.

CHAIRMAN GRAHAM: All right. First item is the acceptance of the minutes of the November 3rd, 2011, meeting.

** REP. CAMPBELL: So moved.

REP. NEVINS: I second.

CHAIRMAN GRAHAM: Been moved and seconded that the minutes of November 3rd be accepted. All those in favor say aye? Opposed nay? And they are accepted.

*** {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN GRAHAM: Commissioner Reardon. Now there were a couple of Members -- just so the reason she's here, there were a couple of Members who had asked for a progress report on their move to the Tobey Building, and what we are going to do with the buildings that we vacate as they move. Commissioner.

TARA REARDON, Commissioner, Department of Employment Security: Good afternoon. Thank you for having us. There's a packet of copies there that will be far more informational than the amount of time that we have today to just go over things for you. But for the benefit of Committee Members that aren't aware, we are going to vacate four buildings, two in Manchester, two in Concord, and renovate -- move into the renovated Tobey School Building on the State Office grounds. We expect that to take a little less than two years. And those of you who are familiar with construction in the state may laugh when I say that, but we are hopeful that we can do the demo of the hazardous waste abatement and the construction to be in that building in two years.

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The four buildings are in the CORD process right now. We have or should have decisions -- we have got verbal decisions but not written on two of them -- on three of them already. One of them we had meant to put sale or lease of the property and only put lease in there so we have resubmitted that, expect to have that decision on March 5th. So they have cleared that process in order to be on the track to be sold, all four of those buildings.

(Senator Rausch enters the Committee room.)

MS. REARDON: I will say that the buildings that -- these buildings, the monies that have funded the acquisition of these buildings are all restricted funds, either through our State process or through the Federal process, whichever it is. They are both treated the same. And they say that they have to go back into the operations of unemployment service in the State of New Hampshire. So despite the fact that we're selling buildings, there isn't really any -- any excess funds or surplus funds out there. They will go all back either into our programs or to reduce the bond that's being -- that's used to do the renovation there.

We have one other important aspect to our 32 South Main Street Building in Concord, if you're familiar with it. It's the blue paneled one that doesn't fit in with the rest of Main Street. We have been working with the Division of Historical Resources and that is the letter that we have passed out to you. Their wish initially was that we do fairly substantial documentation of that that could survive a nuclear attack was their -- the level of documentation and archival quality that they were looking for. That's a very, very expensive project, upwards of 15 to \$25,000. We've just --

CHAIRMAN GRAHAM: Thousand.

MS. REARDON: Fifteen to \$25,000. And we just, as you

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may know, done a substantial lay-off. We have far fewer funds than we've ever had before at Employment Security, and we're not able to do that. So we've come up with what we think is a pretty comprehensive way to document that building. We'd like to use -- provide an internship to a student at the New Hampshire Technical Institute that is in their architectural program to assist us. We have a retired Bishop that has an interest in that property because prior to us it was Saint Mary's School which was an Episcopalian school. So we are willing to hire somebody to make sure we're on the right track that looks at our report to make sure that it contains what it is. But we are seeking to spend far less than fifteen to \$25,000 on that project. And we are waiting for a response back from Historical Resources at this time on that.

CHAIRMAN GRAHAM: Speaking for myself, you run into any problems with Historical Resources, let us know. I would hate to hold up everything just for that.

MS. REARDON: Thank you.

CHAIRMAN GRAHAM: Representative Campbell.

REP. CAMPBELL: Thank you, Mr. Chairman. Commissioner, just so I understand it, the disposition of the old buildings are a sale only now, not sale or lease?

MS. REARDON: We would still consider, because we haven't done as much research as we'd like to in the Manchester market, we still need to have a local office in the Manchester area. So we're looking to see what the other possibilities are. And this is 18 months out that we would actually move those people.

REP. CAMPBELL: No, I understand.

MS. REARDON: So we would like the ability to keep our local office in the spot it's in right now, maybe rent the rest of the building out. If we don't find anything that

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has, you know, the parking required, has to be on a bus route, all of those kinds of things, it's is my desire to sell the building. But if it's not the best -- the best move for the Agency at the time, we'll consider leasing.

REP. CAMPBELL: Follow-up, Mr. Chairman, if I could? The reason I ask is you said there were restrictions on the revenues that come in. Any proceeds from the sale of the building is restricted revenue, has to go into different funds. Are there the same restrictions on the lease? Is that restricted revenue as well?

MS. REARDON: I would suspect that they are, but I would defer to an attorney at our office to actually answer that, and we can get an answer.

REP. CAMPBELL: One more follow-up. The reason for that is because if it isn't restricted, it may meet some other objectives and at the same time you wouldn't be selling these buildings at a time that's really not a good time to sell buildings.

MS. REARDON: Not a great time to sell buildings. Interestingly enough, we had approached Mayor Gatsas before we went to the CORD process. He had some interest and then we haven't had follow-up since then. But it's about a half a block from Central High School where they have got some challenges now. Not only in building space but parking and we have parking. And the Concord buildings surprisingly, we never -- we knew South Main Street was attractive and people liked the site, not the building. We have had one inquiry where somebody wants to actually come tour the building. They would use it "as is" and even the West Street property "as is".

REP. CAMPBELL: You can research that and let us know.

MS. REARDON: Sure will.

REP. CAMPBELL: Thank you very much.

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MS. REARDON: Yes.

CHAIRMAN GRAHAM: Any other questions? You did say restricted for operations or bond. It was my understanding when we were doing the Capital Budget that I left those hearings with the impression that the sale or lease or whatever of these buildings was going to go to reduce your indebtedness and not into your operations. Is that still your plan?

MS. REARDON: It still is our plan. And it is the restriction on -- and I'll get it wrong if I say this is the absolute truth -- one of the monies says it has to be for operations. If that, for instance, is the Federal funds, the current Federal funds we have we'll use for operations and put the rest of it towards the bond.

CHAIRMAN GRAHAM: Thank you. Any other questions? Then thank you, Commissioner.

MS. REARDON: Thank you.

(3) New Business:

CHAIRMAN GRAHAM: Department of Transportation. And we'll start on the December agenda. And the first item up is Item 11-040. And they have a bunch.

CHUCK SCHMIDT, Administrator, Bureau of Right-of-Way, Department of Transportation: Good afternoon. I'm Chuck Schmidt from the DOT Bureau of Right-of-Way. I'm the Administrator.

PHIL MILES, Property Manager, Department of Transportation: Good afternoon. Phil Miles, Property Manager, Department of Transportation. And we also have another speaker with us, this first item, Betsy McNaughten from the New Hampshire Department of Fish and Game.

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MR. SCHMIDT: Good afternoon. As the Representative said, we have got several items today. But today we'll start with the Conner Farm, LRCP 11-040, Department of Transportation request approval to sell approximately 5 acres of State-owned land improved with a historic two-story farmhouse located on the southerly side of New Hampshire 101 in the Town of Exeter to Edward J. Conner, or assigns, for \$120,000 and assess an administrative fee of \$1100, subject to the conditions as specified in the Department's request dated November 17th, 2011.

CHAIRMAN GRAHAM: Representative Campbell, you were supposed to bring your old stuff.

REP. CAMPBELL: Ha.

CHAIRMAN GRAHAM: Questions of the Department on this?

REP. NEVINS: Just a comment. Is this the gentleman who's going to renovate it who is a family member or from a distant family member?

MR. SCHMIDT: Yes, it is.

REP. NEVINS: Because of that he has an emotional attachment, I would assume, very much so to the property and probably would make that property look just great when given that opportunity. I read that and to me it was a no-brainer. I said, well, it's nice to find somebody who's willing to do that and comes from California, I believe?

MR. SCHMIDT: That's correct.

REP. NEVINS: Is he back now?

MR. SCHMIDT: He's back in California at this point. That's why he couldn't come to the meeting today.

REP. NEVINS: All right. That sounds very positive to me.

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REP. CAMPBELL: That a motion?

REP. NEVINS: That was quick.

CHAIRMAN GRAHAM: Just one question. It says \$120,000. You did do a market analysis on the property and that is a fair price?

MR. MILES: We did an appraisal on the property.

CHAIRMAN GRAHAM: All right. What's the will of the Committee?

** REP. NEVINS: I move that we approve the sale of the property.

REP. SEIDEL: I second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 11-040. Any discussion? If not, all those in favor say aye? Opposed nay? The motion is approved.

*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Moving on to Item 11-041.

MR. SCHMIDT: Okay. The Department of Transportation requests an approval to amend the listing price from 42,500 to 34,900, allowing negotiations within the Committee's current policy guidelines, and assess an administrative fee of \$1,100. And further authorize to extend the listing agreement with H.G. Johnson Real Estate for a term of six months to sell a 0.7-acre parcel of State-owned land located in the northeasterly corner of Bible Hill Road and Harvey Way in the Town of Hillsborough, subject to the conditions as specified in the Department's request dated November 2nd, 2011, 09-043 amended and approved September 15th, 2009, and subsequently amended by LRCP 10-065 approved November 15th, 2010, and by LRCP 11-023

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approved May 10th, 2011.

CHAIRMAN GRAHAM: All right. I do have a question on extending the listing since we were supposed to take this up in December. And that listing expired or can you continue to extend it now or do you have to go back out?

MR. SCHMIDT: Did it expire?

MR. MILES: It did expire, but normally we have been -- if they have an intent with the -- if the meetings don't line up exactly we still continue with them as the realtor.

CHAIRMAN GRAHAM: Representative Campbell.

REP. CAMPBELL: Thank you, Mr. Chairman. I was asked this. I mean, this is -- I guess, percentage-wise it's big but it's \$7,000 basically.

MR. SCHMIDT: Correct.

REP. CAMPBELL: Is there somebody sitting on this at this price? Is that why this number is the number?

MR. SCHMIDT: No. We lowered it basically to get some movement. We had a low-ball offer that we rejected.

REP. CAMPBELL: Okay. Thank you.

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

****** SEN. GALLUS: Move the item.

CHAIRMAN GRAHAM: Senator Gallus moves. Second?

REP. NEVINS: Second.

CHAIRMAN GRAHAM: Been seconded. Been moved and seconded that we approve Item 11-041. Any discussion? All

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those in favor say aye? Opposed nay? The motion is approved.

MR. SCHMIDT: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Item 11-042.

MR. SCHMIDT: We request approval to sell an approximate 0.65-acre parcel of State-owned land located at the southwesterly corner of U.S. Route 4/U.S. 202 and Black Hall Road in the Town of Epsom by a sealed bid process to the general public with a minimum bid requirement of \$49,200, which includes an administrative fee of \$1,100, subject to the conditions as specified in the Department's request dated November 16th, 2011.

CHAIRMAN GRAHAM: Senator Barnes.

SEN. BARNES: I have talked to the Selectmen in Chichester and they have no problem -- or Epsom, rather, and they have no problem.

CHAIRMAN GRAHAM: All right. I do have one question. Why we going sealed bid on this one?

MR. SCHMIDT: We have an abutter that has come forward that has expressed interest. There's no access to Route 4, minimal access to Black Hall Road, so.

CHAIRMAN GRAHAM: Any other questions?

** REP. CAMPBELL: Move the item.

SEN. GALLUS: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 11-042. Any discussion? If not, all those in favor say aye? Opposed nay? The item is approved.

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*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Item 11-043.

MR. SCHMIDT: We request approval to amend the listing price from 42,500 to 39,900 allowing negotiations within the Committee's current policy guidelines and assess an administrative fee of \$1,100. And further authorization to extend the listing agreement with H.G. Johnson Real Estate for a term of six months to sell a 4.3-acre parcel of State-owned land located at the southeast intersection of New Hampshire 123 and Cobb Hill Road in the Town of Alstead, as specified in the Department's request dated November 2nd, 2011, LRCP 09-032, amended and approved June 23rd, 2009, and subsequently amended 10 -- by 10-053, amended and approved September 22nd, 2010, and by 11-022, amended and approved May 10th, 2011.

CHAIRMAN GRAHAM: At what point do we stop lowering the price just to get --

SEN. GALLUS: When it sells.

MR. SCHMIDT: In May of '09, we did have an offer that fell in this range.

CHAIRMAN GRAHAM: Okay.

MR. SCHMIDT: I'm not sure if they'll come back but that's what we're anticipating.

CHAIRMAN GRAHAM: Representative Campbell.

REP. CAMPBELL: If I could follow-up on that. I mean, the guidelines we don't publish everyday, but we all know that it gives you a 10% wiggle room anyway; correct?

MR. SCHMIDT: Correct.

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REP. CAMPBELL: This is \$2600 less than. I just wonder why you think that's going to do it. That's 5% less.

(Senator Larsen enters the committee room.)

MR. SCHMIDT: Right.

MR. MILES: The last approval had the bottom line was 42,500. So this is going to drop it a little more. The Department could not accept an offer lower than 42,500. There was no 10% range.

CHAIRMAN GRAHAM: Any other questions? If not, what is the will of the Committee?

** SEN. BARNES: Move.

SEN. GALLUS: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 11-043. Any discussion? If not, all those in favor say aye? Opposed nay? The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Item 11-044.

MR. SCHMIDT: We request approval to extend the listing agreement with H.G. Johnson Real Estate for a term of six months to sell a 4.5 plus or minus acre parcel of State-owned land located between easterly -- between the easterly side of New Hampshire 106 and the northwesterly side of Staniels Road in the Town of Loudon at the current listing price of \$175,000, allowing negotiations within the Committee's current policy guidelines and assess an administrative fee of \$1,100 subject to the conditions as specified in the Department's request dated October 25th, 2011, 09-046, approved October 20th, 2009, and subsequently amended 10-063, approved November 15, 2010; and further amended 11-014, approved March 22nd, 2011; and 11-019,

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approved May 10th, 2011.

CHAIRMAN GRAHAM: Senator Barnes.

SEN. BARNES: I am guilty of not bringing the proper paperwork so I have a question for you.

CHAIRMAN GRAHAM: Okay.

SEN. BARNES: This have anything to do with the racetrack in Loudon? Does this affect the racetrack in Loudon?

MR. SCHMIDT: Pardon me?

CHAIRMAN GRAHAM: Does it affect the racetrack in Loudon?

MR. SCHMIDT: No, it's south of there.

SEN. BARNES: Thank you.

CHAIRMAN GRAHAM: Any other questions? If not, what is the will of the Committee?

** REP. NEVINS: Move with a motion.

SEN. RAUSCH: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 11-044. Any discussion? All those in favor say aye? Opposed nay? The item is approved.

*** **{MOTION ADOPTED}**

CHAIRMAN GRAHAM: Moving on to Item 11-045.

MR. SCHMIDT: Thank you. We request approval to extend the listing agreement with H.G. Johnson Real Estate for a term of six months to sell a 1.4 acre parcel of State-owned land located on the easterly side of Bible Hill Road in the

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Town of Hillsborough at the current listing price of \$50,000, allowing negotiations within the Committee's current policy guidelines and assess an administrative fee of \$1,100, subject to the conditions as specified in the Department's request dated October 31st, 2011, 09-042, approved September 15th, 2009, and subsequently amended by 10-064, approved November 15th, 2011, and by 11-020 amended and approved May 10th, 2011.

CHAIRMAN GRAHAM: Any questions? If not, what is the will of the Committee?

** SEN. GALLUS: Move the item.

REP. SEIDEL: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve --

SEN. LARSEN: Mr. Chairman.

CHAIRMAN GRAHAM: -- Item 11-045. Senator Larsen.

SEN. LARSEN: When something has been on the market this long, is there an opportunity for another real estate Committee or entity to seek this sale?

MR. SCHMIDT: We typically do not, but we -- we could put it back out.

SEN. LARSEN: I just -- I raise it as a Committee issue when something has been on the market awhile. Seems a fresh marketing effort freshens up the sale.

MR. SCHMIDT: Sure.

SEN. LARSEN: I just raise it. I'm not going to oppose this motion.

REP. SEIDEL: Same real estate company?

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CHAIRMAN GRAHAM: The motion on the floor is approval of 11-045.

SEN. RAUSCH: Question.

CHAIRMAN GRAHAM: Senator Rausch.

SEN. RAUSCH: Thank you, Mr. Chairman. We just approved one -- we just approved, what, a .7-acre on the same road on the northeast. This one now is on the east. So the difference is .7 acres is what you're getting the difference in the price between the two parcels 'cause the first one we are selling for 34,900.

MR. SCHMIDT: Correct.

SEN. RAUSCH: So it's just a difference in acreage.

MR. SCHMIDT: Right.

CHAIRMAN GRAHAM: Any other discussion? Representative Campbell.

REP. CAMPBELL: Thank you, Mr. Chairman. Going back to Senator Larsen's point. I know we up them once; but, I mean, do we have any kind of policy? I mean, do we come back in six months, you know, another six months, a year, another year? At some point -- I think if we did it twice maybe it would be time to reconsider it.

MR. SCHMIDT: Yeah.

REP. CAMPBELL: Have we done that in the past or don't we have a policy?

MR. SCHMIDT: We don't have an established policy dictating that. The times that I'm aware of that we've done is when the realtor has come to us and say they don't want to market it or they're going out of business or

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whatever and that's prompted it.

REP. CAMPBELL: Is it possible, Mr. Chairman, to make a recommendation to us on what they think at this point?

CHAIRMAN GRAHAM: I think we probably ought to bring that -- put that on the agenda for our next meeting on what the policy should be about extensions beyond a couple of times. We could talk about that.

REP. CAMPBELL: Yeah.

CHAIRMAN GRAHAM: But I don't want to go into it cold right now.

REP. CAMPBELL: Not right now, no. Thank you.

CHAIRMAN GRAHAM: We do have a motion on the floor to approve 11-045. Anything else? All those in favor say aye? Opposed nay? Item is approved.

*** {MOTION ADOPTED}

(5) Informational:

CHAIRMAN GRAHAM: The next two from December, 11-046 and 11-047, were informational items. If anybody has any questions or desires to talk about them. If not, we will move on to the January Agenda.

REP. CAMPBELL: I've got that.

CHAIRMAN GRAHAM: Very good, Representative Campbell.

JANUARY AGENDA

(1) Old Business:

CHAIRMAN GRAHAM: And the first item up is late item

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postponed from December and it's Item 11-048.

MR. SCHMIDT: Yes. The Department requests authorization to sell to the Town of New Durham a three plus or minus acre parcel of State-owned land located on the westerly side of Berry Road in the Town of New Durham for \$36,100 which includes an administrative fee of \$1100 as specific in the Department's request dated December 8, 2011.

CHAIRMAN GRAHAM: Any questions? And the appraisal I saw was at 35 plus?

MR. SCHMIDT: Yes.

REP. NEVINS: Question.

CHAIRMAN GRAHAM: Representative Nevins.

REP. NEVINS: The town does want to buy this parcel of land?

MR. SCHMIDT: Yes. They used it actually to traverse into an existing parcel that they operate.

CHAIRMAN GRAHAM: They do have first right of refusal.

MR. SCHMIDT: That's correct.

** SEN. RAUSCH: Move to accept.

SEN. GALLUS: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we accept Item 11-048. All those in favor, say aye? Opposed nay? The ayes have it and the item is approved.

*** {MOTION ADOPTED}

(2) New Business:

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CHAIRMAN GRAHAM: New Business. Item 12-001.

MR. SCHMIDT: What he's handing out now is a revised map from your package. The package shows in particular this parcel. The delineation was in error. It is now the larger piece. The Department requests authorization to amend the listing price from 189,000 to \$132,000, allowing negotiations within the Committee's current policy guidelines and assess an administrative fee of \$1100. And further authorization to extend the listing agreement with Shea Commercial Properties, Inc., for a term of six months to sell a 0.58 plus or minus acre parcel of State-owned land located in the southeasterly corner of New Hampshire Route 28 and Harris Road in the Town of Windham, subject to the conditions as specified in the Department's request dated January 11, 2012, 10-059, originally approved November 15th, 2010.

CHAIRMAN GRAHAM: Representative Campbell.

REP. CAMPBELL: I'm -- this seems like a fairly nice piece of land to me. You know, it's on an intersection lot. And I just wonder at some point, you know, are -- because the market's bad, and I mean, we own these things. We don't have mortgages on them. I just wonder at some point do we sell assets off too cheap. I mean, is this going to hold its value? Is this going to appreciate over the next five years? I don't single it out because of this property generally, but I think some of the nicer pieces, I wonder if we should be fire-saling everything. That's really -- I don't even know the answer to it. It's a policy question, but it just seems to me that some of these things are going to hold their value. A piece like that is going to hold its value. If we don't sell it today, it will sell in five years or some other time. Otherwise, we are going to keep riding this market down, reducing prices on everything. That may be the way Committee wants to do it. Maybe the way the Legislature wants to do it. But it's certainly an issue we should think about. Because it's one thing on these

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little small parcels but they're asking for a reduction here of over \$50,000. And if only 10%, it's going to go down even more, over a third of its price on something that looks like it has some value.

CHAIRMAN GRAHAM: Representative Rausch -- excuse me, Senator Rausch.

SEN. RAUSCH: Thank you, Mr. Chairman. I just have a question. You changed the diagram.

MR. SCHMIDT: Correct.

SEN. RAUSCH: Because it was not correct on this. But did the acreage change or is the acreage still .58?

MR. MILES: The acreage is correct.

MR. SCHMIDT: It's the same. It's just that the sketch itself was in error.

SEN. RAUSCH: Thank you.

CHAIRMAN GRAHAM: Further question?

SEN. RAUSCH: What is -- do we know what the zoning is in that area?

MR. SCHMIDT: Phil.

MR. MILES: The zoning is business/commercial.

SEN. RAUSCH: Is it a buildable lot?

MR. MILES: Pardon?

SEN. RAUSCH: Is it a buildable lot?

MR. MILES: I think it's going to be tough. With the narrowness of it, it has setback issues. A buyer, if they

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were to buy this piece, would have to -- the P&S would have to be subject to getting approval to build something on it. I don't think somebody would just --

SEN. RAUSCH: Thank you.

REP. NEVINS: Question.

CHAIRMAN GRAHAM: Representative Nevins.

REP. NEVINS: But in your description under market analysis, unimproved land with development potential. So -- I mean, why would it describe that way if it's really going to be tough to --

MR. SCHMIDT: Well, would be up to the developer to do his research. Based on our appraisal we think it could be developed.

REP. NEVINS: Minimal developable is maybe the way to look at that. All right.

MR. SCHMIDT: Yep.

CHAIRMAN GRAHAM: Any other questions at this point?

SEN. GALLUS: Mr. Chairman.

CHAIRMAN GRAHAM: Senator Gallus.

SEN. GALLUS: Thank you. On most of these properties, you know, we are looking at marketing time is sometimes two or three years. You know, we have been playing games with this. We are trying to prejudge what happens with the market. If we knew it was going to change tomorrow morning, it's one thing to hold out. I would think on land parcels, you know, we may have a much longer wait than that. And plus, if you look at the stuff that sold already in here, the comps that they have, you know, if anything, this price may still be a little heavy in that general area.

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REP. CAMPBELL: I understand.

SEN. GALLUS: From what they're using for comps. We can sit on this stuff. We have an awful lot of it. We may be sitting on five or ten years.

REP. CAMPBELL: Not all of it. Just the ones I think --

SEN. GALLUS: Yeah, better pieces.

REP. CAMPBELL: The ones that seem to have more potential by location or by value.

SEN. GALLUS: But it's a small piece.

REP. CAMPBELL: I understand. I may not be able to draw the line to stand on it.

REP. SEIDEL: Yeah, just bring it up as an issue.

REP. CAMPBELL: 'Cause the market -- we are chasing the market down right now.

****** SEN. GALLUS: Absolutely. I'll move the item.

SEN. RAUSCH: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 12-001. Any further discussion? If not, all those in favor say aye? Opposed?

REP. CAMPBELL: No.

CHAIRMAN GRAHAM: The item is approved.

******* {MOTION ADOPTED}

CHAIRMAN GRAHAM: Item 12-002.

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MR. SCHMIDT: We request authorization to amend the listing price from \$60,000 to 41,900 allowing negotiations within the Committee's current policy guidelines and assess an administrative fee of \$1100. And further authorization to extend the listing agreement with Coldwell Banker Residential Brokerage/Derry, for a term of six months to sell a 5.63-acre parcel of State-owned land located on the easterly side of New Hampshire Route 125 in the Town of Kingston, subject to the conditions as specified in the Department's request dated January 11, 2012, 09-010, originally approved April 21st, 2009, and subsequently amended by 10-004, January 26th, 2010, and further amended by 11-008, March 22nd, 2011.

CHAIRMAN GRAHAM: Questions? I do have -- where did we start out?

SEN. GALLUS: Eighty; 80,000.

****** SEN. BARNES: I make a motion that we turn this one down.

REP. SEIDEL: I second that.

CHAIRMAN GRAHAM: Motion has been made and seconded that we not approve Item 12-002.

SEN. BARNES: Six acres, almost six acres on 125. I know 125 pretty well and I have a real problem with the fire sale. I'd rather have a fire truck to get there before we sell.

REP. SEIDEL: I think this is the one that represents Representative Campbell's comments.

CHAIRMAN GRAHAM: That's why I asked where we started. Any other discussion?

SEN. GALLUS: Well --

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CHAIRMAN GRAHAM: Senator Gallus.

SEN. GALLUS: The only thing is, again, it's been on the market a long period of time. And according to the broker, you know, he's suggesting that, you know, the price -- the property should be listed between 35 and 40. We are juicing it up a little bit from that, and now we are saying we still don't want to sell it. It all depends on what our policy is as far as selling.

SEN. BARNES: Maybe we should have another broker look at it.

SEN. GALLUS: Well --

REP. SEIDEL: Has their assessment -- excuse me. Has their assessment gone down in the meantime? Do you have a reasonable --

MR. MILES: I'm not sure. The problem with this property is the access that it has. It's serviced by a service road. It abuts 125, but there's a service road between 125 and the property. So it's -- it's accessed by a Class VI road. And then the other thing is that there's a power line that runs through the middle of the property which makes it less appealing. When we first tried to get this out it was just when things were starting to go down. And, unfortunately, it's just there's much better lots out there than this one. So I think, you know, people are looking at other avenues. As far as the Department, I think we would be looking at this as our bottom. If it did not sell at this price, we would retain it.

CHAIRMAN GRAHAM: Senator Barnes.

SEN. BARNES: Power line doesn't bother me because many times on property the power lines get moved. So I don't think if I were interested in that property the power line going through the middle of it wouldn't bother me. I think it can be moved.

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MR. SCHMIDT: If I may? In my prior life I dealt with utility coordination quite a bit.

SEN. BARNES: You and I have talked about that.

MR. SCHMIDT: That's correct. It is extremely expensive to move a transmission line like that. Plus, you would have to reserve a corridor. So you would have to take another piece of property out, but the cost to relocate that line is --

SEN. BARNES: Estimated cost of moving that line?

MR. SCHMIDT: Fifteen to 20,000 a pole. And off the top of my head, I'm not sure how many poles are in this line.

SEN. BARNES: That's good information to have.

MR. SCHMIDT: Then there is no access off of Route 125. So I want to just clarify that a little bit, too.

REP. CAMPBELL: Mr. Chairman, clarification on Senator Barnes' motion. Is it turn down the whole item or just the reduction in the price?

SEN. BARNES: The price.

MR. SCHMIDT: So we will re-list.

CHAIRMAN GRAHAM: Yes.

MR. SCHMIDT: Okay.

CHAIRMAN GRAHAM: Is everybody clear on the motion? The motion is not to approve the reduction in the price but to go ahead and continue to market it at the price that was established before. Did I say that right, Senator Barnes?

SEN. BARNES: You said it right on the button.

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CHAIRMAN GRAHAM: Any further discussion? If not -- Senator Gallus.

SEN. GALLUS: Thank you, Mr. Chairman. We have to remember this has been on the market a long time. And if it was such a valuable piece, I would think, you know, would have thought by now somebody would have come in and made some kind of offer. There would have been more activity on this piece of land. McDonald's is not, you know, knocking on our door to buy this particular piece of land. It isn't exorbitant price. All the way along it's been coming down following the market maybe. But I don't think we do ourselves any favor by taking a piece of land that has a blight on it with this transmission line, supposedly, and you know, keeping it in inventory and holding it for a longer period of time.

SEN. BARNES: I can -- whoops. Sorry.

REP. SEIDEL: I have a question. Is this residential land only?

MR. MILES: Yes.

MR. SCHMIDT: Yes.

REP. SEIDEL: That could be the reason. Nobody wants to build under a power line.

SEN. BARNES: Well, we have Northern Pass.

SEN. RAUSCH: That could be requested. Could we sell it to Northern Pass?

SEN. GALLUS: They'd be paying more money.

MR. SCHMIDT: True.

CHAIRMAN GRAHAM: Any further discussion?

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SEN. BARNES: You better cut it off right now.

CHAIRMAN GRAHAM: I'm getting ready to, Senator. If not, all those in favor say aye? Opposed?

SEN. GALLUS: No.

CHAIRMAN GRAHAM: No. The item is approved as -- the motion is approved.

*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Item 12-003.

MR. SCHMIDT: We request authorization to enter into a listing agreement with RE/MAX Presidential, allowing -- I believe that's supposed to be residential. Excuse me. Allowing negotiations within Committee's current policy guidelines for a term of one year to sell a 11.3 plus or minus acre parcel of State-owned land located on the westerly side of the North/South Local Road in the Town of Conway for \$55,000. Plus an \$1100 administrative fee subject to the conditions as specified in the Department's request dated January 10th, 2012.

CHAIRMAN GRAHAM: Any questions?

** SEN. GALLUS: Move the item.

CHAIRMAN GRAHAM: Is there a second?

REP. CAMPBELL: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 12-003. Any discussion? Seeing none; all those in favor say aye? Opposed nay? The item is approved.

*** {MOTION ADOPTED}

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MR. SCHMIDT: Representative, for the record it should be presidential. It's not a typo.

CHAIRMAN GRAHAM: From the Department of Resources and Economic Development.

MR. SCHMIDT: Thank you very much.

CHAIRMAN GRAHAM: Thank you. Item 11-049. Wait till we hand this out.

REP. CAMPBELL: All right.

CHAIRMAN GRAHAM: Okay.

BILL CARPENTER, Administrator, Bureau of Forests and Lands, Department of Resources and Economic Development: Good afternoon. I'm Bill Carpenter. I'm the Administrator of the Lands Bureau for the Department of Resources and Economic Development. I'm here to request authorization to exchange 0.19 acres of Bear Brook State Park land for 0.19 acres of land owned by Shannon and Maria Groves which will become part of Bear Brook State Park at no cost to the State and to assess an administrative fee of \$1,100. The purpose for this exchange is to clean-up a long time encroachment on this title. It's a 1.5 acre residential house lot surrounded three sides by Bear Brook. There's been -- there's a parking, a small paved parking there and a small shed that encroaches on the State land. This is actually filled land. It's forested in, but it's fill land. The land we're swapping for is high, dry, good working forest land. This is a good -- it's a win/win for both parties.

** SEN. BARNES: Move the item.

REP. CAMPBELL: Second.

CHAIRMAN GRAHAM: Been moved and seconded that Item

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11-049 be approved. Any discussion? If not, all those in favor say aye? Opposed nay? The item is approved.

MR. CARPENTER: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Department of Administrative Services. It is Item 12-004.

MICHAEL CONNOR, Director, Bureau of Plant & Property, Department of Administrative Services: Mr. Chairman and fellow Members of the Committee, for the record, my name is Mike Connor, where I serve as Director of Plant and Property for the Department of Administrative Services. With me today is Steve Lorentezen who's the Bureau Administrator for the Bureau of Court Facilities.

I'm here today to seek for your approval -- to seek your approval for a ten-year lease with Lake Sunapee Group for 4,191 square feet of space to house the 6th circuit Henniker District Court. The court will be located in the Town of Hillsborough, New Hampshire.

Our Department published a Request for Proposals for a court facility to be located within the district and we received three responses. We reviewed the three responses and Lake Sunapee Group provided the most cost-effective proposal. According to the terms of the lease, the State will be entering into a modified gross lease that includes everything except janitorial services. The State will be looking to pay \$60,000 per year or \$14.32 per square foot. That will remain flat for the ten-year term. Cost of janitorial services is estimated to be \$4,600 per year for a total payment of 64,600 per year or \$15.41 per square foot.

The State is also going to be looking to make a one-time payment of \$27,500 as a partial consideration for renovation costs.

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In addition to being the most cost effective proposal, Lake Sunapee Group provided the most favorable layout for court activities while meeting all accessibility requirements.

As part of our analysis we also compared the cost to lease versus build/own over 20 years with the State saving approximately \$1,100,000 over that term. If this lease is approved, we anticipate that the work will be completed by June 1st. I'd be glad to answer any questions you may have.

CHAIRMAN GRAHAM: Senator Barnes.

SEN. BARNES: How many years have you been working on court deals?

MR. CONNOR: On court deals? Courts came over in the early -- in the '80s sometime. So been involved with them for quite awhile, at least indirectly. How long have you been here? Twelve years as a Director I've been working on them.

STEPHEN LORENTZEN, Administrator, Bureau of Court Facilities, Department of Administrative Services: I'm four and a half years.

SEN. BARNES: How many years you yourself have been working on courts?

MR. CONNOR: Since the '80s sometime. I've been with the State for 34 years, so.

SEN. BARNES: I know, we were working on the Candia/Raymond --

MR. CONNOR: Sure have.

SEN. BARNES: -- whatever it was.

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MR. CONNOR: Absolutely.

SEN. BARNES: You're - obviously, in your opinion, this is a great deal for the State.

MR. CONNOR: This is a great deal for the State. We are looking at -- I'm actually amazed -- a flat lease for ten years, no increases, at \$60,000. It's a great opportunity. Steve and I were talking earlier. I don't know how it works, but it's a great deal for us. And, again, we did a cost comparison. If we were to build a facility of that size, we are looking at -- and assuming that we had land available, which we don't, at no cost, we are looking at saving 1.1 million over a 20-year term.

****** SEN. BARNES: Move the item.

CHAIRMAN GRAHAM: Okay. Can I ask a question or two?

SEN. BARNES: No.

CHAIRMAN GRAHAM: I do have -- you have, obviously, worked with the court system to make sure that this is acceptable to them. And I did mention to you earlier about we need to make sure that as we are doing the renovation that all of the video conferencing wire and all the rest that we have put money in the capital budget for is included in this renovation.

MR. CONNOR: Yes.

CHAIRMAN GRAHAM: We have your word on that.

MR. LORENTZEN: It is.

MR. CONNOR: That's a great suggestion. At least in the infrastructure as they renovate we'll put the wiring in place so when they come to do that it will be there.

REP. CAMPBELL: Thank you, Mr. Chairman. I think this

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is a great deal. I'm just curious, Lake Sunapee Group is a bank; and I was wondering, is this a former bank building or distressed property?

MR. LORENTZEN: No. It's actually adjacent to their property -- to their bank in Hillsborough. So it's in-between the State Liquor Store and a subway shop. So they own the building.

SEN. LARSEN: Great place for a court. Food and drink.

CHAIRMAN GRAHAM: Senator Barnes has moved Item 12-004. Is there a second?

REP. SEIDEL: I'll second.

CHAIRMAN GRAHAM: It's been seconded. Any further discussion on Item 12-004? If not, all those in favor say aye? Opposed nay? The item is approved.

*** {MOTION ADOPTED}

CHAIRMAN GRAHAM: Moving on to Item 12-005.

MR. CONNOR: Mr. Chairman and Members of the Committee, again, for the record, Mike Connor from Administrative Services. Steve Lorentzen from Court Facilities. We are here today to seek your approval for a three-year lease of State-owned property known as the Coos County Superior Court Building to Coos County. The County is looking to lease 6,023 square feet of space for the use of several county functions, including Registry of Deeds, Sheriff and the County Attorney. This lease reflects an increase of 900 square feet of space formerly occupied by the Probate Court, who have since moved to the second floor of the facility. The cost per square foot for this space was actually misstated in your letter, and I have some revised letters. I think it was stated at 14.21. If you don't mind, I'll hand those out here. It will actually be 8.29 per square foot in year one, 8.54 in year two, and 8.80 in

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year three. The totals are correct. It's the per square foot cost that was incorrect. This covers the cost of our operations, plus 2% of the capital cost for the facility, which is allowed by Federal Government.

According to the terms of the lease, Coos County has agreed to pay for all the renovations estimated to total \$85,000. If this lease is approved, we anticipate the work will be completed by June 1st. I'd be glad to answer any questions that you may have.

CHAIRMAN GRAHAM: Do you know if the County has already appropriated the money to do the renovations?

MR. LORENTZEN: Yes.

CHAIRMAN GRAHAM: Or is that still pending?

MR. LORENTZEN: No, it's all set.

CHAIRMAN GRAHAM: Okay.

** SEN. GALLUS: Move the item.

SEN. BARNES: Second.

CHAIRMAN GRAHAM: Been moved and seconded that we approve Item 12-005. Any discussion? If not, all those in favor say aye? Opposed nay? The item is approved.

*** {MOTION ADOPTED}

(5) Informational:

(6) Date of Next Meeting and Adjournment.

CHAIRMAN GRAHAM: The last item is Item 12-006 from -- it's an Informational item. Does anybody have any questions or comments about the Informational item? If not, do we want to set a date in March or subject to the call of the

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Chair when we have some work?

SEN. BARNES: Call of the Chair.

SEN. RAUSCH: Call of the Chair.

CHAIRMAN GRAHAM: Then I will adjourn this meeting of Long Range subject to the call of the Chair for the next meeting.

(Meeting adjourned at 4:19 p.m.)

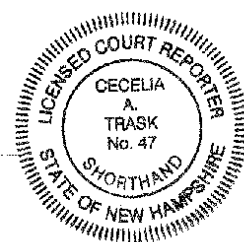
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CERTIFICATION

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

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



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