

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Tuesday, May 8, 2012

MEMBERS PRESENT:

Rep. John Graham (Chair)

Rep. David Campbell

Rep. Carl Seidel

Rep. Chris Nevins (Alternate)

Rep. Gene Chandler

Sen. James Rausch

Sen. Jack Barnes

Sen. John Gallus

Sen. Sylvia Larsen

ALSO PRESENT: James Richardson-Governor's Office
Michael Connor-Dept. of Admin. Services

(Convened at 3:30 p.m.)

1. Acceptance of Minutes

CHAIRMAN GRAHAM: Time being 3:30, I call this meeting of the Long Range Capital Planning and Utilization Committee to order. The first order of business is the acceptance of the minutes of April 3rd, 2012.

****** REP. CAMPBELL: So moved.

SEN. GALLUS: Second.

CHAIRMAN GRAHAM: Moved and seconded the minutes be approved. Are there any discussions? If not, all those in favor say aye? Opposed nay? The ayes have it.

******* {MOTION ADOPTED}

2. Old Business

CHAIRMAN GRAHAM: Moving on. Item 12-009 was tabled at the last meeting. Is there a motion to take it off of the table?

** REP. SEIDEL: I so move.

REP. CHANDLER: No.

CHAIRMAN GRAHAM: No?

REP. CHANDLER: I think -- I don't think he wants it. I think we can --

REP. SEIDEL: You don't want it?

CHAIRMAN GRAHAM: No, we don't want it.

REP. SEIDEL: Then don't ask.

CHAIRMAN GRAHAM: Well, you have to ask.

REP. CHANDLER: It's resting comfortably.

CHAIRMAN GRAHAM: It's resting comfortably. It will stay on the table until the Representative from Bartlett --

REP. CHANDLER: No, till the Committee wants to do it.

CHAIRMAN GRAHAM: -- brings further information to us.

REP. CHANDLER: Just I've spoken with Mr. Gamache from Trails and he knows it and he had no indication to have it taken off either.

REP. CAMPBELL: That will look better on the record. Thank you.

REP. CHANDLER: Just throw that in.

Long Range Capital Planning & Utilization Committee

May 8, 2012

REP. CAMPBELL: Thank you.

CHAIRMAN GRAHAM: Informational item 12-020 deals with a change to our policy on the extension of leasing agreements.

(Senator Rausch enters the committee room.)

CHAIRMAN GRAHAM: Is there any desire on the part of the Committee to take this up at this point?

REP. CAMPBELL: Mr. Chairman, I think it's something we need to address, but I don't think we need to address it today.

CHAIRMAN GRAHAM: I agree.

REP. CAMPBELL: Unless anybody else -- I mean, we really weren't prepared to talk about it, I don't think.

CHAIRMAN GRAHAM: No. But I would like to talk about it at the June meeting, because I think that there is some merit to at least looking at extensions for listing agreements.

REP. CAMPBELL: So it's your plan to take it up the next meeting.

CHAIRMAN GRAHAM: My plan is to take it up at the next meeting.

3. New Business:

CHAIRMAN GRAHAM: All right. The one action item we have, Item 12-021, a lease agreement with Admin Services, Bureau of Court Facilities. And Mr. Connor from Admin Services is here, and he will explain two things. Why we're doing this and why they went to Governor and Council first.

MICHAEL CONNOR, Director, Bureau of Plant and Property

Long Range Capital Planning & Utilization Committee

May 8, 2012

Management, Department of Administrative Services: Thank you, Mr. Chairman, Members of the Committee. For the record, my name is Mike Connor, and I work for the Department of Administrative Services where I serve as the Director of Plant and Property Management. With me today is the President of Monadnock Economic Development Corporation, Jack Duggan.

I'm here today to seek your approval of an Amendment to a 15-year lease with the Monadnock Economic Development Corporation for a new courthouse for the district, probate, and superior courts in Keene. This is an Amendment to a 15-year lease that was approved by Long Range Planning and Utilization Committee on November 15th, 2010, and by Governor and Council on December 8th, 2010. The Department of Administrative Services is seeking approval to amend the proposed lease for a new courthouse totaling 49,620 square feet that will increase the rental payment \$42,500, in the first year, changing the per square foot rate from 9.07 to \$9.93 per square foot.

(Senator Larsen enters the committee room.)

MR. CONNOR: The Amendment increases the cost over the 15-year term \$790,453 for a new total of 9,159,963.

This Amendment is required to accommodate a last minute increase in the financing cost and provide support to the landlord so that we can continue to make this project viable. Even with the Amendment, this proposal is very cost effective and will allow the court system to remain in Downtown Keene while providing safe and adequate space for the court system. We completed a cost analysis of lease versus own, and over a 20-year period the State will save approximately \$12.5 million with this lease proposal versus building and operating its own facility of the same size. The Amendment will also modify the term with occupancy scheduled to begin on December 1st, 2013, and run until November 30th, 2028.

Long Range Capital Planning & Utilization Committee

May 8, 2012

Thank you for your consideration. I'll be glad to answer any questions.

In regards to Mr. Chairman's first question, why did we go to Council first. We went -- first of all, we went to Council contingent on approval from Long Range Planning and Utilization. It was right in the letter. We did that because time is of the essence. We needed to tie all the knots and the last minute financing issues were resolved. We had to wait for the TIF District to be approved by the City of Keene. Now that's all in place and time is of the essence, as you well know, with getting loans approved. So we want to have everything in place. But we also want to try to move ahead but not moving ahead, you know, in front of this Committee. So with that, I'll answer -- be glad to answer any questions.

CHAIRMAN GRAHAM: Madam Chairman. I mean, Representative Campbell.

REP. CAMPBELL: Yes, thank you, Mr. Chairman. What happens at the end of the first term, the 15 years?

MR. CONNOR: Fifteen years? I'd have to look. I don't know if there's an extension or not. Steve, do you know?

STEPHEN LORENTZEN, Administrator, Bureau of Court Facilities, Department of Administrative Services: Two extensions.

MR. CONNOR: There are two other options for extensions if we chose to go forward.

REP. CAMPBELL: Thank you.

CHAIRMAN GRAHAM: Any other questions?

****** SEN. RAUSCH: Move to accept.

SEN. LARSEN: Second.

Long Range Capital Planning & Utilization Committee

May 8, 2012

CHAIRMAN GRAHAM: Been moved and seconded that item 12-021 be approved. Any discussion? All those in favor say aye? Opposed nay? The item is approved.

*** {MOTION ADOPTED}

MR. CONNOR: Thank you.

4. Miscellaneous:

5. Informational:

CHAIRMAN GRAHAM: The final one item for today is 12-022 which is purely informational. Is there any desire to discuss that item?

And I realize that there was only one action item, but we did need to move forward on the Keene Project. So that's why I called this meeting.

6. Date of Next Meeting and Adjournment:

CHAIRMAN GRAHAM: I would like to suggest for our next meeting that it be the week of the 25th of June. We should be finished with all of our Committees of Conference and the rest, according to our agreed upon rules, and that will be before the 4th of July and before everybody takes off for the summer. And it will give every Agency a chance to -- anything that they wanted to do over the summer to bring it in then because my plan is probably not to meet until after the primary in September.

SEN. RAUSCH: What's the date you want it?

CHAIRMAN GRAHAM: I said the week of the 25th. I was going to take suggestions. And we should not be meeting -- I would suggest Tuesday, the 26th, at 10 if that's acceptable to everybody? And I would ask the LBA to put out to the Agencies that if they don't get it in then, it's going to be after the summer.

Long Range Capital Planning & Utilization Committee

May 8, 2012

MICHAEL KANE, Deputy Legislative Budget Assistant,
Office of Legislative Budget Assistant: Okay.

CHAIRMAN GRAHAM: Sometime after Labor Day, at least.

MR. KANE: Okay.

CHAIRMAN GRAHAM: Barring emergencies, of course.

REP. CAMPBELL: You going to talk about that item?

CHAIRMAN GRAHAM: Which item?

REP. CAMPBELL: The Committee rules.

CHAIRMAN GRAHAM: Yeah, we'll talk about that one in June. But everybody look at it, because I think there is some merit on Item 12-020 on how we handle extensions with real estate agents making sure that we can move forward quickly without coming back to us maybe quite as often or maybe we want to come back more often to have them re-list it, and that's something that I would like everybody to talk about. And I realize that there's at least one Senator who may not be back next year, but I'd still appreciate your input.

SEN. GALLUS: I'll come and sit in.

SEN. BARNES: He might get written in.

SEN. LARSEN: Question. Having just been in Capital Budget, the issue of the Laconia State Property purchase, if we wait until the 26th for our next meeting, what's the plan, because it's meant to come here.

SEN. RAUSCH: We have until May 13th --

CHAIRMAN GRAHAM: May of 2013 to sell.

SEN. RAUSCH: We have plenty of time.

Long Range Capital Planning & Utilization Committee

May 8, 2012

CHAIRMAN GRAHAM: And, hopefully, that will have passed both Chambers and been signed into law by June and we can then tell Admin Services what we would like to do. Right now there's no guarantee that it will pass.

SEN. LARSEN: Right.

SEN. BARNES: Probably still be in Committee of Conference.

CHAIRMAN GRAHAM: Well, that's why one of the last weeks, Senator Barnes. Anything else?

****** SEN. BARNES: Move to adjourn.

SEN. RAUSCH: Second.

CHAIRMAN GRAHAM: Moved and seconded. All in favor say aye? Opposed? We are adjourned.

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

(Adjourned at 3:39 p.m.)

Long Range Capital Planning & Utilization Committee

May 8, 2012

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



Long Range Capital Planning & Utilization Committee

May 8, 2012