



New Hampshire Liquor Commission

**SENATE CAPITAL BUDGET COMMITTEE
AGENCY REQUEST
FY 2024 - 2025**

APRIL 27, 2023



Summary of Requests



IX. LIQUOR COMMISSION: (page 2)

1. Hampton North and South New Stores	\$ 13,780,000
2. Headquarters Life Safety Improvements	\$ 2,400,000
3. Roof Replacement	\$ 220,000
4. Computer Software – POS – D365	<u>\$ 1,500,000</u>
Total Requests (100% Liquor Funds):	<u>\$ 17,900,000</u>



#1 Hampton North & South New Stores



This request is for the additional funds necessary to construct two new 20,000 to 22,000 square foot retail outlets on Interstate 95 in Hampton. The original request of \$14M was based on cost estimates from the FY18-19 budget, the additional funds requested are based on current rates provided by the Division of Public Works, Design and Construction (DPW).

Current Status of the Project:

NHLC continues to work with HNTB/DOJ/DES/DAS relative to existing title issues in advance of issuing an RFP pursuant to RFQ 2021-001. On March 1, 2023, in accordance with Env-Wt 703.03, Changes to Prime Wetland Boundaries, DES accepted and revised Prime Wetland boundaries located on the subject properties. With the Prime Wetland boundary revision completed, the NHLC is working with HNTB/DOJ/DAS/DES to apply for wetlands impact permit(s) relating to a restrictive covenant attached to the property that pertains to any new and/or further development on the northbound parcel. It is believed that issuing an RFP prior to the resolution of the limiting restriction on title to the property would significantly diminish the quantity and anticipated value of proposals received and adversely impact target revenue projections. The additional time, delay, and expense resulting from the unexpected but necessary due diligence, combined with the substantial increase in building materials, fuel, uncertainty of construction related labor as well as rising interest rates has yielded unprecedented escalation on all aspects of the project in very significant financial terms.

Agency Request: \$7,490,660 (100% Liquor Funds)

House Approved Budget: \$13,780,000 (100% Liquor Funds)



#2 HQ Life Safety Improvements, Parking lot, Renovation, and Roof



The Concord Headquarters facility is over 60 years old and in need of a few life safety improvements & renovation for office space. The funding is necessary to;

- Replace warehouse bay doors; 10 roll-up fire doors with connection to fire alarm that do not meet code as noted in the fire marshal annual inspection and 4 exterior freight bay roll-up doors.
- Replace building security and door access controllers that are past useful life and no longer supported.
- Supplement the FY18-19 appropriation for the parking lot rehabilitation project. The original funding was to expand and repave the existing parking lot but after further inspections has turned into a sewer line, catch basins, infiltration systems, and curbing, as well as infrastructure repairs under the parking lot along with repaving.
- Roof replacement for the section of roof that was replaced in 2017. At the time of the Agency capital request submission the roof had been leaking and the company that did the original replacement went out of business, leaving the roof unrepaired. Since then, the manufacturer has completed repairs, but it is too soon to determine if the leaks have been completely eliminated or if replacement is still needed.
- Renovate 2,200 square feet of current warehouse space for multiple offices and a conference room. This will accommodate space for new employees and allow workspaces to be safely distanced and add a small conference room. (This was a separate agency request and is now being added to this one.)

Since it is currently unknown if the roof needs to be replaced, we requested in the House to add the renovation for office space to this request in the event funding is available.

Agency Request: \$1,450,000; Did not include the warehouse renovation to office space.

House Approved Budget: \$2,400,000 (100% Liquor Funds)



#3 Roof Replacement

The Liquor and Wine outlet in Keene was built in 2005 but it has been determined that the roof was not properly installed. The roof is leaking into the store and needs to be replaced. The original roof was not properly prepared, flashed, and sealed to industry standards by original installer.

Agency Request: \$220,000 (100% Liquor Funds)

House Approved Budget: \$220,000 (100% Liquor Funds)



#4 Computer Software – POS – D365

The NHLC is in the process of replacing all point-of-sale software, hardware and back-office computer systems referred to as D365. This request is for supplemental funds for the contract related to the project for implementation and to allow for enhancements or changes to the system. With the rapid changes in technology this request would allow the NHLC to implement enhancements that could improve efficiencies or increase revenue.

The D365 implementation requires additional funds due to delays in testing caused by blackout periods for both Liquor operations and the State's financial (NHFIRST blackouts, financial blackouts for year-end ACFR, 1099s, etc.) for; Accenture to provide additional cutover support; to resolve integration issues discovered during testing; to work with Microsoft to resolve persistent software update issues; to allow for additional performance testing recommended by DoIT and Microsoft; to conduct a third-party security audit of the new system; and to protect revenue by avoiding going live with a new system during the highest sales volume months for NHLC.

Agency original request: \$1,000,000 (100% Liquor Funds)

House Approved Budget: \$1,500,000 (100% Liquor Funds)



Capital Budget Lapse extension



24 Lapse Dates Extended to June 30, 2025. The following appropriations are hereby extended to June 30, 2025:

The appropriation made to the Liquor Commission in: (pg. 19)

124. 2021, 107:1, IX, 1 for Computer Software - Credit Card - POS. (A/U 9327; available funds \$185,240)
125. 2017, 228:1, XV, A, extended by 2019, 146:20, 115, extended by 2021, 107:16, 108 for Computer Software - Credit Cards - POS. (A/U 1711; available funds \$264,900)
126. 2017, 228:14, III, extended by 2019, 146:20, 118, extended by 2021, 107:16, 109 for the Concord headquarters roof replacement and parking lot. (A/U 1688; available funds \$519,503)
127. 2013, 195:1, XII, G extended by 2015, 220:23, 82, extended by 2017, 228:22, 101, extended by 2019, 146:20, 121, extended by 2021, 107:16, 110 for computer software-credit card. (A/U 7957; available funds \$144,512)
128. 2017, 228:1, XV, D, extended by 2019, 146:20, 117, extended by 2021, 107:16, 111 for Hampton North & South New Liquor Stores (A/U 1714; available funds \$13,299,336)

100% Liquor Funds (No General funds are used)

No changes to the lapse extensions as contained in HB 25 as passed by the House.

