



State of New Hampshire
DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
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February 8, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

On August 3, 2016, the Governor and Executive Council adopted a Resolution establishing an advisory committee to review substantive issues associated with the State's disposal of the Lakes Region Facility campus (formerly known as the "Laconia State School" and the "Laconia Correctional Facility") (hereinafter, the "Property") and to make recommendations to facilitate the sale of the Property as required by Chapter 276:113, Laws of 2015. The Resolution directed the committee to make a list of such recommendations to the Department of Administrative Services, which was then to be reported to the Governor and Executive Council.

In fulfillment of its duties specified in the Resolution and described above, the Department of Administrative Services hereby presents the Final Report of the Laconia State School Property Advisory Committee.

Respectfully submitted,

A handwritten signature in cursive script that reads "Vicki V. Quiram".

Vicki V. Quiram
Commissioner

LACONIA STATE SCHOOL PROPERTY ADVISORY COMMITTEE

FINAL REPORT TO THE GOVERNOR AND EXECUTIVE COUNCIL

BACKGROUND

On August 3, 2016, the Governor and Executive Council passed a Resolution (Attachment A) establishing an advisory committee to review substantive issues associated with the State's disposal of the Lakes Region Facility campus (formerly known as the "Laconia State School" and the "Laconia Correctional Facility") (hereinafter, the "Property") and to make recommendations as to how the Property "should best be marketed for sale." Such issues arose from the directive contained in Laws of 2015, 276:113 (Attachment B) to "offer for sale" the Property. In accordance with the Resolution, the Laconia State School Property Advisory Committee (the "Committee") was convened. The members of the Committee are:

Vicki Quiram, Commissioner of Administrative Services, Chair
Senator Andrew Hosmer, Senate President Designee, Vice Chair
Representative Gene Chandler, Speaker of the House Designee
Matt Lahey, Mayor of the City of Laconia Designee
Justin Slattery, Belknap Economic Development Council Chair Designee
Timothy Drew, Environmental Services Designee
Dawn Touzin, Health and Human Services Designee
Chris Gamache, Resources and Economic Development Designee
John Conforti, Department of Justice, Legal Counsel

The Committee has met four times since its formation, resulting in the recommendations provided herein (Minutes, Attachment C).

The Property consists of five parcels of land (Map, Attachment D) having an aggregate total of approximately 245 acres. Of the two contiguous parcels, one consists of 17.12 acres along NH Route 106 that was subdivided in 2012 to be retained by the State in the event of a sale of the remainder of the main campus parcel; the other consists of the remaining 199.78 acres of the main campus parcel. The other three parcels, all of which are separated from the main campus parcel by public roadways or highways, were leased to the City of Laconia in 2000 for a term of 99 years. One of the three leased parcels is now the home of Robbie Mills Memorial Park, a modern outdoor athletic facility featuring a baseball field and adjacent multisport practice fields complete with subsurface irrigation systems and lighting for nighttime use. The other two leased parcels remain mostly vacant¹ and unused by the City. There are approximately 31 buildings and several other structures located on the main campus parcel and the subdivided parcel along Route 106. Four of those buildings are situated on the subdivided 17.12-acre parcel and are not included in the property to be sold: Dwinell building is occupied by the

¹ A water pumping station that supplies water to both the main campus parcel and Robbie Mills Memorial Park is situated on the northern corner of one of these two otherwise vacant parcels, located across NH Route 106 to the south of the main campus parcel. Also, both of these parcels are hayed by a local farmer pursuant to a license agreement with the City.

Department of Safety (DOS), Bureau of Emergency Communications and the Lakes Region Mutual Fire Aid Association; Dube building was recently occupied by the DOS Marine Patrol Unit but is now vacant; and a garage and adjacent storage shed are both presently used for equipment storage by the Department of Administrative Services (DAS). Among the approximately 27 other buildings and various structures located on the main campus parcel, two buildings on the northern part of the campus comprise the Department of Health and Human Services (DHHS) Designated Receiving Facility (DRF) and are fully occupied, one of the two water towers at the highest elevation point of the Property² (along with supporting utility buildings) is in use to provide water and head pressure for the entire Property including Robbie Mills Park, an unmanned Air Quality Monitoring Station located just north of the DRF continues to be operated by the Department of Environmental Services (DES), and the building known as the Carpentry Shop located adjacent to the subdivided parcel continues to be used by DAS as the maintenance building for the campus. Most of the other buildings located on the main campus parcel have been mothballed, with no water (except for fire suppression systems) or heat and minimal electrical service. However, many of the buildings have operating fire alarms that are monitored and controlled by centrally located equipment in one of the otherwise vacant buildings.

MAJOR CHALLENGES IDENTIFIED TO THE EXECUTIVE COUNCIL

1. Designated Receiving Facility (DRF). The DRF is situated near the water towers on the northern portion of the main campus parcel and consists of two fully operational secure buildings that are staffed around the clock year-round. It is operated by DHHS at an annual cost of \$1.3 million. The DRF must be relocated or other steps must be taken to be able to market the main campus parcel with the DRF remaining in place and operational.

Committee Findings: Although DHHS is willing to pursue moving the facility in the future, at present no community has been identified that has both the characteristics needed to appropriately serve the residents of the facility and the willingness to host the relocated DRF. DHHS has requested \$1.7 million in the State Fiscal Year 2018/2019 capital budget for construction or renovation of a new facility. However, it is unlikely that the capital request would be approved without a location and the availability of more detail regarding the scope of the proposed project. Therefore, the Committee must assume that the DRF will continue to operate in place until such time as a willing community and a new location for the DRF have been identified and a new facility has been constructed or renovated.

2. Three Parcels Leased to the City of Laconia until 2099. The three leased parcels are part of the Property owned by the state and have been tentatively included in the Property to be sold. However, so long as they remain subject to the existing 99-year lease they probably have little to no market value.

Committee Findings: The City is not willing to release its interest in any of the three leased parcels at this time but is willing to meet with the State to discuss this and other City-specific

² Only one of the two water towers is in use

issues regarding the Property. The City acknowledges that it has no need, use, or plans for two of the three parcels but intends to retain its interest in the Robbie Mills Park parcel.

3. Water, Sewer and Electrical Distribution Infrastructure. State-owned water distribution, sewer infrastructure, and electrical distribution networks are interlaced throughout the five parcels comprising the Property and other adjacent parcels. The Robbie Mills Parcel has its own electrical supply, but it relies on the water and sewer networks on the Main Campus Parcel. The water supply to Robbie Mills Park originates from a City water main along Route 106. The water pumping station located on the mostly vacant leased parcel south of Route 106 (the "Southeast Parcel") provides water from the City main to the entire Property. Water to Robbie Mills Park is separately metered, and annual usage is used to offset the City water bill for the rest of the Property. The sewer line from Robbie Mills Park runs beneath Eastman Road and serves all of the buildings on the Main Campus Parcel located east of Green Street/Right Way Path before crossing beneath Route 106 and passing through Opechee Bay State Forest to connect with the Winnepesaukee River Basin Project trunk line along the shore of Opechee Bay. This sewer line is apparently completely unmetered. Sewer lines from buildings on the Main Campus Parcel west of Right Way Path and the Subdivided Parcel converge on the Subdivided Parcel and then pass through Ahern State Park before connecting to a City sewer main along Shore Drive. This sewer line is apparently metered at the State-owned pumping station in Ahern State Park. Electricity to the Main Campus Parcel and most of the Subdivided Parcel originates from a meter in Ahern State Park and crosses the western corner of the Subdivided Parcel before connecting to the campus network at the old boiler house. The only facilities on the Main Campus Parcel and the Subdivided Parcel that have their own electrical supplies separate from the campus network are the DRF, which has its own supply from Meredith Center Road, and Dwinell building, which has its own supply from Route 106. The electrical supply to the water pumping station located on the Southeastern Parcel comes from the Subdivided Parcel, but it is unknown whether it is connected to the campus network or the Dwinell building supply.

Committee Findings: The main campus parcel can be marketed with a condition that whoever buys it will continue to serve those remaining facilities on abutting unsold parcels which are dependent upon utility networks located on the Property. The State may also have to offer to the buyer temporary or permanent commitments to continue to serve those facilities located on the Main Campus Parcel which are dependent upon utility networks or lines located on abutting State parcels. According to the terms of a 2003 agreement with the State (a fully executed copy of which has not been found), the City has the right to install and maintain water and sewer lines between Robbie Mills Park and the water and sewer networks on the Main Campus Parcel. Whether the State has any legal obligation to provide water and sewer service to Robbie Mills Park is an unresolved issue.

4. Major Snowmobile Trail Corridor and Other Use Agreements. Two existing snowmobile trails cross the Property (not established by any known written agreement). The Department of Resources and Economic Development (DRED) desires to preserve these trail corridors for continued public use. Also, the City holds a permanent water tower easement on the Property that it purchased from the State in 1984 (separate from the existing State water towers), but no water tower

was ever constructed by the City. Also, DES operates an air quality monitoring station just north of the DRF (apparently by interagency agreement with the Department of Corrections (DOC) dated May/June 2000). DES has indicated that this station can be relocated if necessary, provided that DES receives sufficient warning prior to a sale. Also, the City uses part of the northern fields on the Main Campus Parcel as an overflow parking lot for Robbie Mills Park during the summer baseball season (originally pursuant to a series of license agreements with the State, the last of which expired in May 2015).

Committee Findings: The existing snowmobile trail corridor across the Property will be permanently preserved. The buyer may be granted the right to request the relocation of the corridor subject to the review and approval of the State. The City's permanent water tower easement area is in a fixed location to the south of the existing State water towers. It is unknown whether the City has any remaining need for the water tower easement or would be willing to negotiate its release. Other known arrangements will automatically terminate upon a sale of the Property, although DES can be kept informed as the Property is marketed in order to provide adequate warning of an approaching sale.

5. Environmental Contamination and Hazardous Building Materials. Hazardous building materials are known to exist in one building and may exist in several others on the Property, and additional environmental contamination may be present.

Committee findings: DES estimates that the total cost to assess all buildings on the Property for hazardous building materials and other environmental contamination would be \$620,000. The estimate without a hazardous building materials assessment drops to \$358,400. The Committee recommends that the State market the property without commissioning any further environmental or hazardous building material assessments.

RECOMMENDATIONS

1. The Committee should remain active to advise DAS as other issues within the purview of the Committee may arise and to address open questions, but only until such time as real estate firm solicitations or other marketing or offering activities commence.

2. The property to be offered for sale should minimally include the Main Campus Parcel and an option to purchase the DRF parcel (to be subdivided), exercisable upon the permanent relocation of the DRF.

3. Subdivide the Main Campus Parcel to create a new DRF parcel to be retained by the State until the DRF has been relocated. This will require unbudgeted funding of approximately \$20,000 - \$40,000 if an independent licensed land surveyor is used. However, DRED has indicated that its licensed land surveyors on staff may be able to be made available to do the land survey and subdivision work at little or no cost to DAS. A real estate services firm should be selected and hired concurrently with the subdivision of the DRF parcel. DHHS should begin an active search for a new DRF location immediately and should produce a DRF relocation plan by March 2017 that includes a work plan with time frame estimates. DHHS should provide quarterly progress reports to the Committee members and to the Governor and Executive Council.

4. The three leased parcels may or may not be included in the Property to be sold.
5. Market the Property to be sold with the condition that the buyer must continue to serve those facilities that continue to operate on abutting/adjacent parcels which are dependent upon utility networks located on the Property. Floating easements may be utilized to satisfy this condition if necessary. The State should be prepared to provide to the buyer temporary or permanent commitments to continue to serve those facilities located on the Property to be sold which are dependent upon utility networks or lines located on abutting/adjacent State parcels.
6. Market the Property to be sold with the condition that the State will reserve rights to existing snowmobile trail corridors across the Property, provided that said trails may be relocated at the request of the buyer contingent upon the State's prior review and written approval of the new locations. Floating easements may be utilized to satisfy this condition if necessary.
7. Any further environmental or hazardous building material assessments or mitigation should be the responsibility of the buyer.
8. Preparing to market the Property will require unbudgeted funding to DAS in addition to the cost of subdividing a DRF parcel. At a minimum, if a broker will be used, then in order to attract a high quality brokerage firm DAS must be able to compensate a broker for its time and effort required to produce a high quality market analysis and a credible opinion of value as well as to initiate a broad national marketing push, regardless of whether the Property is ultimately sold to the City of Laconia without commission or no reasonable buyer can be found (rough cost estimate, separate from any commission: \$20,000 - \$50,000). The actual structuring of Broker compensation should be proposed at the discretion of DAS. If an appraisal is needed to estimate the market value of the Property, whether as a basis for a first offer to the City or to establish a list price, then an additional \$20,000 - \$25,000 will be needed (rough appraisal cost estimate).

EXECUTIVE COUNCIL RESOLUTION – AUGUST 3, 2016

Now come, Governor Hassan and the Executive Council, and hereby create the Laconia State School Property Advisory Committee ("Committee") to meet and provide the New Hampshire Department of Administrative Services ("DAS") with a list of recommendations to facilitate the sale of the Laconia State School Property ("Property") as required by Chapter 276:113, Laws of 2015.

On June 1, 2016, DAS provided the Governor and Council with information relative to substantive issues associated with the State's sale of the Property as required by Chapter 276:113, Laws of 2015.

Councilor Kenney requested that an Advisory Committee be established by the Governor and Executive Council to review these issues and make recommendations as to how the property should best be marketed for sale.

In accordance with RSA 91-A:1-a, VI, an advisory committee established by the Governor and Executive Council constitutes a "public body" and, as such, advisory committee meetings must be open to the public and meet the statutory requirements of RSA 91-A:2.

The Governor and Executive Council hereby requests that one representative from each of the following groups voluntarily participate as a member of the Committee:

- (1) The New Hampshire Department of Administrative Services, to be designated by Commissioner;
- (2) The New Hampshire Department of Health and Human Services, to be designated by Commissioner;
- (3) The New Hampshire Department of Environmental Services, to be designated by Commissioner;
- (4) The New Hampshire Department of Resources and Economic Development, to be designated by Commissioner;
- (5) The New Hampshire House of Representatives, to be designated by the Speaker of the House;
- (6) The New Hampshire State Senate, to be designated by the Senate President;
- (7) City of Laconia, to be designated by the Mayor; and
- (8) Belknap Economic Development Council, to be designated by Council Chair.

Attorney John Conforti from the New Hampshire Department of Justice shall assist the Committee as legal counsel.

The Committee shall first convene by August 31, 2016 and determine further meeting dates thereafter. The Committee shall make a list of recommendations to DAS to consider no later than December 31, 2016. DAS will then report these recommendations to Governor and Council.

Margaret Wood Hassan
Margaret Wood Hassan
Governor

Joseph D. Kenney
Joseph D. Kenney
Executive Councilor, District 1

Christopher T. Summitt
Christopher T. Summitt
Executive Councilor, District 3

David K. Wheeler
David K. Wheeler
Executive Councilor, District 5

Colin Van Ostern
Colin Van Ostern
Executive Councilor, District 2

Christopher C. Pappas
Christopher C. Pappas
Executive Councilor, District 4

CHAPTER 276
HB 2-FN-A-LOCAL - FINAL VERSION
- Page 34 -

1 Veterinarian; Powers; Salary and Expenses. Amend RSA 436 by inserting after section 9 the
2 following new sections:

3 436:9-a Appointment. The commissioner of agriculture, markets, and food shall appoint a
4 graduate of a veterinary college of recognized standing, who shall have had at least 5 years'
5 experience in the practice of veterinary medicine, including large animal practice, and who shall be
6 known as the assistant state veterinarian.

7 436:9-b Powers. The assistant state veterinarian, under the direction of the commissioner and
8 state veterinarian, shall assist the state veterinarian with the enforcement of this chapter and any
9 other law over which the division has regulatory authority. The state veterinarian may direct the
10 assistant state veterinarian to act for him or her in an official capacity whenever he or she may be
11 absent from his or her duties.

12 436:9-c Salary and Expenses. The assistant state veterinarian shall receive the annual salary
13 prescribed by RSA 94:1 through RSA 94:4, and shall be allowed his or her expenses when away from
14 the office of the department on official business.

15 276:111 All Agencies; Administrative Services. Unless restricted by law or administrative rule,
16 upon request of an intended recipient, an agency may provide documents by electronic mailing in
17 lieu of mail.

18 276:112 Administrative Services; Health Coverage Shared Responsibility. Agencies may use
19 funds in existing class 60 budgets to pay any penalties imposed under the employer shared
20 responsibility for health coverage under section 4980H of the Internal Revenue Code.

21 276:113 Sale of Property; Laconia State School. Notwithstanding RSA 10 and RSA 227-C:9, the
22 commissioner of the department of administrative services shall offer for sale the former Laconia
23 state school land and buildings and the former Laconia state school and training center land and
24 buildings, except those portions of the land and buildings required for state use. The commissioner
25 of the department of administrative services shall submit quarterly reports on the progress of the
26 sale to the fiscal committee of the general court. Any sale of such land and buildings shall be subject
27 to the requirements of RSA 4:40, except that review and approval of the sale of the land and
28 buildings by the council on resources and development and the long range capital planning and
29 utilization committee shall not be required. All proceeds from the sale shall be deposited into the
30 general fund.

31 276:114 Governor's Commission on Disability; Client Assistance Program; Contingent Transfer
32 of Appropriation. The appropriation for the administration of the client assistance program that is
33 received by the governor's commission on disability pursuant to 29 U S C section 732 for fiscal years
34 2016 and 2017 may be transferred to another qualified agency or agencies upon certification by the
35 governor to the commissioner of administrative services that the program has been redesignated. If
36 the redesignation occurs and the governor's certification is made after July 1, 2015, the unexpended

Laconia State School Property Advisory Committee

Meeting Notes

August 25, 2016 2:00 PM, Executive Council Chambers

Meeting began at 2:00 PM

Committee members present: Vicki Quiram - DAS, Senator Andrew Hosmer; Mike Connor - DAS, Dawn Touzin - DHHS, Tim Drew - DES, Chris Gamache - DRED, Rep. Gene Chandler, Matt Lahey - Former Mayor of Laconia, Justin Slattery - Belknap Economic Dev. Council, John Conforti - DOJ

Committee Purpose – Vicki Quiram

Executive Council Resolution, August 3, 2016 created the Laconia State School Property Advisory Committee. With the purpose of advising DAS on how the property should best be marketed for sale in accordance with the law, Chapter 276:113, Laws of 2015. The Committee consensus was that the previous report of the Commission to Evaluate Long-term Uses of Lakes Region Facility dated June 30, 2011 would not be revisited but had produced good information that can be utilized by the Committee.

Background/Overview

Mike Connor gave a presentation on the history of the property that included photographs of the property and a map. The property consists of approximately 245 Acres which are broken into 5 parcels. There are 24 facilities totaling approximately 324,000 sq. feet. There are also 8 to 10 other smaller buildings. There are three parcels that are on a 99 year lease with the City of Laconia; The Robbie Mills Baseball Park, a 7.5 acre plot to the east of the Robbie Mills park and small parcel to the southeast totaling 10.4 acres. The state parcel under consideration is approximately 200 acres.

The state has subdivided a 17 acre parcel that is used by the state and is not included in the sale.

Currently the state budgets \$386,000 annually to maintain this property.

5 major issues were outlined for Committee discussion:

1. Designated Receiving Facility
2. Three Parcels Encumbered with 99 Year Leases
3. Water, Sewer and Electrical Distribution Systems
4. Snowmobile or other Trails or Agreements on the Property

5. Potential Hazardous Materials in State Facilities

Additional input was given by Matt Lahey, representative of the City of Laconia. He discussed the value of the information contained in the Commission to Evaluate Long-Term Uses of Lakes Region Facility Report that was completed in 2011. Following the meeting Ruth Kimball will send the report and website link to all members. Select Chairperson – Committee Members.

Nomination of Chair: Tim Drew, DES nominated Vicki Quiram, DAS as the Chair and Senator Andrew Hosmer as the Vice Chair of this committee. The motion was seconded by Justin Slattery.

Roll Call vote: After discussion, the motion was unanimously approved.

John Conforti as ex officio abstained from vote.

Notes to be taken by Ruth Kimball, DAS and posted within 5 days.

Timeframe/Schedule (Report out by 12/31/16) – Chair Person

Vicki Quiram recommended that the Committee break out into subcommittees based on the 5 challenges. The Committee discussed the 5 issues (below) and determined that they would not divide into subcommittees but would continue to work as a full group at this time. The Committee will review the report from 2011 and extract findings that may answer some of the existing questions. The Committee had initial discussions on the 5 issues.

Discussion on the five challenges below will continue at the next meeting:

1. **Designated Receiving Facility** Dawn Touzin, DHHS – will explore options that may be feasible for relocating the Designated Receiving Facility from this location.
2. **Three parcels encumbered with 99 year leases** – Matt Lahey, representing the City of Laconia, stated that Robbie Mills Park should be kept separate from the sale, as it is used by the City. The Laconia City Council could discuss releasing the two other 99 year lease parcels.
3. **Water, Sewer and Electrical Distribution Systems** – Matt Lahey, representing the City of Laconia will bring information to the next meeting related to these systems and the easements.
4. **Snowmobile and other recreational trails or Agreements** - Chris Gamache, DRED, will look into trail maps. Do these trails need to remain where they are, or can they be relocated? Will we need easements for this area? Matt Lahey will look into the leases/permits that were discovered in the 2011 report. (Copies of leases on all

areas of property- what other agreements have been made) Are there already easements, land use agreements, recreation trails etc.? Do we need to make them permanent? Chris Gamache agreed to provide a list of any trails that should be preserved permanently.

5. **Potential hazardous materials in state facilities** - Tim Drew, DES, will look into environmental assessment costs- hazardous materials in buildings, mold, asbestos, gas leaks, tanks on property, etc. The Committee will need to provide advice to DAS on how to address this issue when selling the property. Tim Drew, DES will provide an estimate for a Phase II evaluation of the entire property and an estimate for clean-up costs, if available. Tim will also try to bring more information on EPA clean up funds and eligibility. Matt Lahey will also bring additional information on the cost of clean up to the next meeting.

New Item 6.

Vicki Quiram raised a new issue that the Committee should address. Brokers may be reticent to spend the time and money aggressively market the property knowing that after their work is completed the sale could go to the City, without a commission to the broker. The Committee agreed to add a discussion to the list on how to give the broker an incentive to aggressively market the property and also treat the broker fairly upon sale of the property, regardless of the property buyer.

Meeting adjourned at 3:00 PM

Next meeting – September 14, 2016 at 1:00 PM at the Laconia State School Facility, Dube Building, Laconia, NH

Laconia State School Property Advisory Committee

Meeting Notes

September 14, 2016 2:00 PM

Laconia State School, Dube Bldg., Laconia NH

Meeting began at 1:00 PM

Committee members present: Vicki Quiram – DAS, Chair, Senator Andrew Hosmer Co-Chair; Mike Connor - DAS, Dawn Touzin - DHHS, Tim Drew - DES, Chris Gamache - DRED, Matt Lahey - Former Mayor of Laconia, Justin Slattery - Belknap Economic Dev. Council, John Conforti – DOJ

Committee members absent: Rep. Gene Chandler

Approval of August 25, 2016 meeting notes: Approved with changes

Roll Call Vote: unanimous vote to approve minutes

Committee Purpose – Vicki Quiram

Executive Council Resolution, August 3, 2016 created the Laconia State School Property Advisory Committee with the purpose of advising DAS on how the property should best be marketed for sale in accordance with the law, Chapter 276:113, Laws of 2015.

Discussion on the five challenges from meeting of August 25, 2016:

- A. Designated Receiving Facility** Dawn Touzin, DHHS – Commissioner Meyers supports moving the facility if a new location can be found where the residents have access to a community to interact with general public in a supervised manner. Commissioner Meyers will want to talk to folks about where to move this facility. DHHS would need to find a receptive community to accept them.

DHHS indicated that they had requested for \$6 million dollars in capital budget to accommodate this. There was discussion regarding the capital appropriation and there was some thought that it may be approximately \$1.75 million. The annual operating budget for the designated receiving facility is \$1.3 million per year. Vicki Quiram opined that it is unlikely for the new facility to receive a capital budget appropriation with a confirmed location.

Options: Subdivide the property or sell the campus with the designated receiving facility still on property and have it leased back to state. With an appropriation, the lease could contain an end date after a certain number of years.

The Designated Receiving Facility (DRF) is a major sticking point. DRF would need to be resolved in order to properly market this property.

We have a legislative mandate to sell this property. Even if we found a place to build a new facility it would take a minimum of two or maybe three biennium.

B. Three parcels encumbered with 99 year leases – Matt Lahey, representing the City of Laconia, handed out a copy of a portion of the 2011 report showing the three parcels. Lahey indicated that the Robbie Mills Park and the other two leased parcels should be kept separate from the sale. The Laconia City Council may be interested in releasing the lease of the two parcels that are not in use at this time and the City of Laconia taking ownership of the Robbie Mills Park. Matt will ask the City Councilors if they are interested in releasing the two unused parcels.

C. Water, Sewer and Electrical Distribution Systems – Luke Powell, Assistant Public Works Director for the City of Laconia discussed the water, sewer and electrical systems map. The Winnepesaukee River Basin Project (WRBP) maintains the pump station, they believe there is a problem with I&I (infiltration and inflow). The WRBP owns the pump station and is collecting data. WRBP will need three years of readings before they can report an accurate result of the flow.

There are two areas; the Robbie Mills Park and the DRF that use the water and sewer systems. There are some storm water quality issues in Lake Winnisquam (high bacteria). The State lined the sewer pipes with epoxy and the problem continued. The State later found out it was from geese – Luke would like to have a copy of the paperwork of lined pipes for their records. If the State subdivided the property we would need to establish an easement for water and waste water infrastructure serving for Robbie Mills and for the DRF.

John Conforti recommended that the State could sell the property with floating easements and require the developer to provide water and sewer to the remaining facilities. The floating easement or flexible/floating obligation could be included in the deed.

Any offer would be contingent upon the easements and the developer would have the ability to be flexible.

We can market the property with a condition that water and sewer service is provided to existing buildings.

D. Snowmobile and other recreational trails or Agreements - Chris Gamache, DRED

The two existing trails do not have established easements, they have been used for 3 decades by local clubs and sled dog races. We would like to preserve the trails as they are now. If mutually agreed, these trails could be moved to the edge of the property and /or utilize a floating easement.

E. Potential hazardous materials in state facilities - Tim Drew, DES, handed out the assessment reports that were conducted by DES. The estimate to assess all buildings for mold, asbestos, gas leaks, tanks on property, etc. is \$620,000. The cost estimate to assess without the hazardous building material is \$358,400.

The committee discussed ground water contamination. We may not need to be concerned about ground water because the property is served by city water. A developer may not even need to assess the ground water depending on how they were going to utilize the property.

In the previous sale of this property, there were only two inquiries from buyers but no real interest in making the purchase. Bank financing may require testing for underground tanks.

Tim will look into who can get funding from EPA on cleanup.

To sell this property we could:

1. find out how much it is worth as is
2. find out how much it would cost to clean up
3. find out how much it is worth if it were cleaned up

F. Brokers Incentive - The Committee agreed to discuss how to give the broker an incentive to aggressively market the property and also treat the broker fairly upon sale of the property, regardless of the property buyer at a future meeting. Vicki Quiram noted that the intent of listing the property is to not direct the sale of this property to any one individual in particular.

Meeting adjourned at 2:30 PM

Next meeting – October 19, 2016 at 9:00 AM at the Laconia State School Facility, Dube Building, Laconia, NH

Laconia State School Property Advisory Committee

FINAL Meeting Notes

October 19, 2016 9:00 AM

Laconia State School, Dube Bldg., Laconia NH

Meeting began at 9:00 AM

Committee members present: Vicki Quiram – DAS, Chair, Senator Andrew Hosmer Co-Chair; Dawn Touzin - DHHS, Tim Drew - DES, Chris Gamache - DRED, Matt Lahey - Former Mayor of Laconia, Justin Slattery - Belknap Economic Dev. Council, John Conforti – DOJ

Committee members absent: Mike Connor - DAS

Approval of September 14, 2016 meeting notes: Approved

Roll Call Vote: unanimous vote to approve minutes

Committee Purpose – Vicki Quiram

Executive Council Resolution, August 3, 2016 created the Laconia State School Property Advisory Committee with the purpose of advising DAS on how the property should best be marketed for sale in accordance with the law, Chapter 276:113, Laws of 2015.

Five challenges:

1. **Designated Receiving Facility Dawn Touzin, DHHS** –
 - a. Commissioner Meyers is still willing to move the facility if a new location can be found, he is willing to have a conversation about this.
 - b. Other choices if cannot be moved?
 - c. If a timeframe is given to a broker, it may make the property more appealing to a buyer.
 - d. Timeframe for moving
 - e. Can we hire a broker now with the caveat that DRF will be subdivided?
 - f. Find a community willing to accept them
 - g. Actively seek a location – DHHS implement a process to find a new location
 - h. Look at an inventory of state properties as options
 - i. Today this property would need to be subdivided with contingency to purchase the property at the time that DRF was moved.
 - j. Timeline – accountable for making efforts in finding community – report quarterly on this progress
 - k. A group similar to this committee would oversee the progress of this
 - i. Report
 - ii. Implement process

- iii. Work plan March 2017
- iv. Reports to G&C quarterly
- v. Offering incentives
- 1. Subdivide DRF

2. **Three parcels encumbered with 99 year leases** – Matt Lahey, representing the City of Laconia, Matt reported that the Laconia City Council would like to hold onto its three leased parcels. These will need to be excluded from the sale of property.

Water, Sewer and Electrical Distribution Systems – We can market the property with a condition that utility service is provided through floating easements to existing buildings. Services are needed at DRF, Office Bldgs., Robbie Mills Park.

Any offer would be contingent upon the easements and the developer would have the ability to be flexible.

3. **Snowmobile and other recreational trails or Agreements** - Chris Gamache, DRED, The two existing trails do not have established easements, these trails should be protected. The trails could be moved to the edge of the property and /or utilize a floating easement with agreement by state and landowner.

Agricultural lease – Haying the lower field near Robbie Mills Park. Jared Nylund, DAS, will look into who is haying. A local non-profit of small & local NH Farmers are storing hay in trailers on property. Is there an agreement that this remains here?

4. **Potential hazardous materials in state facilities** - Tim Drew, DES, State of NH is not eligible for Brownfield grants to cleanup property. Grants are given at \$200K per parcel. City of Laconia could apply for grants for four parcels = \$800K.

Recommendation – Environmental assessment for Phase II? Or just sell and see?

Sell as is

5. **Brokers Incentive - Broker's compensation:**

Ability to propose reimbursement of expenses to sell property - Recoup expenses

Hourly reimbursement

Allow to propose a reimbursement plan

Bid as a base bid amount plus commission

Mixed compensation, set fee -based bids on this

State to come up with \$ to pay commission contingent on proceeds of sale

Broker bids to sell property \$0 market analysis

Target buyer

Next agenda to include:

Recommendation of process from committee

Meeting adjourned at 10:30 AM

Next meeting – November 30, 2016 at 11:00 AM, State House Annex, Room 405

Laconia State School Property Advisory Committee

November 30, 2016 11:00 AM

Location: State House Annex – Room 405

Meeting began at 11:00 AM

Roll call: Committee members present: Vicki Quiram – DAS, Chair, Mike Connor – DAS, Dawn Touzin - DHHS, Tim Drew - DES, Chris Gamache - DRED, Matt Lahey - Former Mayor of Laconia, Justin Slattery - Belknap Economic Dev. Council, John Conforti – DOJ, Gene Chandler - Representative

Committee members absent: Senator Andrew Hosmer Co-Chair

Approval of October 19, 2016 meeting notes: Minutes were not distributed and will be sent out after this meeting.

Committee Purpose – Vicki Quiram

Executive Council Resolution, August 3, 2016 created the Laconia State School Property Advisory Committee with the purpose of advising DAS on how the property should best be marketed for sale in accordance with the law, Chapter 276:113, Laws of 2015.

1. Review Draft Committee Report Action Items

- a. Property description does not include the 3 parcels with 99 year leases. One possibility would be to for the City of Laconia to relinquish these leases and we could sell them with the property. The City of Laconia does not want to do this.
- b. Water, sewer and electrical distribution infrastructure served to Robbie Mills Park that runs through the property. If property is sold without the 99 year lease properties, utilities will still need to be serviced to Robbie Mills Park.
- c. Water is supposed to be metered separately. Separate meter on water usage. Rep. Chandler would like to see these water usage charges and the discounted on the bill. Jared will research this and report back.
- d. Water Tower easement on #4 of report, permanent fixed location authorized in 1984. Need to find a copy of this easement - Jared will find this.
- e. Air monitoring station also located on the water tower easement. Tim Drew will research this.
- f. Snowmobile trails would need to be moved if the land owner does not want to allow the continued use of this. State will have veto power to preserve current location. John Conforti will add this language.

- g. DRF to advise DAS during the course of selling property. The buyer should have first right to refusal at the time of relocating the DRF. A group similar to this committee would oversee the progress of this.
 - i. Report
 - ii. Implement process
 - iii. Work plan March 2017
 - iv. Reports to G&C quarterly
 - v. Offering incentives
- h. DRED is willing to use their in house appraisers to work on appraisal. Note: it will take time as they have many other priorities.
- i. Preliminary meeting with City of Laconia regarding the continued use of water and the release of the 3 parcels. Matt Lahey will talk to the City of Laconia about scheduling a meeting with this committee in December.
- j. Broker incentive package -
- k. Appraisal – market value – condition of sale would need to be specific

2. This Advisory Committee will recommend to G&C that we continue to meet.

3. Timeframe/Schedule (Report out by 12/31/16)

4. Next meeting – December 14, 2016 9:00 AM

5. Meeting Adjourned 12:40 PM

Laconia State School Property Advisory Committee

December 14, 2016 9:00 AM

Location: State House Annex – Room 405

Meeting began at 9:00 AM

Roll call: Committee members present: Vicki Quiram – DAS, Chair, Mike Connor – DAS, Tim Drew - DES, Matt Lahey - Former Mayor of Laconia, Justin Slattery - Belknap Economic Dev. Council, John Conforti – DOJ, Gene Chandler - Representative

Committee members absent: Senator Andrew Hosmer Co-Chair, Dawn Touzin - DHHS, Chris Gamache - DRED

Approval of October 19, 2016 meeting notes: approved

November meeting notes were distributed and approved

Committee Purpose – Vicki Quiram

Executive Council Resolution, August 3, 2016 created the Laconia State School Property Advisory Committee with the purpose of advising DAS on how the property should best be marketed for sale in accordance with the law, Chapter 276:113, Laws of 2015.

1. Review Draft Committee Report Action Items

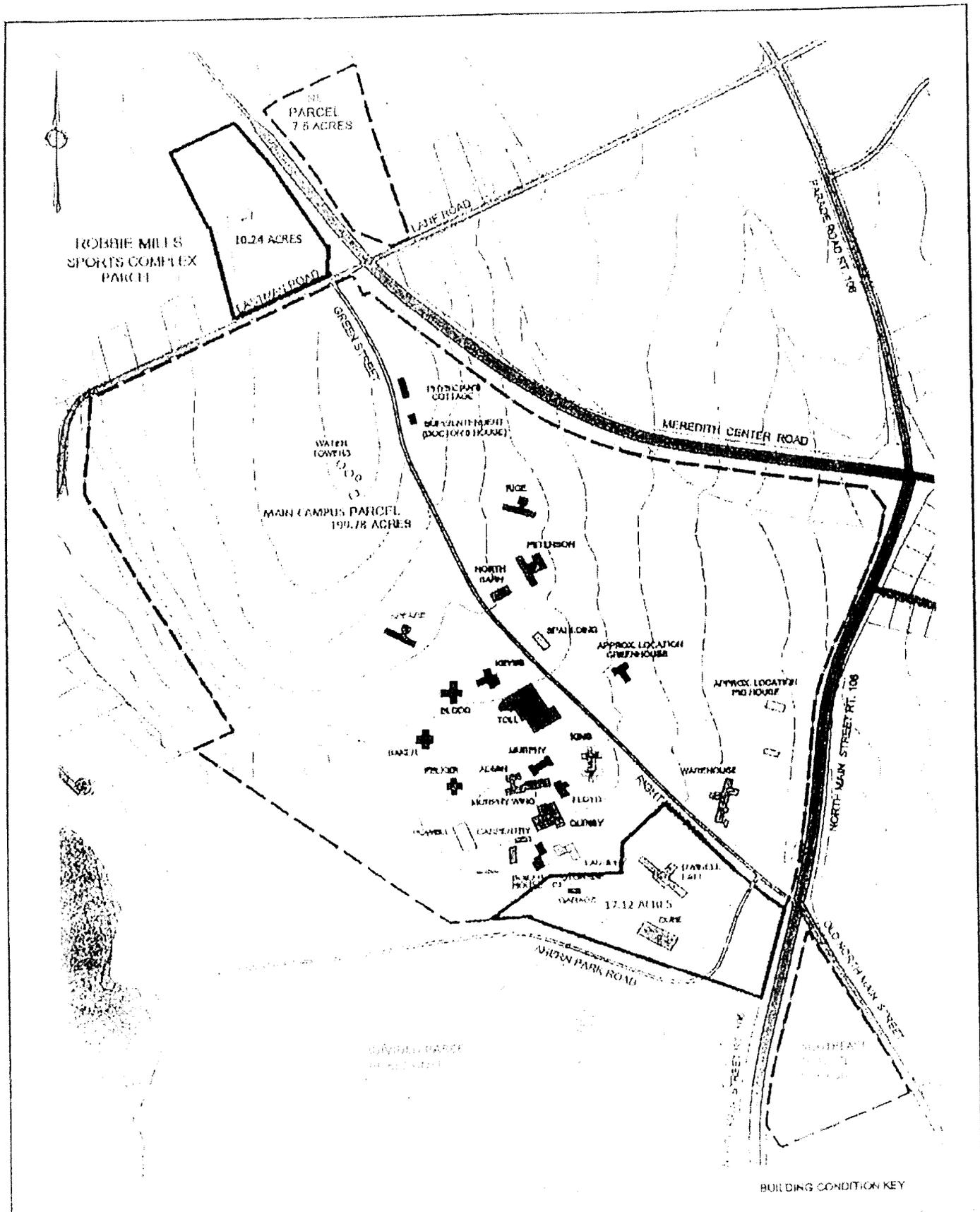
- a. Water, sewer and electrical distribution infrastructure served to Robbie Mills Park that runs through the property. If property is sold without the 99 year lease properties, will utilities still need to be serviced to Robbie Mills Park? John Conforti noted that in Section 9, the city has authority to enter property to repair water and sewer if needed and this is irrevocable. Copy that was distributed was not a signed copy. Kevin... is looking to obtain a signed copy of this agreement.
- b. Water is metered separately. DAS, Bureau of Facilities and Asset Management pays utility bills. A meter is set up to measure all water that comes onto the campus; another meter is set to measure the amount of water that is being used by the Robbie Mills Park. This bill is paid for via a deduction to the state on our overall water bill because the City of Laconia owns the water. A copy of these bills is included in handout. Water and sewer user agreement documents were also distributed.
- c. Water Tower easement on #4 of report, permanent fixed location authorized in 1984. Jared found a copy of the deed that was submitted to Governor and Council in 1984, this was included as another handout.

- d. Air monitoring station also located on the water tower easement. Tim Drew reported that DES will be removing this air monitoring station as the City has identified where a new air monitoring station has been put in place.
- e. Snowmobile trails will be preserved.
- f. DHHS will continue to look for a new location to move the DRF.
- g. DRED may be able to use their in house appraisers to work on the appraisal. Note: it will take time as they have many other priorities. This offer was not confirmed.
- h. Matt Lahey reported that the City of Laconia is willing to meet with this committee about the issues on the property. Appraisal – market value – condition of sale would need to be specific

2. This Advisory Committee will recommend to G&C that we continue to meet.

3. Timeframe/Schedule (Report out by 12/31/16)

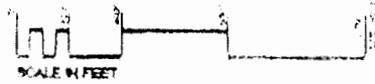
4. Meeting Adjourned 10:00 AM



THIS MAP WAS PREPARED BY THE AVON POLICE DEPARTMENT FOR THE AVON POLICE DEPARTMENT. THE AVON POLICE DEPARTMENT IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION SHOWN ON THIS MAP.

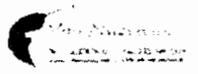
JUNE 16, 2011
DRAFT FINDINGS

LAKES REGION FACILITY LACONIA, NEW HAMPSHIRE



- PROPOSED IMPROVEMENTS
- EXISTING UTILITIES
- ROADWAY
- WATER
- PARCELS
- TOPOGRAPHIC CONTOURS AT INTERVALS

- EXISTING BUILDINGS
- WOODS/SHRUBS/FOREST (AREA VALUE OF 2000 \$/AC)
- PROPOSED BOUNDARY TREATY PURCHASE
- PROPOSED BOUNDARY DEMOLITION



Parcel info and boundaries added 5-25-16 by Dept. of Admin. Svcs.