

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 301

Concord, NH

Wednesday, November 30, 2016

MEMBERS PRESENT:

Rep. Gene Chandler, Chair

Rep. John Cloutier

Rep. David Danielson

Rep. Mark McConkey

Rep. Edmond Gionet (Alt.)

Sen. Regina Birdsell

Sen. Dan Feltes

ALSO PRESENT: Meredith Telus, Budget Director
Governor's Office
Michael Connor, Deputy Commissioner
Department of Administrative Services

(The meeting convened at 10:02 a.m.)

(1) Acceptance of Minutes of the October 26, 2016 meeting.

GENE CHANDLER, State Representative, Carroll County,
District #01: Good morning. We will open the meeting of the
Long Range Capital Planning and Utilization Committee.
First item, accepting the minutes of the October 26th
meeting. Someone wish to move that?

**** DAVID DANIELSON, State Representative, Hillsborough**
County, District #07: So move.

CHAIRMAN CHANDLER: Representative Danielson moves.
Seconded by?

MEREDITH TELUS, Budget Director, Office of the
Governor: Second.

CHAIRMAN CHANDLER: Okay. Thank you very much. We have motion and a second to approve the minutes. Any questions?

REGINA BIRDSELL, State Senator, Senate District #19: I'm going to abstain because I wasn't here.

DAN FELTES, State Senator, Senate District #15: I'll also abstain.

CHAIRMAN CHANDLER: It says you were.

SEN. BIRDSELL: Me?

CHAIRMAN CHANDLER: Yeah.

SEN. BIRDSELL: Oh, I accidentally sat in. I was supposed to be at the next meeting. Well, okay.

CHAIRMAN CHANDLER: Yeah, you were here. At least the minutes indicate.

JOHN CLOUTIER, State Representative, Sullivan County, District #10: Senator Feltes, you want to abstain?

SEN. FELTES: Yeah, I definitely was not here, and I would like to maintain my abstention status. Thank you, Mr. Chairman.

CHAIRMAN CHANDLER: Okay. You ready for the question? All those in favor say aye? Any opposed? Motion carries.

*** {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN CHANDLER: Old Business. We have nothing.

(3) New Business:

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CHAIRMAN CHANDLER: New Business. Item 16-030, Department of Transportation request authorization to enter into a listing agreement, et cetera, et cetera, in the Town of Conway. Are there any questions? We have a motion?

****** REP. CLOUTIER: Mr. Chairman, I move.

CHAIRMAN CHANDLER: We need to do something or some other alternative.

REP. CLOUTIER: Mr. Chairman, if you don't mind, I would move we adopt item 16-030.

REP. DANIELSON: Second.

CHAIRMAN CHANDLER: Second. Representative Cloutier moves, Representative Danielson seconds approval. Any questions or discussion? If not, all those in favor say aye? Opposed? Motion carries.

***** {MOTION ADOPTED}**

CHAIRMAN CHANDLER: Item 16-031, Department of Transportation, another item in Town of Conway. Listing with Lakes and Mountain Realty. Questions?

REP. DANIELSON: Question, Chair. How do we come about having a piece of single-family residence? I'm just curious about how we got that. Anybody know?

CHAIRMAN CHANDLER: Well, someone from the Department here?

LOUIS BARKER, Railroad Planner, Aeronautics, Rail and Transit Division, Department of Transportation: Wrong Bureau. I'm from the rail section.

CHAIRMAN CHANDLER: Yeah, wrong bureau. I can only answer that I think this was a taking of the doing the bypass.

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REP. DANIELSON: Okay.

CHAIRMAN CHANDLER: I believe this was taken -- and we have had a couple of other residential buildings, condos, that have come up. So my assumption is that's what this is.

REP. DANIELSON: Very good.

CHAIRMAN CHANDLER: But --

** REP. DANIELSON: So I'll move, Mr. Chairman. I'll move item number 16 --

CHAIRMAN CHANDLER: Okay.

REP. DANIELSON: 16-031.

CHAIRMAN CHANDLER: Okay. Representative Danielson moves. Do we have a second?

EDMOND GIONET, State Representative, Grafton County, District #05: Second.

CHAIRMAN CHANDLER: Seconded by Representative Gionet. Are there any questions or discussion? If not, all those in favor say aye? Any opposed? Motion carries.

*** {MOTION ADOPTED}

CHAIRMAN CHANDLER: Third item, 16-032, Department of Transportation, sell some land in the Town of Rumney. Questions? Discussions? Motion?

** REP. GIONET: Motion.

CHAIRMAN CHANDLER: Representative Gionet moves we approve item 16-032.

SEN. BIRDSELL: Second.

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CHAIRMAN CHANDLER: Second by Senator Birdsell. Any questions or discussions? If not, all those in favor say aye? Opposed? Motion carries. Thank you.

*** {MOTION ADOPTED}

CHAIRMAN CHANDLER: Disposal of Real Estate. We have these next five all deal with kind of the same issue. Is there any objection to discussing them all at once? I mean, they're all -- I don't have a problem if you want to not discuss them all at once. But they are -- they are all leasing agreements.

REP. DANIELSON: They're all leasing.

CHAIRMAN CHANDLER: So we will entertain them all at once and someone here to speak to these? Mr. Barker, I think.

MR. BARKER: Good morning, Chairman and Committee. Thank you for letting me present these possible transactions for your consideration. Quick synopsis. These particular locations, these billboards have been existing for some time. And it was brought to our attention that they may have been on State property. Our Bureau investigated and determined that they were, in fact, on State property. There is actually a sixth location which was not on State property. It's now Wal-Mart property along 293 at South Willow. We basically want to legitimize these and collect a rent for the use of State property, and that's why I present these transactions for your consideration.

CHAIRMAN CHANDLER: Okay. And my understanding all five of these are existing now?

MR. BARKER: Yes, sir.

CHAIRMAN CHANDLER: And they have been up for approximately how long? Just --

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MR. BARKER: At least ten years.

CHAIRMAN CHANDLER: They have been up for ten years.

MR. BARKER: At least. They have been there before I was involved with the Bureau of Rail and Transit.

CHAIRMAN CHANDLER: The company hasn't been paying any rent?

MR. BARKER: Not to my knowledge.

CHAIRMAN CHANDLER: Is there money held in escrow by the company?

MR. BARKER: I do not know.

CHAIRMAN CHANDLER: Someone from the company here?

MR. BARKER: Yes, sir.

CHAIRMAN CHANDLER: Could they come up and introduce themselves?

MR. BARKER: Mr. Cawley. I have --

CHAIRMAN CHANDLER: Come on up if you could.

MR. BARKER: Mike Cawley from Outfront Media.

MIKE CAWLEY, Outfront Media: Thank you. Good morning, Mr. Chairman.

CHAIRMAN CHANDLER: Just introduce yourself for the Members.

MR. CAWLEY: Michael Cawley with Outfront Media.

CHAIRMAN CHANDLER: Okay. Have a seat.

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MR. CAWLEY: Thank you.

CHAIRMAN CHANDLER: Are you holding some money in escrow?

MR. CAWLEY: Yes, sir.

CHAIRMAN CHANDLER: Okay. So are you prepared to use some of that money to pay some of the past years' rent or what is it?

MR. CAWLEY: Yes.

CHAIRMAN CHANDLER: That isn't part of what we are doing here.

MR. BARKER: No. I apologize for not considering pursuing that avenue.

MR. DANIELSON: We could make that part of the motion.

CHAIRMAN CHANDLER: Oh, yeah. That's why I was ready to ask it.

MR. CAWLEY: I'm unaware -- I'm new to this company, also.

CHAIRMAN CHANDLER: Right.

MR. CAWLEY: But I am aware that these signs previously were built on Gilford Railroad Property.

MR. BARKER: Yes, now Pan Am.

CHAIRMAN CHANDLER: Right.

MR. CAWLEY: Okay. And then from what I understand historically CBS, which was the predecessor to Outfront Media, thought that the property was City of Manchester.

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(Rep. Mark McConkey enters the Committee Room.)

CHAIRMAN CHANDLER: Right.

MR. CAWLEY: And then the Division of Rail found out.

CHAIRMAN CHANDLER: Yeah, I've spoken to the Mayor.

MR. CAWLEY: Okay, great.

CHAIRMAN CHANDLER: In the interest of full disclosure. I didn't come up with these things all myself.

MR. CAWLEY: You may have better historical knowledge than I do.

CHAIRMAN CHANDLER: I just didn't know who to call. Yeah, because apparently they were negotiating with the City and then the City realized -- actually, was the City or Mayor called the State and said, look, these are on your land and that's what I was told there is a fairly sizeable escrow account to pay something to whomever ends up being the owner of these, which the land is owned which is the State, which I think should be, obviously, taken into consideration at some level. I don't know how much.

MR. CAWLEY: Yes, sir, and I'm an unaware of what that figure is, but I have heard it discussed.

CHAIRMAN CHANDLER: I don't know either. I don't want to say 'cause I don't want it to be wrong.

MR. CAWLEY: Yes, sir.

CHAIRMAN CHANDLER: The -- I will say that the Mayor said he had no problem with doing these. The City, they recognize that now and so it's not an issue with them per se. So, anyway, Senator Feltes.

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SEN. FELTES: Thank you, Mr. Chairman. I was just going to say I agree with the Chair but doesn't seem as though we'd be able to work out some sort of negotiation, don't even know the amount of the escrow, how much in the escrow. You're just coming into this role. Maybe it might be most appropriate to do, just a suggestion, a motion to table with the understanding that the Department and Outfront Media are going to negotiate back payments at a reasonable amount to be paid to the State.

CHAIRMAN CHANDLER: And I'm not averse to that; but I also wouldn't be averse to just approving it for a year. They're up and we give them a year's approval to work out the negotiated arrangement. Because, technically, they are not paying anything right now.

SEN. FELTES: Right.

CHAIRMAN CHANDLER: I don't care. Either way I'm open to whatever we think is the best plan.

SEN. FELTES: When would be our next meeting? It's every month now.

CHAIRMAN CHANDLER: No, it's as needed.

SEN. FELTES: As needed. Okay.

CHAIRMAN CHANDLER: Is there anything on the list?

CHRISTOPHER SHEA, Deputy Legislative Budget Assistant, Office of Legislative Budget Assistant: So if you were to table the items now, they would die because this Committee goes out of existence and a new Committee appointed and new legislators sworn in.

MR. FELTES: Okay.

CHAIRMAN CHANDLER: That was the reason, one thought of just leasing, approving them for one year, and then give
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the Department and then -- I don't know, give them six months to come up with a negotiated settlement for the past due balances, whatever they think that might be, a reasonable amount, so.

REP. DANIELSON: Chairman, thanks. Question would be going back and forth there's been a negotiated amount. But if it's in escrow there's money that is due the State because of the rent, I don't know negotiating saying how do we pay this, because they have the money. It's due us. So I don't know why we -- how would we do any negotiating exactly?

CHAIRMAN CHANDLER: I don't know. I suppose maybe they're going to be willing to just say, okay, here's the money. They may not. I mean, no one -- it's being held in escrow by the company. The City of Manchester doesn't have it. The State doesn't have it. The company has it. So maybe they better agree to release all of it, some of it, or whatever, or we have to go to court. We do have some -- I guess we do have a bargaining chip in that if we only approve these for one year that's the end of the life span. But I would assume the company would be reasonable. It seems to me, and the Mayor said they recognized the fact they owe someone something, it seems like, which is why they have willingly held money in escrow to make a payment. They just didn't know who to make it to. Part of the problem,

MR. CAWLEY: That's my understanding, sir.

CHAIRMAN CHANDLER: So I think it would be proceed in a friendly manner. I don't know, but we'll find out soon enough.

REP. DANIELSON: Chairman, in your consideration then what I would suggest is that we look at item 16-033, 34, 35, 36, 37 with the extension -- extension of a lease for a year with the condition that all escrow monies are remitted to the State in that period of time.

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CHAIRMAN CHANDLER: Well --

REP. DANIELSON: That would be my motion and now we can change it.

CHAIRMAN CHANDLER: My own suggestion would be that we not at this moment decide how much they're going to pay. Let them sit down and say, okay, they may agree. Okay, we'll give it to you all or I don't know. But I think that should be a negotiated process between the State and the owner myself, you know. Not just demanding it right upfront and saying okay, because there may be extenuating circumstances. I don't think the State -- in other words, the billboard company, far be it for me to defend the billboard company; but they didn't know. It's not their fault. So whether they owe the full amount or what we are charging now for ten years, probably not. The value's gone up. So I think if you went back ten years ago, the value wouldn't be the same as what we are going to approve now. So I don't think you can just give a blanket thing and say, okay, all the money you have in escrow is due us. That's all I'm saying. It would have to come back to this Committee for approval.

REP. DANIELSON: Should we give to the Bureau then the authority to negotiate that number?

CHAIRMAN CHANDLER: Yeah, I think so, and say, you know, we'll -- we'll agree to a one year lease at these terms. And then I would say six months we would expect the billboard company and the Department to come back to us with a recommendation on how much they're going to pay for the previous ten years and we'll take a look at it.

REP. DANIELSON: I'd accept that as an amendment.

CHAIRMAN CHANDLER: So is that comfortable?

SEN. BIRDSELL: Yes.

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CHAIRMAN CHANDLER: You folks comfortable with that idea?

MR. BARKER: I am. And they have been very cooperative and very forthcoming. What's the word I'm looking for? When I made inquiries, they have been very responsive.

CHAIRMAN CHANDLER: Okay. So yes.

MR. SHEA: Can we just repeat the motion so everybody is clear as to what it is?

REP. DANIELSON: Let me think.

SEN. BIRDSELL: Has there been --

CHAIRMAN CHANDLER: We are going to approve these five items for a one year lease period and ask the -- within six months ask the Department and the billboard company to negotiate a payment of the back ten years lease payments to come back to this Committee and we'll decide at that time.

SEN. BIRDSELL: I'll second.

CHAIRMAN CHANDLER: And seconded. That's the motion by Representative Danielson and second by Senator Birdsell. Any other questions or discussions? If not, all those in favor say aye? Opposed? The motion carries.

***** {MOTION ADOPTED}**

CHAIRMAN CHANDLER: Thank you.

MR. CAWLEY: Thank you.

CHAIRMAN CHANDLER: One more. 16-038, sell a small little piece of land up in Danbury, current or future owner -- I guess that's okay -- of Dick's General Store. Have you been to Dick's General Store?

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REP. DANIELSON: No, sir.

CHAIRMAN CHANDLER: You haven't? Well, you need to have a road trip then. Let me tell you, it's something.

SEN. FELTES: Be our next meeting.

CHAIRMAN CHANDLER: But anyway, any questions?

** REP. DANIELSON: Chairman, I make a motion to approve.

CHAIRMAN CHANDLER: Okay. Representative Danielson moves approval; seconded by?

SEN. BIRDSELL: Second.

REP. DANIELSON: 16-038.

REP. CLOUTIER: Representative Danielson, seconded by?

CHAIRMAN CHANDLER: Senator Birdsell.

REP. CLOUTIER: Okay. Thank you.

CHAIRMAN CHANDLER: Any questions or discussions? If not, all those in favor? Any opposed? Motion carries.

*** {MOTION ADOPTED}

CHAIRMAN CHANDLER: Okay. We have -- you've got the report of the -- for the Committee report. You've got that in your packet. There will be an addition to today's meeting. LBA will mail out or e-mail or mail just the addition. Because did anyone have any changes? Let me first ask this. Okay. Did anyone have any recommendations for any changes that needed to be made to the report? Okay. So you will e-mail us or mail to us what you do today for today's meeting.

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MR. SHEA: Right. So in the report itself, Pages 32 through 36 actually list the items that were on today's agenda.

CHAIRMAN CHANDLER: Right.

MR. SHEA: The place that we will make an adjustment in the status we would just put pending, and then we may put a comment that it was for a year's lease with six months to report back on any escrow.

CHAIRMAN CHANDLER: Whatever you change, just send it out quickly.

MR. SHEA: Yep.

CHAIRMAN CHANDLER: Anyone has any comments call quickly. Otherwise, they'll just get the report out. Is that okay? We don't need to meet again. I already signed the letter. So whenever it's ready. So we'll have -- do we move this acceptance of this?

MR. SHEA: In the past you haven't.

CHAIRMAN CHANDLER: Okay. All right. I think that's it. All right. Thank you very much.

(Meeting adjourned at 10:19 a.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

