The Honorable Bob Odell, Chairman
and Members of the Energy and Natural Resources Committee
NH State House, Room 102
Concord, NH 03301

Re: SB 330 requiring an independent financial opinion prior to the leasing of any state park property to a private entity.

Dear Chairman Odell and Members of the Committee,

Thank you for the opportunity to provide testimony on Senate Bill 330 that would require the division of parks and recreation to retain an independent financial consulting firm to conduct a written analysis of a lease proposal involving the leasing of state park property or operations for more than one year to a private entity. The Department of Resources and Economic Development (DRED), Division of Parks and Recreation (Division) wishes to provide this Committee with the following information:

The Division understands the importance of a thorough review when leasing state parks; however, we are very concerned that the legislation as written will create an undue hardship on the operation of the park system. The Division has approximately 50 leases (please refer to the attached list), half of them mountain-top communications leases and most of the remaining leases are for a park building, such as Spruce Camp at Bear Brook and the Ski Museum at Franconia Notch. Many of these leases are for a small portion of the overall Park. Only a small number of the leases are for a majority part of a park or operation, for example, the operation of Mount Sunapee ski area and of Franklin Pierce Homestead. However, SB 330 would require the Division to conduct an independent financial analysis on all potential leases, regardless of scope, whereby this well-meaning principle may be more cost-prohibitive than is intended.

We would request that, as the legislature deliberates over this bill, that the criteria upon which the Division would retain an independent financial consulting firm to conduct a fiscal analysis be applied when the proposed lease is for the following, as may be further defined by legislature:

1. A lease term of 10-20 years; and
2. The leasehold encompasses the entirety or majority of the state park or its facilities and improvements; or,
3. The lease is for the entirety or majority of the park operation or management; or,
4. The lease is to enable significant capital investment in the park.
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We also request that the legislation include the flexibility for the Division to charge the prospective or exiting lessee for the financial study, when appropriate.

We are available to answer any questions you may have on this bill. Thank you for the opportunity to submit testimony.

Sincerely,

[Signature]

Philip A. Bryce
Director

PAB/ttl.012512

Attachment

C: George M. Bald, Commissioner