



STATE OF NEW HAMPSHIRE
DEPARTMENT of NATURAL and CULTURAL RESOURCES
DIVISION of PARKS and RECREATION
172 Pembroke Road Concord, New Hampshire 03301
Phone: (603) 271-3556 Fax: (603) 271-3553
Web: www.nhstateparks.org

January 11, 2018

The Honorable Mark McConkey, Chair
and the House Public Works and Highways
Legislative Office Building, Room 201
Concord, NH 03301

RE: HB 1696 relative to the Hampton Beach capital improvement fund

Dear Chairman McConkey and Members of the Committee,

Please accept this testimony on behalf of the Department of Natural and Cultural Resources, Division of Parks and Recreation regarding HB 1696 relative to the Hampton Beach capital improvement fund. **The Division is opposed to this legislation** for the following reasons:

Financial structure of the state park system. This bill would double the amount transferred from the Hampton Beach Meter Fund to the Hampton Beach Capital Improvement Fund from \$200,000 to \$400,000, and would therefore reduce the amount transferred to the State Park Fund to operate the rest of the park system by \$200,000. The state park system in New Hampshire is operationally self-funded, one of the only such systems in the country. The success of this funding structure is based upon two key factors.

First, RSA 216-A:g, Fees for Park System states that "*The general court does not intend that all park facilities be self-supporting.*" Funding for the administrative cost of operating the entire park system, and to operate parks that do not generate any revenue or do not generate enough revenue to cover operating costs, are all covered by the parks which generate a surplus of revenue over cost. In fact, of the 93 parks in the system, less than half generate revenue; and, of those that do generate revenue, just approximately half generate positive revenue to support the rest of the entire parks system.

Second, the capital funding provided to the park system from the General Fund allows the Division to improve the condition of the parks to serve our visitors and provide for additional facilities as called for in our statutory mission. The revenue generating capacity of the park system is not adequate enough to support the bond payments made by the General Fund. The operational self-funding model cannot work without the General Fund capital investments. The Division's Ten-Year Strategic Development and Capital Improvement Plan identified \$100 million of financial needs to stabilize, address deferred maintenance, and redevelop the state park system.

The expectation from the \$14.5 million capital and other investments made at Hampton Beach instead of other parks would generate revenue to help support the rest of the park system. \$200,000 is enough to run 3-4 medium sized parks and reducing the parks fund by this amount will affect not only the operations at Hampton Beach, but the entire park system. And, the potential precedence that HB 1696 sets for other communities could unravel the financial stability of the park system.

Financial benefit to the Town of Hampton. This bill would subsidize the Town of Hampton's infrastructure, equipment, and maintenance expenses from the state's Hampton Beach Capital Improvement Fund.

On an average summer day, the Division estimates that there are 40,000 people on the beach and on a busy summer day that number swells to 80,000 people. In 2016, the Division's lifeguards had a total of 142 ocean rescues, reunited 349 lost children with their families, and addressed 415 medical calls. This past 2017 summer, there have been 340 ocean rescues. In addition, in 2016 the Division collected 154 tons of trash and 160 tons of beach rakings, and maintained the five bathrooms that serve the visitors to Hampton Beach. The Division also pays the Town of Hampton for trash and sewage disposal for these visitors.

By contrast, we estimate that of the 40,000-80,000 beach visitors, there are 7,410 people who are paying state parks at the 1,482 metered and leased parking spaces along Hampton Beach and North Beach (assuming 5 persons per vehicle and all parking spots are full). This is unlike our 20 inland beaches where all visitors pay entrance fees to support that park and the entire park system. The financial benefit of the State's investments and operation at the beach primarily benefits the stores, restaurants, lodging, and other parking lot owners in the Town of Hampton, not the state park or park system.

We reviewed the assessed values of properties north and south of the Seashell Complex before and after the redevelopment. Our research indicates that from 2008-2011, the average assessed value for real estate sold in close proximity to the Hampton Beach improvement study area (1-555 Ocean Blvd) was \$209,000. After the Hampton Beach State Park improvements were made, the average assessed value for real estate sold in the improvement area increased by 54% to \$322,000 from 2012-2015. Certainly the improving economy had an impact, but we also believe this information indicates that the investment the State made had a direct positive impact on the tax base in the community.

Net revenue of the state parks system. The FY 2016 State Park Financial Report shows \$1,556,641 transferred from the Hampton Parking Meter Account (7300) to the State Parks Fund (3702) in FY 2016. The costs of running the meters and transfers to the Hampton Capital Improvement Fund (7301) where the additional \$200,000 would come from are included in this net; however, the \$1,050,670 of other operating costs (including lifeguards, cleaning, maintenance, trash removal, and regional costs) are covered by the State Parks Fund and are not included. Net revenue from Hampton Beach (the main beach and north beach) to the state parks, excluding the South Beach RV Park, is actually \$555,698.

In addition, the State of New Hampshire General Fund as of June 30, 2017 is making payments of \$831,735 to cover the cost of capital investments at Hampton Beach (primarily the \$14.5 million redevelopment and seawall). If the Division had to make those payments, Hampton Beach State Park would actually lose \$276,037.

Deed obligations. **Chapter 159, Laws of 1933** provided for the acquisition of Hampton Harbor Toll Bridge for emergency construction for coastal and highway protection (jetties and seawalls). As a condition of the construction of the jetties and seawalls by the State, Hampton Beach was conveyed from the Town of Hampton to the State for public use and enjoyment. The Chapter Law states that the conveyance of Hampton Beach "*shall be held by the state for public highway, park and recreational purposes forever and no concession shall be granted thereon, provided, however,*

that the town of Hampton, so long as the governor and council approve, may maintain the band stand, comfort station, chamber of commerce building or similar structures and the parking places and play grounds now thereon; and provided further that the town of Hampton shall maintain public order and sanitation" (emphasis added).

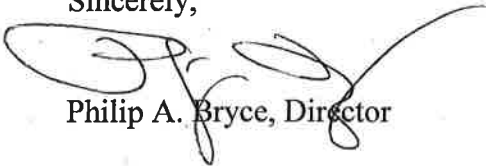
The Division is more than fulfilling its obligations under the deed. Attached is a list of both operational and capital investments in the park since the redevelopment was completed. Many of the actions we have taken are not fundamentally necessary to operate the park, but are in response to suggestions from the community meetings we hold in the spring and fall, and demonstrate our investment in partnership with the local community.

Collaborative efforts in the Town of Hampton. The Division has very positive and supportive working relationships with the Town Police, Fire and Rescue, and Public Works departments, this being a top priority for our agency. We also work closely with several local organizations, such as Chamber of Commerce, the Village District, and the Hampton Beach Area Commission to ensure the visitors have a safe and wonderful visit. This partnership is a major reason why Hampton Beach is regularly recognized as one of the best beaches in the region and nation. For example, CBS Boston listed Hampton Beach as No.1 in Beach Week Top 5 New England Beaches, the Natural Resources Defense Council gives Hampton Beach a superstar rating in beach water quality, and most recently, Better Homes and Gardens named Hampton Beach as one of the top ten beaches across the nation.

However, we oppose HB 1696 because of its impact on the financial condition of the entire parks system and the precedence it sets; the capital and operational investments we have made at Hampton Beach are substantial, exceed our obligations under the deed, and primarily benefit the businesses in Hampton; and, it threatens to unravel the ongoing investment by State Parks and the partnership between Parks, the Town and local organizations that has been so successful.

Thank you for the opportunity to testify and please let me know if I can answer questions or provide any additional information.

Sincerely,



Philip A. Bryce, Director

Cc: Jeffrey J. Rose, Commissioner

PAB/GAW/ttl-011118



Department of Natural and Cultural Resources
Division of Parks and Recreation
Hampton Beach State Park
Investments, Actions and Activities
January 2012 - January 2018

Since the completion of the re-development of the facilities at Hampton Beach December 2011 at a cost of \$14.5 million, NH State Parks has continued to make capital and operational investments in the park to support the visitors, businesses and local community. Many of the actions taken below were a direct result of feedback from the community meetings that are held in Hampton in the spring and fall and are above and beyond what is necessary to operate the park.

INVESTMENT¹

1. Reconstruction of the entire North Beach seawall completed (2012-2014 \$4 million).
2. Railing repair contract awarded to repair priority areas.
3. New beach rake purchased to lessen the amount of sand in the beach rakings. (subsequently the town has prohibited beach rakings at the transfer station).
4. Five new lifeguard chairs constructed.
5. New paving and drainage installed at South Beach.
6. Store and bathhouse renovations completed at South Beach.
7. New equipment purchases totaling \$396,062 (details below).
8. Dune restoration project at South Beach area in cooperation with UNH Sea Grant Program.
9. Secured US Park Service sign-off for restoration of the jetty at South Beach by the Army Corp.
10. Vendor selected for new seacoast radio system in 2018 to provide adequate lifeguard communication (\$500,000+).

PARK OPERATIONS

1. Year Round Restrooms open to public:
 - a. Prior to re-development only the North Beach and Ross Ave restrooms were open
 - b. Seashell, M Street, A Street and North Beach are now open year round.
2. First Joint Operating Plan with Town of Hampton agreed upon in 2012 to document coordination of resources to provide an effective working relationship in carrying out their respective duties for the operation and maintenance of State and Town facilities.

¹ See end of document for detail of investment

3. Winter Maintenance:
 - a. Prior to re-development limited winter maintenance took place, mostly to provide access to open facilities and to provide access to parking lots.
 - b. Plowing, Shoveling, sanding, salting Seashell complex/stage area since 2012.
 - c. Plowing sidewalks and parking lots from Haverhill Ave to Boar's Head in 2013.
 - d. North Beach sidewalk plowed as of 2017.
4. Beach Raking increased over the years to give 28 more days of cleaning (\$67,515).
5. Beach raking debris disposal started in 2014 through private contracted dumpsters.
6. Agreement with F&G to remove fishing gear from beach.
7. Trash collection and recycling is provided daily year round. Number of barrels are reduced in the winter, but trash collection continues from Haverhill Ave-North Beach. Barrels may be removed for storms.
8. Off season beach cleaning including derelict fishing gear, dead animals and trash.
9. Beach grading annual contract to level beach for visitors and swimmers starts mid/late April rather than mid-May.
10. Parking meters and park services extended in 2012 to include April and October to encourage visitors in the shoulder and off seasons.
11. Opened up opportunity to local businesses to provide catering services for events held in the Seashell Pavilion.

STAFFING INCREASES

1. The South-Seacoast Region was split in 2014 with the creation of Seacoast Regional Supervisor by the legislative budget process to provide additional oversight of the park.
2. Seacoast Regional Manager interview panels included one individual from the Hampton Beach Area Commission and another resident of the seacoast.
3. Hired year round Park Manager IV in 2017 to supervise park maintenance/custodial operations.
4. The Seacoast Regional Office moved from Odiorne Point State Park to the Hampton Beach Pavilion in 2012 to provide more direct oversight of beach.
5. A part time year round grounds man position was created to focus on landscaping and grounds at the park.
6. Additional winter season staff including maintenance mechanic for plowing operations added in 2015.
7. Plant Maintenance Engineer position was updated and reclassified to higher pay grade to bring a greater skill set to high level maintenance and trade work.

VISITOR SUPPORT

1. Replaced the Division run store at the Seashell Complex with a Marine Discovery Center operated by the Blue Ocean Society to enhance the family experience at the beach
2. Entered into agreements with the Hampton Chamber of Commerce and Village District to strengthen the relationship by documenting shared expectations.
3. Universal accessibility to the beach was improved as a result of the redevelopment project by providing multiple access points and the installation of seasonal wooden walk ways on the beach.
4. Three beach wheelchairs purchased (requested over 100 times through summer)

5. Community meetings held twice a year starting in spring of 2012, to review operations and receive feedback from the public.
6. Parks supported the passage of legislation to allow the State Park Plate to be used at metered parking spots in the shoulder seasons.
7. Lifeguards receive certification from the United States Lifesaving Association (USLA) instead of Red Cross provide them with better training for ocean based lifeguarding.
8. Increased hours of lifeguards into evening especially during riptides and expanding lifeguard coverage through the Seafood Fest.
9. Lifeguards won the New England Lifeguard championships, 2014, 2015 & 2016 (first), 2013 & 2017 (2nd).
10. Participate in the Hampton Village District New Year's Eve celebration by opening Seashell Pavilion for viewing fireworks display.
11. Supported the police department erection of barriers along Ocean Blvd to control pedestrian access.
12. Parking ticket system upgraded to allow visitor to get current status of fines on-line avoiding confusion over late fees.
13. Through the JOP the Town is extended use of facilities at reduced or no cost to support public safety and recreation department events.
14. Allowed the Town to use South Beach parking lot in winter of 2014/2015 for removal snow from local streets.
15. (31) Special Use Permits issued for approximately 50 events per year to bring visitors to the area and support local business including the Seafood Festival, Penguin Plunge and Sand Castle competition.

INVESTMENT DETAIL

<i>Equipment</i>	<i>Year</i>	<i>Cost</i>
Kubota Tractor	2014	\$66,229
Beach Rake	2013	\$48,723
UTVs/ATV (4)	2012-2016	\$40,374
Vehicles/Dump Truck(7)	2012-2016	\$165,649
Bob Cat	2013	\$9,340
Beach Wheelchairs (3)	2016	\$6,750
160 Bollard Covers	2017	\$4,999
Jet Ski & Trailer	2017	\$13,624
<i>Capital Improvement</i>	<i>Year</i>	<i>Cost</i>
Railing	2017	\$90,000
Seawall	2012-2014	\$4,080,272
Pay Station Upgrade	2017	\$84,000
Kitchen Upgrade	2013	\$100,000
Paving at South Beach	2016	\$228,009
South Beach Renovation	2016	\$43,000
Bond Payments	Yearly	\$182,997

Pending

Seacoast Radio Upgrade	2018	\$553,000 (pending)
Railing Replacement	TBD	TBD

Park Personnel

<u>Operation Unit</u>	<u>Year round</u>	<u>Pre/Post Season²</u>	<u>Summer Season³</u>
Pre Redevelopment			
Regional Staff	4		
Park Patrol		5-7	19
Maintenance		4-6	36
Lifeguards		1	45
South Beach		2-4	27
Current Staffing			
Regional Staff	4		
Park Patrol		5-7	19
Maintenance	1	10-15	36
Events Coordinator	1		
Lifeguards		3	54
South Beach		2-4	27

1.16.2018

² Pre/Post Season November 1-April 30

³ Summer Season May 1- October 31