

Town of Carroll

From: Jae Whitelaw [jwlaw@metrocast.net]
Sent: Tuesday, September 08, 2009 2:45 PM
To: Maryclare Quigley
Subject: CEDC

Good Afternoon Maryclare –

I am writing to follow-up our telephone conversation of earlier today and to amend my email to you of August 24, 2009. As we discussed, since my email I have reviewed the “Feasibility Study” that was done by Provan & Lorber, Inc., dated December 21, 1999, and provided to you by Mr. Ouelette, and I would like to update my earlier memo to reflect that I have done so. Therefore, please disregard my August 24, 2009 email and rely on this one instead.

As you know, I researched this issue in July by talking with folks as OSP and looking at the state’s file on the grant at Archives. The records indicate that the town received a grant in March 1999, with CEDC being the sub-recipient, in the amount of \$9,400, for the purpose of conducting a feasibility study regarding the proposed industrial park. This grant expired in December, 1999.

Under the terms of the grant, CEDC was to prepare a study that would include the preliminary design of roads, drainage, utilities and building locations for 3 potential businesses, the development of a base map and development of cost estimates. Prior to the town contracting with CEDC to do the study and prior to the town releasing the grant monies to CEDC, the town was required to get firm commitments from the specific businesses that intended to locate in the park, with a firm commitment from them as to the number of people to be employed. Neither the town nor CEDC seem to have a record of any of the required activities having occurred.

The town and CEDC entered into a sub-recipient agreement on April 12, 1999 based on the agreement between the state and the town as to the uses of the grant monies. However, the purpose of that agreement was solely for the performance of the activities funded by the grant, i.e. the feasibility study. The grant by its terms expired on December 31, 1999, almost nine years ago. The feasibility study was completed by Provan & Lorber, Inc., and dated December 21, 1999. While I have not seen documentation that the full amount of the grant was disbursed to Provan & Lorber in payment for the study, for purposes of this discussion we will assume it was, in accord with the terms of the grant.

The study specifically states that it is a “preliminary scoping product” that would require refinement if the project were to move forward. Apparently Provan & Lorber worked off of a base plan that did not provide a substantial amount of site-specific information. Pursuant to the study, some 14 industrial/commercial lots of various sizes could reasonably be developed with approximately four acres being devoted to roadway. The study estimates the cost for development - in 1999 dollars – to be \$636,535.25, with a 25% to 50% contingency (\$795,669.06 and \$954, 787.87 respectively). Again, in 1999 dollars.

This project, for reasons unknown, did not go forward. In order to do so, I would recommend that a current feasibility study be done, to include an assessment of whether there are adequate occupiers for the park. In addition, the CEDC and the town would have to enter into an agreement as to their respective responsibilities for development of the park. Do you know if the town has voted to adopt the provisions of RSA 162-G, which would authorize the town to engage in developing industrial land through an organization like CEDC?

The selectmen are not required by law to deed the land to CEDC just because the town vote authorized the board to do so, where there is a good faith reason not to do so. In this instance, the purpose of the transfer was to enable CEDC to develop an industrial park because doing so would be in the best interests of the town. To the best of my knowledge, CEDC has not, at least as of today, evidenced that it is capable of fulfilling the town’s vote to develop an industrial park on that property, and therefore the purpose of the land transfer does not exist at this time. As I indicated above,

significant additional work would be required prior to moving forward with this project. I believe under these circumstances the selectmen are well within their authority to decide not to deed the property to the CEDC.

You asked in your email of July 16, 2009 whether it was true, as Jay Ouelette claimed, that the town is required under the law to turn the property over to another non-profit if the selectmen don't transfer it to CEDC. I am not aware of any such "law" and would be interested to see if Mr. Ouelette can provide support for this statement.

Please do not hesitate to call if you have further questions. Thank you.

Jae
Jae Whitelaw
Mitchell Municipal Group, P.A.
25 Beacon Street East
Laconia, NH 03246
603-524-3885