

The County of Hillsborough
New Hampshire

Board of Commissioners

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District 2

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District 3

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District 1

County Treasurer
David G. Fredette

April 27, 2006

Hon. Nelson Allan, Chariman
Hillsborough County Executive Committee
329 Mast Road
Goffstown, NH 03045

Re: Building #25

Dear Chairman Allan:

The Board of Commissioners appreciates the fact that the Executive Committee will be discussing Building #25 and the potential use of the building for a Federal Bureau of Prison's facility at its meeting on Friday. As you are aware the Board was disappointed with the Delegation meeting at which the proposal was discussed and is interested in the opportunity to have the proposal fully explored. To assist you with the discussion I would offer the following overview of the present status of the proposal, which at this point can best be described as very tenuous.

Following the Delegation meeting, on behalf of the Board, I have had the opportunity to speak with representatives of Community Solutions, Inc. looking to determine if there was any potential to revisit the project, its proposal, and opportunities to revise the terms of the bid. I have done so with the understanding that the laws that the County operates under and its bidding statute in particular preclude amendment of CSI's bid proposal without initiating a new bidding process. This would require the issuance of a new Request for Proposals and submission of new bids. As noted below this is not a viable option for this project.

CSI has been forthright in expressing its disappointment with the process and the result of the Delegation meeting and in fact had forwarded a letter withdrawing its proposal. However, following several conversations CSI has agreed that it continues to have interest in operating a facility in Hillsborough County and that if the Delegation were to revisit its proposal, it would continue to participate in the process. Its position is in part supported by the Bureau of Prison's continuing commitment to locate a facility in Hillsborough County. CSI has made it clear however that it has already made a significant investment in this project, that its proposal makes a substantial commitment to invest in the renovation/fit-up of the building and the community, and that, as stated at the Public Hearing, it has presented the best offer that it is financially capable of. In light of this CSI has advised me that it will not participate in a new Request for Proposals process for the project. The Board has also concluded that starting over is not a viable option. Any action to revisit the project will therefore be on the terms and conditions of the original proposal.



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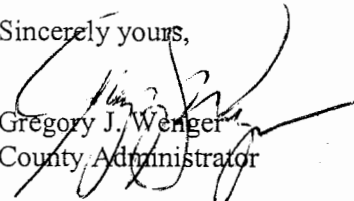
With this understanding and the knowledge that the Executive Committee would be looking at the matter again the Board requested that I devote the time to develop a draft Lease Agreement for the property based on the original proposal. The draft is a revision of the preliminary document that the Board was starting to consider at the time of the Delegation meeting. The revised draft incorporates preliminary comments from Legal Counsel and the County's insurance provider. Should the Executive Committee determine to revisit the proposal the draft will be shared with CSI and the terms of the final agreement worked out. A copy of the draft document is enclosed for your consideration and frames the terms of the agreement for you.

In addition to finalizing the terms of the lease agreement, should the Executive Committee determine to move forward and present this matter to the Delegation for further consideration the Board of Commissioners would anticipate taking several steps. The Board would have further discussions with representatives of the Town of Goffstown and schedule those meetings necessary to proceed with the project. The Board would anticipate meeting with the newly elected Goffstown Board of Selectmen and filing for a hearing with the Planning Board consistent with NH RSA 674:54. The Board, with the terms of the lease agreement finalized would then approach the Executive Committee and Delegation with a written request to ratify the agreement consistent with NH RSA 28:8-c. The Board would work to have this process substantially completed so that the final request could be presented to the Delegation at its convention on June 22nd.

As the Board is working to complete work on its budget recommendation for fiscal year 2007 it is very cognizant of the need to utilize existing County assets to increase revenue and reduce the burden on taxpayers across the County. The Board believes that the proposal to have close to one million dollars invested in the renovation of an existing structure that is presently uninhabitable, in order to facilitate a function that has been present on the site since the late eighteen hundreds, at no cost to County taxpayer and that, in addition, will generate a stream of income is an economically sound project that is in the best interest of the County's taxpayers. It was the Board's understanding that the Building Subcommittee and the Executive Committee supported this position going into the Delegation meeting. The Board urges the Executive Committee to look favorably upon the opportunity to revisit the project and to bring it back before the Delegation. Should, however the Executive Committee determine that the matter is closed the Board will respect its decision.

The Board will wait to see how the Executive Committee wishes to proceed and direction from you prior to taking further action regarding the proposal. Should there be anything additional that I can provide you please contact me. I appreciate your consideration and remain,

Sincerely yours,


Gregory J. Wenger
County Administrator

Cc: BOC (w/o enc.)
CSI (w/o enc.)
C. Kirby, Esq.
M. Rusch