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• GOVERNANCE AND OPERATIONS

• *Introduction:*

This first report of the Lakeshore Redevelopment Planning Commission is presented in accordance with Chapter 240, HB 340, 10:10 Reports.

The first meeting of the Commission was held on October 4, 2017 at the New Hampshire State House. All subsequent meetings have been held in Laconia. The Commission has had 18 meetings and one public hearing, as well as numerous sub-committee meetings.

In addition, the Commission has reviewed work products completed by previous study groups, and has coordinated with representatives of the New Hampshire Department of Administrative Services, and the New Hampshire Department of Environmental Services.

Early in its work, the Commission recognized a need to receive input and guidance from professional consultants. To that end, the Commission has engaged the following consultants:

- Camoin Associates, LLC..... Strategic Planning

- Applied Economic Research Strategic Planning Peer Review and Local Perspective
- NBBJ..... Master Planning

The above consultant services are all currently in progress, and are expected to be substantially complete by the end of 2018. Generally, the Commission’s rationale for engaging consultants is for the Commission to receive objective data from industry experts in order to provide a fact-based foundation for the Commission’s analysis and planning work as well as for its recommendations to the State.

The Commission, and its consultants, have coordinated with the City of Laconia on multiple issues, including the City Master Plan update as well as the City’s desire for growth and development in the area of the New Hampshire Lakes Region Facility (NHLRF). The City has been extremely cooperative and supportive of the Commission’s work.

In the ongoing Master Planning, the Commission is looking at ways to enhance the desirability of redevelopment of the NHLRF by identifying synergies with the adjacent Ahern State Park and Opechee Bay Tract, which are managed by the New Hampshire Division of Parks and Recreation and New Hampshire Division of Forests and Lands, respectively.

Finally, the commission is working in collaboration with the Lakes Region Planning Commission and the State of New Hampshire Department of Environmental Services regarding already completed, and still to be completed, environmental site investigations.

The following report sections provide additional detail on the Commission’s work to-date, as well as next steps going forward.

- **Web Presence on Internet:**

To facilitate public communication about our activities and to provide an information resource, the Commission has worked with New Hampshire Department of Administrative Services in order for the State to host a web site for the Commission’s activities: <https://das.nh.gov/lrpc/index.aspx>.

- **Appropriations and Budget:**

The \$250,000 appropriation granted the Commission pursuant to Section 240:4, Laws of 2017, is being utilized in support of the Commission’s work. This sum has been budgeted as follows:

Line Item Description	Budgeted Amount
Contracts for Services	
Strategic Planning Services	\$ 50,000
Peer Review Services	10,000
Master Planning Services	150,000
Dropbox Account	3,200
Temporary Help	20,000
In-State Travel Reimbursement	5,000
Other/Contingency	11,800
Total	\$250,000

Section 240:4, Laws of 2017 also provides a separate appropriation of \$115,000. This sum has not yet been utilized, but is being considered to pay for a portion of required environmental site investigations.

- ***Meetings and Minutes:***

Please refer to the following website for all issued Meeting Minutes to date:

<https://das.nh.gov/lrpc/meeting-minutes.aspx>

- ***Involvement of Stakeholders to Date:***

A report would not be complete without a discussion of stakeholders. The first is the City of Laconia. As mentioned, the City has been very supportive. City Manager Scott Myers and City Planner Dean Trefethen have been present at several of our meetings, and have been an excellent resource for the Commission, as well as our consultants. The City has allowed the use of City Hall for our Public Hearing, and other Municipal buildings for some of our meetings.

The Lakes Region Planning Commission has also been helpful to our efforts. Executive Director Jeff Hayes has attended several meetings, and has provided useful input to the Strategic Planning, and has also been working with the Commission regarding environmental site investigations.

The New Hampshire Department of Administrative Services has been invaluable in the Commission's progress. Commissioner Arlinghaus, Mike Connor, and Ron White deserve particular mention. Their knowledge of the property and the buildings has been extremely useful.

Keith Dubois from the New Hampshire Department of Environmental Services provided information on previous building studies which is assisting the Commission with obtaining possible matching grants for environmental testing.

Other individuals supporting our efforts include Carmen Lorentz of the Laconia Area Community Land Trust, Commissioner Taylor Caswell, Deb Avery of the New Hampshire Division of Economic Development, and Justin Slattery of the Belknap Economic Development Corporation. In addition, several individuals from Laconia and the Lakes Region with various business backgrounds have participated in an interview process which was conducted as part of the strategic planning.

Finally, we are appreciative of the New Hampshire Department of Natural and Cultural Resources as well as the New Hampshire Division of Forests and Lands who manages the Ahern State Park, which abuts the Laconia State School property. In particular, we extend a thank you to Commissioner Sarah Stewart, Parks Director Phil Bryce, and Trails Bureau Chief Chris Gamache for their support.

• ONGOING PLANNING INITIATIVES

• ***Professional Consultants:***

As indicated, the Commission has engaged the following consultants:

- Camoin Associates, LLC..... Strategic Planning
- Applied Economic Research Strategic Planning Peer Review and Local Perspective
- NBBJ..... Master Planning

To date, the contracted costs of these consultant services totals \$210,000 (individual costs per consultant are identified below). The \$250,000 appropriation granted the Commission pursuant to Section 240:4, Laws of 2017, is being utilized to pay the \$210,000 of consulting services currently under contract.

• ***Strategic Planning:***

In December 2017, a Request for Qualifications/Proposals (RFQ/P) for Strategic Planning services was publically issued. Through this process, the Commission retained Camoin Associates (Camoin) of Saratoga Springs, NY, to provide Strategic Planning services. The Strategic Planning services will provide the framework, including market-appropriate site/building redevelopment program components and overall concepts, required to inform and guide Master Planning. In addition, Camoin is working to identify and generally assess issues regarding potential on-site environmental conditions and potential property disposition options, (e.g., maintained as State-owned for public-private partnership(s), sold as one parcel, subdivided and sold as multiple parcels, etc.). Camoin will also be performing a fiscal impact analysis coincident with the development of a recommended Master Plan.

The following Strategic Planning-related documents are attached:

- Strategic Planning RFQ/P: <https://das.nh.gov/lrpc/documents/strategic-planning/proposals/LRPC-RFQ-w-attachments-2017-19-20.pdf>
- Camoin response to RFQ/P: <https://das.nh.gov/lrpc/documents/strategic-planning/proposals/quals-camoin.pdf>
- Camoin contract: <https://das.nh.gov/lrpc/documents/strategic-planning/camoin/camoin-contract-signed.pdf>
- Camoin interim deliverables, including Real Estate Market Analysis, and Redevelopment Concepts: <https://das.nh.gov/lrpc/documents/strategic-planning/camoin/Draft-Report-v3-Market-Analysis-Lakes-Region-State-of-NH.pdf> and <https://das.nh.gov/lrpc/documents/strategic-planning/camoin/Draft-Report-Opportunity-Assessment-Lakes-Region-State-of-NH.pdf>

Camoin's contract value is \$50,000 lump sum, inclusive of professional services and reimbursable expenses. As of the writing of this report, Camoin is approximately 75% complete with their scope of services. The Commission's current schedule anticipates

Camoin's completion of their scope of services by end of December, 2018

- ***Strategic Planning Peer Review and Local Perspective:***

With the idea that the Strategic Planning results will be critical to the Commission's success, in April 2018 the Commission engaged Applied Economic Resources (AER) of Laconia, NH, to provide peer review of Camoin's work, and a local perspective. AER's President, Russ Thibeault, is an expert economist recognized in the Lakes Region, throughout the State, and beyond. Mr. Thibeault has previous experience performing economic analyses of and real estate appraisals within the Lakes Region. Mr. Thibeault has been involved with numerous successful large-scale mixed use redevelopment projects, including Pease Tradeport, and he is presently involved with several mixed-use development projects in southern New Hampshire.

The following Strategic Planning Peer Review and Local Perspective-related documents are attached:

- AER proposal: <https://das.nh.gov/lrpc/documents/strategic-planning/applied-economic-research/Applied-Economic-Research-proposal-05-07-2018.pdf>.
- AER contract: <https://das.nh.gov/lrpc/documents/strategic-planning/applied-economic-research/consulting-services-contract-applied-economic-research.pdf>.

AER's contract value is hourly, not-to-exceed \$10,000, inclusive of professional services and reimbursable expenses. As of the writing of this report, AER is approximately 75% complete with their scope of services. The Commission's current schedule anticipates AER's completion of their scope of services by end of December, 2018

- ***Master Planning:***

In May 2018, a Request for Qualifications/Proposals (RFQ/P) for Master Planning Services was publically issued. Through this process, the Commission retained NBBJ of Boston, MA, to provide site-specific Master Planning Services. The Master Plan will be used to guide the Commission, and ultimately the State, in positioning the NHLRF site for redevelopment.

Master Plan deliverables are expected to include:

- Site layout recommendations for three redevelopment concepts (concepts as developed by Camoin, and as accepted or adjusted by the Commission). Site layout recommendations shall include, where appropriate, integrating access to and providing for use of Ahern State Park. Site layout recommendations shall be presentation quality, and shall identify potential roadways, walkways, major site features, and buildings (including approximate gross square footages for each building).
- Narratives of rationale for the site layout recommendations.
- Approximately three potential character renderings for each site layout recommendation.
- Preliminary estimates of primary utility loads at full build-out for each site layout

recommendation, and coordination with primary utility companies to verify adequacy of available capacities, and/or need for capacity upgrades.

- Conceptual layout and sizing of primary utility infrastructure for each site layout recommendation.
- A limited off-site traffic study for each site layout recommendation to (1) estimate traffic impact to/from the site redevelopment at full build-out; (2) perform an assessment of the traffic impact on State Route 106; and (3) coordinate with NHDOT to obtain preliminary input on potential improvements that may be needed on State Route 106 (i.e., turning lanes, traffic signals, etc.).
- Order-of-magnitude project cost estimates for each site layout recommendation (including construction costs and soft costs), organized by major components for existing building demolition, site development, primary utility infrastructure work, each new/renovated building construction, and off-site transportation improvements (if any), expressed in 2018 dollars. (Cost estimates for building demolition shall exclude hazardous materials abatement and disposal; these cost estimates will be separately developed and are outside the scope of the Master Plan.)
- Identification of anticipated land use permitting for redevelopment, including Federal, State, and local approvals, permits, and filings.
- Identification of potential interested developer(s), with proven track record for similar project(s).
- Other deliverables as determined appropriate by the Master Planner.

The following Master Planning-related documents are attached:

- Master Planning RFQ/P: <https://das.nh.gov/lrpc/documents/master-planning/rfq-prop/lrpc-rfq-p-master-planning-2018-05-22-w-attachments.pdf>.
- NBBJ response to RFQ/P: <https://das.nh.gov/lrpc/documents/master-planning/rfq-prop/NBBJ-Lakes-Region-Facility-Redevelopment-Quals.pdf>.
- NBBJ contract: <https://das.nh.gov/lrpc/documents/master-planning/rfq-prop/nbbj-contract-signed-7-30-2018.pdf>.

NBBJ's contract value is \$150,000 lump sum, inclusive of professional services and reimbursable expenses. As of the writing of this report, NBBJ is approximately 25% complete with their scope of services. The Commission's current schedule anticipates NBBJ's completion of their scope of services by end of December, 2018.

• ENVIRONMENTAL ISSUES

• ***Review of Existing Information:***

As noted above, Camoin Associates, LLC (Camoin) was retained by the Commission to provide strategic planning services. As part of those services, Credere Associates, LLC (Credere), an environmental engineering and consulting firm that teamed with Camoin for this project,

prepared a 656-page draft *Preliminary Engineering Evaluation of the Lakes Region Facility* dated June 5, 2018 (PEE). This document is available on the Commission's web page at <https://das.nh.gov/lrpc/documents/strategic-planning/camoin/draft-prelim-engineering-eval-lakes-region-sonh.pdf> .

The PEE reviews and updates earlier environmental investigations regarding the property, including Credere's *Phase I – Environmental Site Assessment Revision 2* dated August 26, 2010 -- <https://das.nh.gov/lrpc/documents/environmental/site/site-assessment-august-2010.pdf> , and prepared for the Lakes Region Planning Commission. Credere's prior Phase I report and other prior investigations are included in the Appendix to the PEE.

Credere's 2010 Phase I report identified seven "recognized environmental conditions" (RECs 1-7) that require further investigation and assessment. These RECs concern conditions such as potential petroleum releases from fuel oil storage facilities, buried waste materials (including coal ash, pesticide containers, suspected asbestos-containing materials and other solid wastes), incomplete and/or insufficiently documented removal of above ground and underground fuel storage and heating systems, potential releases through maintenance area floor drains, a former hydraulic-drive elevator, and a former chlorination plant that once operated as part of the facility's sewage disposal system.

In addition, the Credere 2010 report identified four (4) other potentially hazardous situations; possible presence of asbestos containing materials in a former steam tunnel on-site, universal hazardous waste (e.g., lamps and thermostats potentially containing mercury), electric transformers potentially containing PCBs, and 28 buildings in various states of disrepair that may contain mold, asbestos, lead paint and/or PCBs (e.g., in caulk). Last, Credere noted in this report that "data gaps" remained based on incomplete information regarding the nature, and scope of above and below ground facilities that may have existed or currently existed at the site. Credere recommended additional investigation and assessment be undertaken.

Credere was not engaged as part of its Phase I site assessment to investigate or otherwise assess the interior condition of the 28 buildings. To date, the interior of only one (1) building has been subject to a hazardous materials assessment. In 2012, Nobis Engineering investigated conditions within the Blood Building pursuant to EPA's Targeted Brownfields Assessment Program. The report states that mold, lead paint, and asbestos were found in several areas throughout the building, as well as over 200 fluorescent lights, over 100 ballasts and 6 thermostats regulated as hazardous materials that would have to be removed prior to demolition. Nobis also found PCBs in the building materials at low levels that would not adversely impact demolition if removed prior to demolition.

See <https://das.nh.gov/lrpc/documents/environmental/brownfields/targeted-brownfields-assessment.pdf> .

In the PEE, Credere collects and reviews this prior information as part of providing its preliminary assessment of those site conditions that may or may not pose an obstacle to future development at the site. Credere's preliminary conclusions from the PEE are as follows:

- Physical Setting - Site redevelopment is not anticipated to be adversely impacted by topography, surficial geology, surface water, or wetlands. Additional assessment is required to assess if bedrock and/or groundwater will adversely impact Site redevelopment and if surficial geology is geotechnically suitable once

redevelopment/ design plans are known.

- Site Buildings - Recognizing several of the existing buildings are in poor condition, existing Site buildings are anticipated to adversely impact Site redevelopment. Additional evaluation is required to determine the magnitude of impacts specific to the proposed reuse.
- Road Infrastructure - It is anticipated that road infrastructure will require replacement or significant rehabilitation as part of the Site redevelopment as well as extension onto the north and south Site parcels, if developed.
- Site Utilities - It is anticipated that the existing Site utilities will impact Site redevelopment and likely require replacement or significant rehabilitation. Additional Site evaluation is required. Natural gas may be an opportunity to support the redevelopment and may benefit the surrounding community.
- Petroleum and Hazardous Materials - Hazardous building materials are anticipated to adversely impact Site redevelopment due to the added cost of abatement and proper management; however, the extent of their impact is unknown as only one Site building has been assessed to date. In addition, it is unknown if additional hazardous substances and/or petroleum products in other media will adversely impact Site redevelopment. Additional assessment is required at the Site to further quantify environmental liabilities at the Site.

- ***New Site Investigation Initiatives:***

While adding to the overall knowledge regarding environmental conditions at the site each of the prior reports addressed above have identified data gaps and the need for additional environmental investigation at the site. At several of its meetings the Commission has discussed the impact on future development of the uncertainty surrounding the scope and extent of the various environmental conditions identified in the prior environmental reports and summarized in the PEE. Uncertainty exists both as to the scope and extent of environmental degradation within the 28 structures on the site, as well as the scope and extent - or, in some cases even the presence of - adverse environmental conditions outside the buildings, in particular, the RECs noted in the 2010 Credere Site Assessment.

Of the several unknowns and uncertainties, the Commission has determined that it would be best to move forward to address as many as possible of the recognized uncertainties and data gaps documented in the PEE and the Credere 2010 Site Assessment. In particular, further documenting the scope and extent of potential subsurface impacts would assist the master planning effort by delineating those areas more completely. From a development perspective the master planners know where the on-site buildings are located and that most of them will require extensive assessment before restoration or demolition, whatever the case may be. Moreover, delaying until the master planning process has proceeded further may help to prioritize which structures should be assessed first.

Having prioritized further investigation of subsurface conditions at the site, the Commission has worked closely with the Lakes Region Planning Commission, its environmental engineering consultant (Nobis Engineering), the NH Department of Administrative Services, and EPA to pursue available federal funding under EPA's Brownfields Program to be used in conjunction

with some of the Commission's available appropriations. Under the federal Brownfields Program EPA cannot grant funds directly to a potential responsible party for use investigating a site. However, the EPA has granted Brownfields funds to the LRPC for use at sites in NH, and LRPC has decided to allot a portion of its Brownfields grant funds to further investigation at the Lakes Region Facility. Similarly, under a separate program within EPA's Brownfields Program, the Targeted Brownfields Assessment Program, EPA will task one of its authorized NH contractors, Nobis Engineering, to perform certain investigative services at the site to assist in determining the scope and extent of potential environmental impacts.

To maximize the benefit to be gained from these federally funded efforts, the state and federal agencies involved, along with LRPC and Nobis Engineering, have been working closely in a rather unique effort to develop three integrated scopes of work, so that the work done under each funding source will complement work done under the others. The first scope of work being prepared by Nobis Engineering will implement the technical services provided under the Targeted Brownfields Assessment Program. EPA will be committing approximately \$129,000 to this effort. The second scope of work will be funded from the Brownfields grant funds held by the LRPC and will fill provide important additional data in areas not completely addressed by the Targeted Brownfields Assessment. For this phase of work, LRPC has allocated approximately \$80,000 in Brownfields funds. Last, the Commission will work with the NH Department of Environmental Services to have Nobis Engineering develop a third scope of work to investigate potential petroleum impacts not covered under the federal Brownfields Program and, where possible, remove old or abandoned underground and aboveground facilities. The Commission has committed to using up to \$115,000 of its appropriations to supplemental work. By coordinating the development of all three scopes of work potentially duplicative work will be minimized and the opportunity to develop consistent and reliable information will be maximized.

Although plans and approvals are still in process as of the date of this Interim Report, field work is targeted for 2018 Q3 and Q4 with reports anticipated in 2019 Q2. Since the proposed subsurface investigations will include some test pit excavations, the Commission and the involved agencies will further coordinate its efforts with the NH Division of Historical Resources.

- ***Additional Phases of Investigation:***

Potential additional phases of investigation into environmental conditions at the Lakes Region Facility include the following:

- Addressing additional data gaps in subsurface conditions identified following completion of the Targeted Brownfields Assessment and LRPC Brownfields-funded scopes of work.
- Investigation of interior building conditions in support of building renovations.
- Investigation of interior building conditions in support of building demolition.

Environmental site investigation is recognized by the Commission to be an iterative process. It will likely be 2019 Q2 before the next environmental report can be issued regarding subsurface conditions. Assuming completion of the current phase of master planning by the end of 2018 Q4, it is likely that certain structures would be targeted for further hazardous

materials assessment in 2019 Q1 and such work could commence as early as Q2, assuming some additional funding from LRPC and subsurface investigation did not consume all of the Commission's available appropriations. To continue hazardous materials assessments in 2019 Q3-4, additional appropriations would be required.

• NEXT STEPS

This is an Interim Report of Commission Activities currently in progress. As such, the next steps identified below should be considered preliminary and subject to change as the Commission completes its Strategic Planning, Master Planning, and Public Outreach processes during 2018 Q3-4. In the same vein, the Commission is not yet in a position at this time to offer operating or capital budget projections or estimates.

Generally, planned next steps for the Commission include:

Work with the Commission's consultants during 2018 Q3-Q4 in order for the consultants to complete their scopes of services.

Continue elimination and reduction of site data gaps and uncertainties with continued investigations of site conditions.

Pursue implementation of three (3) coordinated work scopes for investigation of subsurface conditions with Lakes Region Planning Commission, U.S. EPA, NH Department of Administrative Services, NH Department of Environmental Services, and the NH Division of Historical Resources.

Work with the Commission's Master Planner during 2018 Q3-Q4 to identify and prioritize those structures at the site requiring hazardous material assessments for either renovation or demolition.

Work with the Commission's Master Planner and the City of Laconia during 2018 Q3-Q4 to identify and prioritize potential improvements to site water and sewer service that will promote future site reuse and development and take advantage of available federal or state funding opportunities.

Develop recommended request for additional budget appropriation(s) by the State (the Commission will endeavor to have a draft of this request by November 1, 2018).

• APPENDICES

- Chapter 240 House Bill 340 - Final Version