



January 17, 2019

Public-Private Partnership (P3) Infrastructure Oversight Commission
7 Hazen Drive, P.O. Box 483
Concord, NH 03302-0483

Dear Chairperson Sheehan and Members of the P3 Commission:

Thank you for the opportunity to present the perspective of New Hampshire's convenience stores and transportation fuel distributors at your public hearing in Dover regarding the P3 Transportation Oversight Commission's latest *Request for Proposal*. While we remain supportive of the public private partnership program in general, we are concerned about a potential development of the service area(s) or interchanges along NH 16 (Spaulding Turnpike) Service Area between exit 6 Dover and exit 18 Milton.

By way of background, NECSEMA represents the interests of convenience retailers and transportation fuels distributors in New Hampshire and other New England states. Our membership consists of single-site and chain convenience retailers, wholesale transportation fuels distributors and the businesses which supply all of them.

NECSEMA will have concerns with any proposed P3 project which might impact existing retail locations offering convenience items and/or transportation fuels. As you know, federal law prohibits the development of interstate rest areas built after January 1, 1960. This law was put in place because when Congress created the Interstate Highway System in the 1950s, community leaders feared local businesses, jobs and tax bases would shrink as motorists bypassed their cities and towns should commercial services such as food and fuel be offered along the highways. Many of the existing convenience/fueling businesses located off the interchanges in the state were developed because of the protection this law provides. While some interstate rest areas in New England are able to offer these services due to their "grandfathered" status, the very small number of them has benefited the commercial base of the communities which the interstates run through as local businesses supplying convenience and fuel services have thrived. Should rest areas along the Spaulding Turnpike, or any major highway in New Hampshire, be developed it would cause irreparable damage to local businesses and impact the property tax revenues collected by the cities and towns. If the Commission's thinking is the Spaulding Turnpike is somehow exempt from the federal law, then it will be ignoring the essence of Congress's intent with the law which was to protect local businesses. It should be noted that New Hampshire has 500 businesses located less than a quarter-mile from the Interstate at exit interchanges. Collectively, these businesses employed nearly 3,600 people and contributed nearly \$6 million annually in property taxes in 2010. If rest areas are commercialized, these businesses and the jobs and taxes they create will be harmed.

1044 Central Street, Suite 203
Stoughton, MA 02072
(781) 297 – 9600

Many of these existing private businesses have spent millions of dollars during the past few years upgrading their underground storage tank systems to comply with New Hampshire Department of Environmental Services regulations. The decisions to spend the capital on these required upgrades were made in advance of knowing the P3 Commission would be considering highway commercialization. It is important to remember that new P3 locations will not increase the number gasoline gallons, cups of coffee or sandwiches sold. Rather, it simply transfers the point of sale away from the current competitive environment at highway exits to a sole business contractor operating from the advantaged location. It will hurt existing New Hampshire operators, many of them small. As an example, I have attached an article from 2014 which detailed the impact the Hooksett re-development had on an existing location. It is likely this same impact would be felt by other small locations if a P3 development were to offer fueling and food options at a new location, provided through a partnership with the State.

It is my understanding a study showed the need for truck parking along Rte 16, which is the impetus behind this RFQ/RFP. The challenge for NHDOT is that no private company is going to invest capital to develop parking without ancillary profit centers to offer a return on investment. While understandable, the elaborate project described in the [Spaulding Turnpike Service Area Development Project Overview](#) far exceeds the reasonable scope required to offer a reasonable ROI. A smaller project, with fewer and less extravagant "service area building requirements", would widen the field of companies able to compete for the project, allow for more truck parking (the primary purpose), and, depending on what was offered, may give interchange businesses less cause for panic.

In summary, NECSEMA requests that as the P3 Commission reviews potential projects, they consider the impact the projects will have on existing business in New Hampshire. Entering into an agreement with the State to provide services, already available in the private sector, creates a competitive advantage for new market entries. Despite an open RFP process, not all existing NH businesses will have the capital or sophistication to compete with large entities that will approach the Commission with concepts meant to meet the extravagant scope you have set forth. We hope that the P3 Commission keeps these local businesses in mind. NECSEMA will continue to monitor the P3 Commission and would be glad to expand upon our perspective if necessary.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Shaer". The signature is fluid and cursive, with the first name being the most prominent.

Jonathan Shaer
Executive Director
jon@necsema.net
781-297-9600 x3