


**STATE OF NEW HAMPSHIRE
INTER-OFFICE COMMUNICATION**

DATE: Dec. 19, 1997

FROM:  Christopher Morgan, Administrator **AT:** Bureau of Rail and Transit
Department of Transportation

SUBJECT: Purchase of Railroad Property

TO: Herman G. Martin, Administrator
Bureau of Budget & Finance

On Dec. 2, 1996, the Governor and Council approved a resolution to enter into a Purchase and Sale agreement with the New Hampshire and Vermont Railroad Company for purchase of portions of the Berlin Branch railroad line. The total purchase price of \$1,540,000 was to be paid in two phases. The resolution encumbered a total of \$1,000,000 from Organization Codes 3078 and 3054, and proposed a second phase purchase of \$540,000 pending a state appropriation (which has now taken place). I am requesting that you encumber the funds for the second phase of the purchase: \$540,000 from Appropriation Account 030-096-9938-090. A portion of this money will be placed in an escrow account at the time of closing on the property, but the full amount should be encumbered.

When the Department made the first phase of this purchase, we paid \$960,000 to the railroad. The difference between this amount and the \$1,000,000 encumbered was a credit for the railroad's outstanding obligation under the Local Rail Freight Assistance (LRFA) program. At this time we would like to make this money available for eligible projects under the LRFA program. We are permitted to reallocate these funds with the approval of the Federal Railroad Administration. Would you request a transfer of the money to the account holding the federal funds, 010-096-2932-090, or advise if we should proceed in some other way?

Please let me know if you need any further information, and thank you for your assistance.

Enc. (G&C letter)
File: Aband. Berlin Branch