



CITY OF CONCORD

New Hampshire's Main Street™
Community Development Department

REPORT TO MAYOR AND CITY COUNCIL

From: Timothy J. Thompson, AICP, Assistant Director of Community Development
Date: March 4, 2024
Subject: **Amended Resolution for RSA 79-E Community Revitalization Tax Relief Incentives
First Church Holdings, LLC, 177 North Main Street**

Recommendation:

Accept this report and set the attached Resolution amending and restating Resolution #9573 (dated August 14, 2023) granting First Church Holdings L.L.C. 7 years of RSA 79-E community tax relief benefits RSA 79-E:5, I and II, for public hearing on April 8, 2024.

Background:

On August 14, 2023, the City Council approved Resolution #9573 which granted RSA 79-E Community Revitalization Tax Relief Incentive to First Church Holdings LLC for a period of 7 years to support redevelopment of the former First Church located at 177 North State Street into 30 units of market rate rental housing. Said resolution required developer to substantially complete the project by March 31, 2025. A copy of Resolution #9573 is attached.

In total, the City's RSA 79-E incentive was projected to save the Developer approximately \$393,000 over 7 years, combined. Please refer to the attached staff reports dated June 28, 2023 and August 7, 2023, tax saving calculation, as well as the minutes from the City Council's August 14, 2023 meeting for more information.

Discussion:

Following the City Council grant of RSA 79-E tax relief, First Church (the applicant) the applicant obtained site plan approval from the Planning Board (September 2023) and applicable variances from the Zoning Board of Adjustment (October 2023) to advance the project.

The applicant's variances were then appealed by the abutting property owner, IQRA Islamic Society of Concord, in accordance with RSA 677:4. The appeal has yet to be adjudicated, however, it appears that the parties have reached a settlement agreement, and that the appeal will be withdrawn in the near future. Towards that end, in February 2024 the Developer submitted applications to the Planning Division to amend its previous site plan approvals for the project to implement a potential settlement agreement.

Regardless of the settlement, the effect of the appeal has been a delay in the ability of the applicant to move forward with construction on the project. This delay has been determined to put the City's 79-E tax relief approval in jeopardy, as the March 31, 2025 substantial completion date set forth in Resolution #9573 is likely unattainable given the delay to the commencement of construction at the site.

Therefore, First Church Holdings LLC has requested that the City Council amend the substantial completion date set forth in Resolution #9573 from March 31, 2025 to March 31, 2026. This will give the Developer sufficient time to complete the project, which is projected to take 14+/- months to complete.