



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Matthew R. Walsh, Deputy City Manager - Development

DATE: January 25, 2024

SUBJECT: Former NH Employment Security Property / #32 South Main Street
Modification of Development Plan for Ground Floor Retail Use

Recommendation:

- Accept this report;
- Authorize the City Manager to enter into an Agreement with the John Flatley Company, or its assigns, regarding modification of the development plan and design for #32 South Main Street concerning the establishment of a ground floor retail use in conformance with the attached proposed design revisions; and,
- Authorize the City Manager to enter into revised license Agreement for entry stairs and ramp into the building within the South Main Street rights-of-way use in conformance with suggested design conditions set forth herein.

Background:

On October 31, 2014, the City acquired the former NH Employment Security property from the State of New Hampshire. Following an extensive marketing effort, on May 17, 2021 the City entered into a Purchase and Sales Agreement to sell the property to the John Flatley Company for the purposes of developing a new 85,000SF +/- apartment building featuring 64 market rate housing units. The sale closed on June 10, 2022. The new development is currently under construction and is scheduled for completion in spring / summer 2024.

In addition to creating 64 units of housing, the project is projected to create approximately \$10 million of net new assessed value generating approximately \$268,800 in property taxes annually. The property was previously tax exempt due to State and City ownership.

In accordance with Section 6.6.3 of the Purchase and Sales Agreement, the Developer is obligated to secure the City's consent for the development program and design of the Developer's project. The City's approval rights, which are in addition to the normal and customary development permitting process, survived closing. Therefore, the Developer must secure the City's express consent to any substantial changes to its development plan or design.

During the design and permitting process, the developer secured variances from the Zoning Board of Adjustment to forgo having commercial uses on the ground floor of the building.

Discussion:

The Developer desires to change its approved development plan and design in order to create a small retail storefront at the southerly end of the new building along its South Main Street frontage. The original 2022 approved design, as well as the Developer's proposed design revisions are attached. Said retail space would be approximately 325+/- Square Feet.

The Developer's decision to add the commercial space occurred very recently. The proposed ground floor commercial space was originally going to be a utility room with faux storefront.

Per the Purchase and Sales Agreement, this design change will require City Council approval, in addition to normal and customary Planning Board approvals.

The Developer's decision to add a ground floor commercial is a welcomed revision. Though small, City Administration supports the concept of the retail space as it will enhance the vibrancy of the building, as well as its interconnectivity with the adjacent streetscape.

Staff has worked closely with the Developer regarding the architecture of the Developer's proposed design changes, and supports approval of the proposed revisions.

Additionally, staff also supports amending the existing license agreement concerning stairway and accessible ramp located in the City's rights-of-way to facilitate access to the new commercial space in accordance with the attached design plan.

In addition to these edits, the Developer is also seeking other minor modifications to the project. These include installation of bollard style pedestrian lighting along portions of the property's frontage on South State Street. Such changes are not substantial and do not require Council approval.