



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Matthew R. Walsh, Director of Redevelopment, Downtown Services
& Special Projects

DATE: March 29, 2022

SUBJECT: Former New Hampshire Employment Security Property

Recommendation:

Accept this report and approve the attached consent resolution authorizing the City Manager to negotiate and enter into License Agreements with the John J. Flatley Company concerning private improvements within City rights-of-way associated with redevelopment of the former NH Employment Security Property located at 32-34 South Main Street and 33 South State Street.

Background:

The former NH Employment Security property is located at 32-34 South Main Street and 33 South State Street. The 0.74+/- acre property features a 26,000SF building, constructed in 1927 and later expanded in 1958, as well as 73+/- parking spaces. The property is located within the Sears Block Tax Increment Finance District (SBTIF).

On October 31, 2014, the City acquired the site from the State of New Hampshire to foster and control redevelopment of this highly visible, strategically important property located in the heart of the City's Downtown Central Business District.

On May 10, 2021, the City Council approved Resolution #9375, which authorized the City Manager to enter into a Purchase and Sales Agreement with the John Flatley Company (Flatley) concerning sales and redevelopment of the property into a 6 story, 80,000SF +/- apartment building featuring 64 units of market rate housing. Upon completion, it is anticipated that Flatley's development will create \$8 - 10.24 million in new assessed value for the community and generate \$215,000 - \$275,000 of property taxes annually. The Purchase and Sales Agreement was executed on May 17, 2021.

On September 13, 2021, the City Council approved Resolution #9402, which authorized the City Manager to enter into Purchase and Sales Agreement Amendment #1. Amendment #1 addressed issues stemming from previously unknown additional asbestos containing materials at the property, and scheduling issues related thereto. Amendment #1 was executed on September 20, 2021.

On January 10, 2022 the City Council approved Resolution #9341, which amended the Purchase and Sale Agreement concerning the overall schedule for the project. Amendment #2 was executed on January 11, 2022.

Discussion:

- 1) Permitting Update: On March 2, 2022, the Developer secured eight (8) multipart variances and one (1) special exception from the Zoning Board of Adjustment for the project. The Zoning Board's decision was unanimous.

On March 20, 2022 the Planning Board accepted the Lot Merger and Site Plan applications for the Developer's Projects. The Board will review the Developer's applications during a public hearing on April 20, 2022.

The Developer's proposed preliminary architectural elevations for the project, as submitted to the Design Review Committee on January 20, 2022, are attached. The Design Review Committee will be reviewing the proposed renderings on April 5, 2022, following which the concepts will be refined and submitted to the for review by the Planning Board during the April 20, 2022 public hearing.

The proposed site plan for the project is also attached.

Subject to completion of permitting, and other contingencies, the Developer will acquire the property from the City on May 31, 2022. The Developer is prepared to start construction shortly after closing. The project is scheduled for completion in August 2023.

- 2) Licenses: Per the Developer's proposed design, it is anticipated that License Agreements will be required for a handicap accessible ramp, entry steps, landscaping, and an awning. These improvements, which are associated with the South Main Street pedestrian entrance to the proposed building, will be located within the City's rights-of-way. Please see the attached renderings and site plan for more information.

In addition to these encumbrances, the need for additional licenses might be identified as the project completes the development permitting process.

Therefore, staff request that the City Council approve the attached consent resolution authorizing the City Manager to enter into any and all License Agreements with the John Flatley Company as might be required to facilitate the Developer's project.

- 3) Easements: As part of its project, the Developer plans to widen the public sidewalk located along the South Main Street frontage of the property.

The widened sidewalk will extend onto portions of the property. As such, the City shall reserve an easement for the expanded sidewalk at the time the property is conveyed to the Developer.

The widened sidewalk will be constructed by the Developer at its sole expense, and maintained by the City in perpetuity.

The widened sidewalk will set the tone for future redevelopment of other properties located on the block.