



## CITY OF CONCORD

### REPORT TO MAYOR AND CITY COUNCIL

**FROM:** Kathryn H. Temchack, Director of Real Estate Assessments

**DATE:** March 24, 2016

**SUBJECT:** Renewal of Voluntary Payment in Lieu of Taxes Agreement between Fellowship Housing Opportunities, Inc. and Affiliates and the City of Concord

#### **Recommendation**

Request that the Mayor and Council accept this report and authorize the City Manager to sign a payment in lieu of taxes agreement (PILOT) between the City of Concord and Fellowship Housing Opportunities, Inc. and Affiliates. A draft agreement has provided for you.

#### **Background**

Fellowship Housing Opportunities, Inc., and Affiliates own properties in the City at 10 Jackson Street, 22 Fayette Street, 70 Washington Street, 12 Allison Street, 106 South State Street, 36 Pleasant Street, and 11 Chesley Street. All of these properties are currently used and occupied as intended (for the establishment of the corporations to provide affordable housing for very low income adults with mental illness, for persons with disabilities, and for behavioral health services).

Fellowship Housing Opportunities, Inc. and Affiliates first entered into a PILOT agreement with the City in August 2005 and again in 2011. The agreement recognized Fellowship as a charitable organization pursuant to RSA 72:23-1 and laid out the conditions for a voluntary payment in lieu of taxes for the properties as allowed pursuant to RSA 72:23-n.

The current PILOT agreement expires on March 31, 2016 and Fellowship Housing Opportunities, Inc. and Affiliates is willing to enter into another 5 (five) year agreement. If approved, the new PILOT payment will begin with the April 1, 2016

tax year and end on March 31, 2021. The payments are determined by multiplying the previous years' market value assessment by the current City portion of the tax rate. For example, the assessments in 2015 totaled \$3,080,300 and the City portion of the 2015 tax rate was \$9.60, the payment in lieu of taxes for 2016 would be \$29,570.88 ( $\$3,080,300 \times .00960$ )

The attached draft agreement between the City of Concord and Fellowship Housing Opportunities, Inc. and Affiliates is being reviewed by both parties. The acceptance of a payment in lieu of taxes by statute must be made by the governing body.

### **Discussion**

None.