



# CITY OF CONCORD

## REPORT TO MAYOR AND THE CITY COUNCIL

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

**DATE:** February 25, 2015

**SUBJECT:** Sale of City Property: 8-10 Sexton Avenue

MAW

### Recommendation:

- Accept the following report; and,
- Set the attached resolution authorizing the City Manager to sell 8-10 Sexton Avenue to the Gloria A. Alosa Revocable Trust for public hearing on April 13, 2015.

### Background:

The City is the owner of property located at 8-10 Sexton Avenue. Specifically, the City acquired the property on February 28, 1974. According to a boundary survey prepared in 1973, the property is 0.5699 acres (24,825 SF). The property is currently undeveloped and has an assessed value of \$189,200. The property is currently zoned Opportunity Corridor Performance (OCP), which permits a wide variety of commercial uses as well as multifamily residential.

### Discussion:

1. Overview: On November 24, 2014, the City received an inquiry from Colliers International, a commercial real estate brokerage firm based in Manchester, on behalf of the Gloria A. Alosa Revocable Trust ("Alosa") regarding the City's potential interest in divesting of this property. The Alosas desire to acquire the property in order to package it with six properties they own as a single development opportunity. Properties owned by the Alosa total approximately 0.7 acres with an assessed value of \$1.162 million. Should the City sell this property to the Alosas, the size of the available development site will increase to 1.27 acres. City staff anticipates that the highest and best use of the property is either strip commercial development (likely 10,000-12,000SF featuring retail or service uses), or a multifamily "garden style" apartment building. A mixed use project may also be viable.

A copy of the Purchase and Sales Agreement are attached. Details of the proposed sale are as follows:

- a) Sale Price: Sale price shall be \$162,600, which is the current assessed value of the property.
- b) Deed Restrictions / Reservations: As part of the transaction, the following covenants, restrictions, and reservations will be required by the City:
  - In the event the property is sold to a tax exempt entity, said entity shall be required to pay the full amount of property taxes which would ordinarily be owned via a Payment in Lieu of Taxes (PILOT) Agreement.
  - A slope easement over the easterly side of the property as shown on the attached map. The purpose of the easement is to potentially aid the City with construction of the Storrs Street South connector to Langdon Avenue (CIP #18), as well as potential railroad relocations associated therewith.
  - An easement for a sanitary sewer line which abuts the property. In addition, the Alosas shall provide an easement over their other adjacent properties prior to Closing. This sewer line serves the Alosa properties, as well as other properties located to the south of the site.

Beyond these reservations, the Alosas, or their heirs, successors, or assigns, will also agree to the following conditions:

- To modify or remove an existing storm drain located at the City's property, as might be required to support redevelopment of the premises.
  - Guarantee that the City's property will be merged with the other Alosa parcels and sold as a single development site. However, the Buyer will be able to convey small portions of the overall site to abutting properties if so desired.
2. Other Considerations: The Buyer is also interested in potentially acquiring #107-109 South Main Street (0.1 acres), as well as two parcels owned by the State totaling 0.67 acres located between Storrs Street and Sexton Avenue. Should the Buyer gain ownership of these properties, it is likely that the Buyer will petition the City to close and discontinue Sexton Avenue.

Lastly, as previously stated, the City's property is zoned Opportunity Corridor Performance. The Alosa parcels (as well as the abutting private properties and one of the State owned properties), are zoned Commercial Urban ("CU"). Therefore, the potential exists that the future owner / developer of this site may petition the City to rezone these properties so they would be within a single zoning district. Such an approach could simplify the development process. While this may make sense in the long-term, Staff

recommends that the City Council not entertain any zoning changes until such time as a final redevelopment plan for the property is available for the City's review and approval.

3. Summary & Recommendation: The City Administration supports this sale for the following reasons:
  - a. This property has no strategic value to the City for a municipal use.
  - b. The sale price reflects current fair market value.
  - c. Packaging this property will make the Alosa's holdings more attractive to potential buyers, thereby increasing the chances of a sale to a developer willing to remove the current blighted land uses and replace them with a higher quality, more aesthetically attractive development which will improve this important gateway to the downtown central business district.
  - d. Redevelopment of the property will likely expand the City's tax base, and potentially the City's employment base, depending upon the final development plan for the property.