

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES**

**BETWEEN**

**THE CITY OF CONCORD (“CITY”)**

**AND**

**FELLOWSHIP HOUSING OPPORTUNITIES, INC. AND AFFILIATES, FELLOWSHIP HOUSE, INC., FELLOWSHIP APARTMENTS, INC., FAYETTE STREET PROJECT, INC. AND WASHINGTON COURT, INC. (COLLECTIVELY REFERRED TO AS ( “FELLOWSHIP” )**

This Payment in Lieu of Taxes Agreement (“PILOT Agreement”) is made as of \_\_\_\_ day of \_\_\_\_\_ 2023 pursuant to RSA 72:23-n between the City, a municipal corporation established under the laws of the State of New Hampshire, having a place of business at 41 Green Street, Concord, NH 03301, and Fellowship all of which are organized under the laws of the State of New Hampshire as non-profit organizations and having a place of business at 36 Pleasant Street, Concord, NH 03301.

Whereas, Fellowship are New Hampshire non-profit corporations and are established to provide affordable housing for very low-income adults with mental illness, persons with disabilities, and behavioral health services; and

Whereas, Fellowship owns real estate located within the City of Concord at the following locations; 10 Jackson Street, 22 Fayette Street, 70 Washington Street, 12 Allison Street, 106 S. State Street, 11 Chesley Street, and 36 Pleasant Street (the “Properties” or individually referred to as a “Property”); and

Whereas, Fellowship has requested that the City recognize them as a charitable organization pursuant to RSA 72:23-l; and

Whereas, subject to the terms of this Agreement, Fellowship is willing to make a voluntary payment in lieu of taxes and the City is willing to accept a payment in lieu of taxes for the Properties, as set forth in this PILOT Agreement; and

Whereas, the City Council for the City of Concord voted to approve this PILOT Agreement for a Payment In Lieu of Taxes under RSA 72:23-n on \_\_\_\_\_, 2023; and

Whereas, the assessment year in New Hampshire is April 1 through March 31 and the tax rate for the City is not set until late fall following the April 1; and

Whereas, both the City and Fellowship wish to have a reasonable level of assurance of an expected income and payment, respectively, for the Properties for budgetary purposes; and

Whereas, on or before April 15 each year, Fellowship shall report to the City Assessing Department any physical changes or improvements to the Properties which have occurred within the previous tax year.

NOW THEREFORE, the Parties agree as follows:

1. Annually, upon receipt of information regarding the physical changes and improvements to the Properties, the Assessing Department will inspect, review, and amend/correct the assessments for such applicable Properties.
2. This PILOT Agreement shall not impede the Assessing Department from assessing the Properties in accordance with any revaluations, statistical updates, or other methods of assessing properties.
3. It is agreed that each of the Properties will be treated as exempt from real property taxation during the term of this PILOT Agreement provided that each of the Properties continues to be used and occupied in accordance with those purposes which qualify Fellowship as a charitable organization and the charitable tax exemption, and provided further that each of its Properties are not acquired by or converted to a for-profit business or other non-exempt purpose.
4. Fellowship agrees to make the following filings with the City's Assessing Department:
  - A. On or before April 15 each year, an annual application for the charitable exemption as required under RSA 72:23-c, I.
  - B. On or before April 15 each year, an annual statement of physical changes/improvements to any of the Properties, as noted earlier in this PILOT Agreement.
  - C. Before June 1 each year, the statement of financial condition and such other information required under RSA 72:23, VI to enable the City to evaluate Fellowship's claim that the Properties continue to be entitled to the charitable exemption from property tax.
5. Annually, in connection with each of the Properties, Fellowship shall pay, in lieu of taxes, a sum equal to the previous years' annual assessed value of each of the Properties, as amended by any changes/corrections for new construction and improvements to each of the Properties, multiplied by fifty percent (50%) of the City portion of the previous years' tax rate. For example, if the cumulative assessed values of all Fellowship Properties for 2022 was \$3,646,400 and improvements/additions equating to \$10,000 in assessment were added on or before April 1, 2023, the payment in lieu of taxes for 2023, given a municipal portion of the tax rate of \$9.11 per \$1,000.00, would be \$16,673.18 ( $\$3,656,400 \times (.00911/2)$ ).
6. Each year, the Assessing Department, on or about December 1 will issue a bill for the payments in lieu of taxes and Fellowship shall remit the payments by the due date shown on

the bills, which due date shall not be less than 30 days after the date of the bill. If any portion of the payments is not remitted by the due date, the City shall have the right to charge statutory interest and fees and to use any remedies to collect the payment provided by law under RSA Chapter 80.

7. Nothing in this PILOT Agreement shall prevent Fellowship from challenging the assessment of the Properties or the improvements made to each of the Properties, in accordance with applicable law.

8. As to each of the Properties, this PILOT Agreement shall be effective for a term of one (1) tax year beginning with the April 1, 2023 tax year and terminating on March 31, 2024.

9. This PILOT Agreement constitutes a binding agreement between the City and Fellowship. This PILOT Agreement is not transferable.

10. This PILOT Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

11. Any amendment to this PILOT Agreement shall be effective only if executed in writing and agreed to by both the City and Fellowship.

12. Neither party shall be obligated to renew or extend this PILOT Agreement upon its termination.

13. This PILOT Agreement shall be governed by and construed under, and pursuant to the laws of, the State of New Hampshire, exclusive of the laws relating to conflict of laws. Any dispute under this PILOT Agreement shall be resolved within the venue of the Merrimack County Superior Court in the State of New Hampshire, or its equivalent jurisdictional successor.

*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE TO FOLLOW*

IN WITNESS WHEREOF, the City and Fellowship have hereunder set their hands effective the date first above written.

City of Concord

By: \_\_\_\_\_  
Thomas J. Aspell, Jr., City Manager  
Duly Authorized

Fellowship Housing Opportunities, Inc. and Affiliates, Fellowship House, Inc., Fellowship Apartments, Inc., Fayette Street Project, Inc. and Washington Court, Inc.

By: \_\_\_\_\_  
Herbert S. Carpenter, Executive Director  
Duly Authorized