



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

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

DATE: March 24, 2015

SUBJECT: Sale of City Property: Village Street

Recommendation:

- Accept the following report; and,
- Set the attached resolution authorizing the City Manager to enter into a Purchase and Sales Agreement with the Penacook Community Center concerning City owned property located on Village Street for public hearing on May 11, 2015.

Background:

The City is the owner of property located on Village Street, immediately west of #95 and #97 Village Street. The property is approximately 2.2 acres in size and was acquired by the City in 1935. The property is currently zoned Residential Medium Density (RM), which permits a variety of residential and institutional uses, such as a community center.

Discussion:

1. *Overview:* On December 29, 2014, the Penacook Community Center (PCC) provided a letter requesting that the City consider selling the subject property to PCC for a new community center.

As the City Council knows, the PCC has been actively working to develop a new community center for several years. The PCC had made efforts to acquire various sites in Penacook, without success. The PCC's mission to serve Penacook and surround communities, coupled with limited availability of suitable sites within Penacook, were the motivating factors that caused the PCC to make this inquiry to the City.

The PCC specializes in providing day care and senior programming for residents of Penacook and surrounding communities. Many of the PCC's clientele are economically disadvantaged. During the period of September 2013 through August 2014, the PCC served 11,249 people; of which 66% were city residents.

In addition to pursuing the City's property, the PCC has secured purchase and sales agreements on properties located at #95 Village Street (a single family home) and #97 Village Street (a vacant lot formally occupied by a florist shop). Combined, all three

properties total approximately 3.8 acres. PCC has entered into purchase and sales agreements for #95 and #97 Village Street.

The PCC desires to construct a 30,000 – 40,000SF community center, together with parking lots and outdoor playground space. The PCC needs to acquire the City's property, as well as the other two privately owned lots, to provide sufficient acreage to support their project.

2. **Public Need & Cemetery Considerations:** Upon receiving this request, the City Administration conducted a review to determine whether there was a public need to retain ownership of the property. Given the property's proximity to the Penacook Calvary / Woodlawn Cemeteries, much of this analysis focused on long-term need for burial space within Penacook and the rest of the city.

Currently, the City has 13 municipal cemeteries, of which four (4) are full. The City typically buries 100 people per year. Based on the current rate of burials, the City has a 113-year supply of plots and columbarium spaces city wide.

With respect to the Woodlawn and Calvary cemeteries, these facilities currently have 320 graves and 89 cremation plots available. This translates into a 140-year supply based upon current demand for these facilities. In addition, the Woodlawn / Calvary facilities have space for an additional 500 graves and 100 cremation lots, which are currently undeveloped.

Based upon this information, the city has adequate supply to serve the burial needs of Penacook Village for the foreseeable future. However, in the very long-term, the City may need to develop a new cemetery to serve Penacook.

3. **Overview of Purchase and Sales Agreement:** The following is a summary of key details of the proposed purchase and sales agreement:
 - a. Sales Price: \$65,200.
 - b. Closing Date: December 1, 2016.
 - c. Deposit: None.
 - d. Closing is subject to the following standard conditions:
 - i. Completion of standard title and environmental due diligence with results acceptable to the Buyer.
 - ii. The PCC securing ownership of the adjacent properties located at #95 and #97 Village Street.
 - iii. PCC securing permits and development approvals required for their project.
 - iv. PCC securing all financing required for their project.

- e. Special considerations: In addition, PCC has agree to the following:
 - i. PCC providing a covenant to the City on their four existing properties located at Dolphin, High, and Community Drive whereby in the event any of said properties are sold to a tax exempt entity in the future, said entity shall be required to pay all property taxes that would normally be required if the property was owned by a taxable entity.
 - ii. PCC accepting a deed restriction on the City's Village Street property whereby should the PCC sell said property in the future to a tax exempt entity, said entity shall be required to pay all property taxes that would normally be required if the property was owned by a taxable entity.

A copy of the complete Purchase and Sales Agreement is attached.

- 4. Other Considerations: The two privately owned properties located at #95 and #97 Village Street are currently zoned General Commercial ("CG"), which precludes the development of a community center. PCC has two options on how to address this. First, they could seek a use variance from the Zoning Board. Secondly, the PCC could petition to have the City rezone these properties to Residential Medium Density ("RM"), which is the same zoning district which currently governs the City's property.

PCC has not yet decided which option they may pursue. Although the purchase and sales agreement is subject to the PCC securing all development permits and approvals for the project, it is not expressly subject to the City rezoning the property.

Preliminarily, rezoning the property appears to have merit. However, any potential request to do so shall come forward to the City Council separately from consideration of this purchase and sales agreement.

- 5. Summary & Recommendation: The City Administration supports this sale for the following reasons:
 - a. The City has an adequate supply of cemetery space (developed and undeveloped).
 - b. The sale price reflects current the fair market value of the property.
 - c. Development of a new community center will help to further revitalize Penacook Village by improving quality of life for area residents and making the Village more attractive for private investment.