



# CITY OF CONCORD

## REPORT TO MAYOR AND THE CITY COUNCIL

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

**DATE:** July 25, 2018

**SUBJECT:** RSA 79-E Community Revitalization Tax Relief Incentive Application Revisions

### **RECOMMENDATION**

Accept this report.

### **BACKGROUND**

On January 14, 2008, the City Council approved Resolution #8130, which adopted the provisions of RSA 79-E Community Revitalization Tax Relief Incentive. RSA 79-E is a local option statute designed to support revitalization of downtown and village centers by providing property tax incentives for qualifying real estate development projects. In short, the program allows for a property owner to forgo property taxes associated with improvements to their real estate for a period of 1-15 years, depending upon the unique attributes of said real estate project.

Since 2008, the City has approved eleven RSA 79-E applications, as follows:

<b>Year</b>	<b>Project</b>	<b>Location</b>	<b>Total Years of Tax Relief Granted</b>
2008	Washington St. Condominiums	43-47 Washington St, Penacook	7
2009	Penacook Village Laundry Mat	Village St, Penacook	1
2009	Sanel Block Redevelopment	45 South Main St	5
2012	Endicott Hotel (Commercial)	1-5 South Main St	3
2012	Endicott Hotel (Residential)	1-5 South Main St	5
2014	Remi Block	148-156 North Main St	5
2017	Elm Grove Properties	5-7 South State St	6
2017	Elm Grove Properties	15 Pleasant St	6
2018	Granite Center LLC	1 Eagle Square	5
2018	Granite Center LLC	4-6 Dixon	7
2018	Granite Center LLC	8-14 Dixon	5

The City has amended its RSA 79-E program three times since its initial inception in 2008, as follows:

- March 10, 2008 (Resolution #8151): The City Council established the Penacook Village RSA 79-E District.
- October 13, 2009 (Resolution #8310): The City Council expanded program eligibility to include replacement of certain structures, which do not have significant historic, architectural, or cultural value. Also, the geography of the Downtown RSA 79-E District was modified to remove certain properties near Langdon Avenue.
- April 11, 2016 (Resolution #8911): City Council expanded program eligibility to historic properties located outside of the City's two RSA 79-E Districts subject to certain threshold criteria. Simultaneously with the approval of Resolution #8911, the City Council also endorsed City Administration's recommendation that the RSA 79-E application process be updated to require applicants to provide detailed project budgets, pro formas, and other financial information for their applications.

## **DISCUSSION**

The City's RSA 79-E Program has been very successful, as it has helped leverage the development of several significant redevelopment projects that have generated tangible economic development benefits for the community.

Given the success of the City's Main Street Project and other investments in public infrastructure in Downtown and Penacook Village, coupled with a strong economy and renewed interest in Downtown residential development, interest in the City's RSA 79-E Program is growing. As such, City Administration concluded it is appropriate to update the City's RSA 79-E application in order to make the application process more transparent to interested parties, as well as ensure that applicants provide the City with all information necessary for the City to fully review and make informed decisions on each application.

Concurrently with these updates, City Administration is proposing to increase the application fee from \$100 to \$250. The fee is a non-ordinance based fee within the prevue of the City Manager. The application fee has not been updated since the program's inception in 2008. City Administration is updating the fee because: 1) it has not been adjusted for a decade, 2) reviewing and processing applications is very labor intensive, and 3) the financial benefits applicants receive from the program are significant and vastly exceed the application fee.