



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

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

DATE: January 13, 2020

SUBJECT: CIP #578 Former New Hampshire Employment Security Redevelopment Project

Recommendation:

Accept this report and approve the attached consent resolution de-authorizing and rescinding the sum of \$440,000 in Sears Block Tax Increment Finance District supported bonds and notes for the acquisition, weatherization, and redevelopment of the former New Hampshire Employment Security Property located at 32 South Main Street and 33 South State Street.

Background:

The City acquired the former New Hampshire Employment Security property on October 31, 2014 for the sum of \$1.575 million. To support this effort, the City Council adopted Resolutions #8777 and #8778, which appropriated \$1.99 million in Sears Block Tax Increment Finance District supported bonds and notes. In accordance with RSA 162-K:8, and other State Law, these appropriations were issued as short-term, interest only Bond Anticipation Notes (BANs). Rather than issuing full principal and interest debt service, BANs were used due to 1) the City's plans to sell the property to a private developer and 2) cash flow considerations for the Sears Block Tax Increment Finance District.

In accordance with RSA 162-K:8, tax increment finance supported BANs may only be issued for a period up to 5 years.

On November 13, 2017 the City adopted resolution #9053, which authorized the issuance of Sears Block Tax Increment Finance District supported bonds and notes in the amount of \$300,000 to demolish the former New Hampshire Employment Security building in accordance with the terms and conditions of January 2, 2018 Purchase and Sales / Development Agreement between the City and Dol-Soul Properties L.L.C. No portion of this authorization has been issued by the City.

Discussion:

- 1) Appropriations for Acquisition and Weatherization: A total of \$1.85 million of the original \$1.99 million appropriation has been expended upon acquisition and weatherization of the property. In January, City Administration issued full principal and interest debt service in the amount of \$1.85 million, as the 5 year time limit for BANs afforded by RSA 162-K:8 expired. As such, City Administration desires to de-authorize

and rescind the residual \$140,000 in unexpended funds associated with Resolutions #8777 and 8778.

- 2) Demolition: On August 16, 2019, Dol-Soul Properties L.L.C. terminated its Purchase and Sales / Redevelopment Agreement for the property. As such, the City no longer is obligated to demolish the former Employment Security Building. Therefore, City Administration desires to de-authorize and rescind the \$300,000 in bonds and notes previously appropriated by Resolution #9053. None of these funds have been expended, nor have any bonds and notes been issued for this appropriation.