



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

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

DATE: October 5, 2020

SUBJECT: 10 Pleasant Street Extension –RSA 79-E Community Revitalization Tax Relief Incentives

RECOMMENDATION

Set the attached resolution amending Resolution #9266 concerning changes to certain factual details regarding renovation of 10 Pleasant Street Extension, and previously granted RSA 79-E Community Revitalization Tax Relief Incentive benefits related thereto, for public hearing on November 9, 2020.

BACKGROUND

On January 13, 2020, the City Council held a public hearing and approved Resolution #9266, which granted RSA 79-E Community Revitalization Tax Relief Incentive benefits for a period of up to nine (9) years to property located at 10 Pleasant Street Extension.

At the time of application and approval of Resolution #9266, the property was owned by local real estate developer Steve Duprey d/b/a Duprey Acquisitions IV L.L.C.

WB4 L.L.C., a limited liability company owned by Bill Wilcox, had entered into a Purchase and Sales Agreement with Duprey Acquisitions, whereby it was to acquire the property upon renovation by Duprey into professional office space.

In turn, upon acquisition, WB4 L.L.C. was to lease the property to Wilcox and Barton, a civil / environmental engineering firm relocating to Concord from Londonderry. Bill Wilcox is the President of Wilcox and Barton.

DISCUSSION

In March 2020 the Covid-19 “Coronavirus” Pandemic struck. The Pandemic has had significant negative economic impacts at the local, state, national, and inter-national levels.

These negative impacts have delayed the project and require certain modifications to the Purchase and Sales Agreement between the parties.

Proposed changes to the Purchase and Sales Agreement, and associated project schedule, have implications for RSA 79-E Community Revitalization Tax Relief Incentive benefits previously granted by Resolution #9266.

Revisions specifically impacting the City's previous RSA 79-E approval are as follows:

- 1) Duprey Acquisitions IV L.L.C. shall no longer be responsible for renovating the property. Rather, WB4 L.L.C. shall acquire the property in its "where is / as is" condition, then renovate the property itself. WB4 L.L.C. shall then lease the property to Wilcox and Barton, as previously planned. It is anticipated that the real estate closing between Duprey Acquisitions IV and WB4 shall occur in November 2020.

This change conflicts with the factual recitals set forth in Resolution #9266.

In addition, this revision has implications concerning which party shall be responsible for providing the Protective Covenant to the City in accordance with RSA 79-E:8.

- 2) The Covid-19 Pandemic has delayed the project. Therefore, it is anticipated that the project will not be completed until August 2021.

This new schedule is problematic as Resolution #9266 established that the RSA 79-E tax relief incentive benefit period was to commence on April 1, 2021. This date was based on the original schedule set forth in WB4 L.L.C.'s October 2019 application.

Because the project will not be completed until August 2021, the tax relief period will now commence on April 1, 2022.

Due to these circumstances, staff recommends the City Council approve the attached resolution amending Resolution #9266 after a duly notice public hearing.

Staff estimates that total property tax savings accruing from RSA 79-E benefits for this property will be approximately \$130,000. Please see the attached analysis for more detail.