



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

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

DATE: March 31, 2016

SUBJECT: Tax Deeded Properties: 101 Washington Street (Penacook) & 8 Coral Street

Recommendations:

Accept the following report.

Background:

In accordance with State Law and the City's Code of Ordinances, the City has the right to acquire ownership of private property for unpaid property taxes. The purpose of this report is to inform the Council regarding various tax deeded properties and the City Administration's plans related thereto.

In accordance with City Code of Ordinances 2-1-5, this report shall be referred to the Planning Board and Conservation Commission for input prior to divestment of applicable properties, as proposed within this report.

Discussion:

- *101 Washington Street (Penacook):* The City acquired 101 Washington Street on August 18, 2014 for unpaid taxes dating back to 2010. The property consists of a modest single family residence in poor condition located on a 0.2+/- acre lot in the RM zoning district. The property has an assessed value of \$71,300. The property has been neglected for several years and was vacant at the time the City took ownership. City Administration believes the highest and best use for the property would be to sell the property to a residential developer who would demolish the existing structure and construct a new single family dwelling or duplex.

Given the neglected condition of the property, the City's real estate broker has estimated the fair market value in the range of \$50,000 (assuming demolition of the existing building by the buyer). As of March 16th, the City was owed \$32,031.13 for back taxes, interest, penalties, and maintenance expenses.

State Law RSA 80:89 requires the City to provide a 90 day notice to former property owners and lien holders before it can sell a tax deeded property. The City provided the required notice on March 23, 2016. The City will have the ability to sell the property

effective June 23, 2016. The City has secured a title insurance policy for the property and it is ready for market.

Unless otherwise directed by the City Council, City Administration intends to list the property with our real estate broker in June. Any revenues from the sale would first be used to reimburse the City for back taxes, penalties, interest, and maintenance costs. Any residual moneys would then be forwarded to Superior Court in accordance with RSA 80:88. The Court will then implement a process to distribute any surplus moneys to the previous owner and other lien holders, as applicable.

- 8 Coral Street: The City acquired 8 Coral Street for unpaid property taxes in the amount of \$15,129.35 on June 29, 2015. The property is half of a duplex unit in a historic building constructed in 1880. The property has an assessed value of \$85,000. The property was vacant and undergoing renovation at the time the City took ownership.

Like 101 Washington Street, the City Administration plans to secure a title insurance policy for the property in order to prepare it for sale. The City shall then provide the former owner and lien holder “notice of intent to sell” as required by State Law. Should these parties decide to not reclaim the property; the City Administration intends to provide the abutting unit owner the opportunity to acquire the property. Should that effort not result in a sale, City Administration will then list the property for sale on the open market with our local real estate broker.