



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

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

DATE: August 31, 2017

SUBJECT: Former Allied Leather Tannery Purchase Option Agreement with Caleb
Development Corporation

Recommendation:

Accept this report and approve the attached consent resolution authorizing the City Manager to negotiate and enter into a Purchase Option Amendment regarding the subdivision of the premises for the Caleb Development Corporation's project and a future lot line adjustment for the City's riverfront park parcel.

Background:

On May 8, 2017 the City Council approved Resolution #8994 which authorized the City Manager to enter into a Purchase Option Agreement with the Caleb Development Corporation concerning sale and redevelopment of that portion of the former Allied Leather Tannery site located at 35 Canal Street.

During the ensuing months, Caleb has been moving forward with design and permitting for their project. Towards that end, a public hearing with the Zoning Board of Adjustment has been set for September 6th concerning a variance application for the project. Also, subdivision and site plan applications have been filed with the Planning Division. It is anticipated that those applications will be accepted by the Planning Board on September 20th and set for public hearing on October 18th.

Caleb is aggressively working to secure zoning and planning approvals quickly in order to bolster their application for critically important federal tax credits which will help finance their project. The application deadline for the next round of tax credits is in November.

Discussion:

Caleb's proposed subdivision and site plans, as well as renderings of their proposed building elevations, are attached.

During the design process, a complication regarding the proposed boundary line between the Caleb parcel and City's residual riverfront park parcel became apparent. Specifically, the new lot line would bisect the former warehouse building on the north side of the property. As the City Council may recall, Caleb is responsible for demolishing the warehouse at their expense. However, the demolition will not occur until 1) Caleb takes ownership of the property and 2) they begin construction of their project.

The subdivision plan establishing Caleb's parcel must be first recorded in order for the developer to close on acquisition of the property. However, establishing a lot line that bisects the warehouse building would violate various provisions of the Zoning Ordinance, thereby – in the short term - precluding the subdivision as currently envisioned.

Because of this circumstance, Caleb and the City Administration plan to file a subdivision plan which will temporarily place the warehouse building on Caleb's new lot. However, following the closing and demolition of the building, Caleb will file an application for a lot line adjustment with the Planning Board to re-establish the property line as originally intended so as the entire shoreline of the Contoocook River will be on the City's property per the attached subdivision plan.

City Administration and Caleb plan to craft a simple amendment to the Purchase and Sales Agreement to memorialize this arrangement. No other terms and conditions of the Purchase Option Agreement would be modified by the amendment. Therefore, City Administration requests that the City Council grant the City Manager the authority to negotiate and execute the necessary amendments to the Purchase and Sales Agreement and all other related documents in order to codify this arrangement.