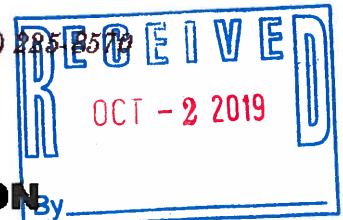




CITY OF CONCORD

Administration

41 Green Street • Concord, NH 03301 • (603) 225-8570
www.concordnh.gov



RSA 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE APPLICATION

Revised August 2018

PART 1: INSTRUCTIONS

PLEASE PRINT CLEARLY. Please complete this application, sign, and return to the City Manager's Office, together with application fee and all related documents as required herein. Please submit a separate application, including application fee, for each property. Should you have questions about this application, please call 603-225-8570 for more information.

PART 2: APPLICANT'S INFORMATION

- Date: September 30, 2019
- Applicant's Name: Fred L. Potter
First Last
- Applicant's Company (if Applicable): 135NSS, LLC
- Applicant's Mailing Address: c/o KidsVax® - 125 North State Street, PO Box 1885, Concord
Suite / Apt. #: _____ State: NH Zip Code: 03302-1885
- Applicant's Phone #: 855.556.4101 Cell Phone #: 603.491.2389
- Applicant's Email Address: Fred.L.Potter@gmail.com

PART 3: PROPERTY INFORMATION

- Address: 135 North State Street
- Building Name (if applicable): Governor Rollins Mansion
- Property Owner's Name: (as of 10/5/19) - 135NSS, LLC
First Last
- Owner's Company (if Applicable): Same
- Owner's Mailing Address: c/o KidsVax® - 125 North State Street, PO Box 1885, Concord
Suite / Apt. #: _____ State: NH Zip Code: 03302-1885
- Owner's Phone #: 855.556.4101 Cell Phone #: 603.491.2389
- Owner's Email Address: Fred.L.Potter@gmail.com

(Deed info will be supplied following closing the first week of October; Tax info is subject to subdivision)

8. Deed (Merrimack County Registry of Deeds): Book: _____ Page: _____
9. City Assessing Parcel Number: Map: _____ Block: _____ Lot: _____
10. Current Assessed Value: Land: _____ Building: _____
11. Year Built: _____ 1890 _____
12. Gross Building Square Footage: _____ 9,046 _____
13. Is the Property eligible for, or has it been listed on, the State or National Register of Historic Places, either individually or as part of an existing or potential State or National Register District? A listing of historic resources is included in **Exhibit 6**.
- Yes. If so, please attach the Historic Inventory Form for the property to this application.
- No The property was individually listed on the National Register of Historic Places in 1963. The listing is available for download at https://npgallery.nps.gov/NRHP/GetAsset/NRHP/84003225_text
- Uncertain
14. Is the Property located within the City's locally designated Historic District? (A map of the City's locally designated Historic District is included in **Exhibit 6**)
- Yes
- No - but adjacent to it (across the intersection)
15. Is the Property located in a City designated RSA 79-E District? (Please see maps in **Exhibit 1**)
- Yes. If so, please select one: Downtown 79-E District: _____ Penacook 79-E District: _____
- No. Buildings not located within the Downtown or Penacook RSA 79-E Districts may also be eligible for RSA 79-E provided that the building is listed on, or has been determined eligible for, the State or National Register of Historic Places and cost of rehabilitation (excluding real estate acquisition, if any) equals at least 25% of existing assessed value (excluding land), or \$250,000, whichever is less.
16. Is the property located in a Tax Increment Finance District? (Please see maps in **Exhibit 2**)
- Yes. Please identify and select one of the following:
- Sears Block TIF North End Opportunity Corridor TIF District Penacook Village TIF
- No
17. Are residential units currently located at the property?
- Yes. How many: _____ ? – was previously used as live/work space by St. Peter's Church, not sure of #
- No
18. Has the property been destroyed by fire or act of nature?
- Yes. Please describe and provide date: _____
- No

PART 4: PROJECT DESCRIPTION

1. Please briefly describe your project. Attach additional pages if needed: _____

The project will rehabilitate the historic Governor Rollins House and Stable. The house will have office space on the 1st and 2nd floors and three housing units on the 3rd, mirroring its most recent uses. (The house served as the rectory for St. Peter's Church from ca. late 1950s until a few years ago.) The primary elevations—east facade, south and north—will remain virtually unaltered; necessary alterations to achieve full accessibility to the house—porch addition and a second addition to enclose a Lula—will be on the rear (west elevation) of the house. Exterior rehabilitation work includes re-roofing, repair of deteriorated trim, selective wall shingle replacement, sill work and painting. The interior will also retain its character-defining features, and all historic architectural features will remain. Changes to the floor plan will be limited to secondary spaces (kitchen, bathrooms, rear halls and west sun room). The primary 1st floor room (the former library) will become meeting space available to the community, as will the highly distinctive 3rd floor "ship room," believed to be unique in the state. New systems and electrical work will not adversely impact the floor plan or architectural elements. The stable will be converted to meeting spaces and other ancillary uses; plans are still in the development phase. The exterior will retain its existing form and primary fenestration. The interior will continue to recall the building's origins as a stable. All work will comply with the Secretary of the Interior Standards for Rehabilitation.

2. Please complete the table below regarding existing and proposed land uses by square footage for the property / project.

Use	Existing Square Footage	Proposed Square Footage
Residential		
Retail		
Restaurant		
Office		
Industrial		
Other Live/Work	9,046	9,482
TOTAL		

(Note: as required by the Purchase and Sales Agreement, we will start exterior repairs and

3. Project schedule: replacement of the asbestos roof immediately following closing.)
 a. What is the scheduled start date? January 1, 2020 for the material portion of the renovation work

b. What is the scheduled completion date? July 1, 2020

4. Have you applied for / secured any development permits for this project:

Yes. Please describe: _____

No But the prior owners: Diocese of Manchester, Jon Chorlian, and Rollins Court, LLC did.

5. Does your project involve demolition and replacement of an existing building?

Yes. If your building is 50 years of age or older, please attach a completed New Hampshire Division of Historic Resources Individual Resource Inventory Form, prepared by a qualified architectural historian for the subject property. In accordance with RSA 79-E:4, I-a, your application will also be reviewed by the City's Heritage Commission. City Council may not hold a public hearing on your application until: 1) said Historic Inventory Form is provided; and, 2) the Heritage Commission's review is complete. Projects which involve the demolition of structures that possess significant historical, cultural, or architectural value are not eligible for RSA 79-E incentives.

No

6. For projects involving rehabilitation of historic buildings, do you plan to complete the renovation in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation?

Yes. Please attach a narrative describing how your project shall comply with these standards. Please confirm that you have engaged a qualified architectural historian or preservation consultant for this project. Also, please be advised that improvements must be reviewed and approved by the NH Division of Historical Resources, at the applicant's expense, prior to start of the project, as well as at the time of project completion. Please confirm that rehabilitation shall include energy efficiency improvements valued at 10% of the pre-rehabilitation assessed value of the property or \$5,000, whichever is less, per RSA 79-E:2,IV.

See Supplemental Answers attached.

No

7. Will your project feature energy efficiency improvements?

Yes. Please provide description and estimated cost: _____

No

8. Will your project involve the creation of new housing units?

Yes. Please answer the following questions:
a. How many new units will be created? Four bedrooms of Live/Work space are planned as well as common areas
b. What types of units are proposed (condo, apartment, other)? Live/Work

No

9. Will your project involve the creation of new affordable housing units?

Yes. Please answer the following questions:
a. Please describe affordable housing restrictions to be placed on the property: _____
b. Does this property currently receive, or do you intend to seek, an RSA 75:1-a assessment for this property? Yes: _____ No: _____

No

10. Please identify which of the following public benefits you believe your project achieves in accordance with RSA 79-E:7: See Supplemental Answers attached.

- Project enhances the economic vitality of the downtown Concord or Penacook Village;
- Project enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;
- Project promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
- Project promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B (NH Smart Growth Policy); or,
- Project increases residential housing in urban or town centers.

PART 5: PROJECT BUDGET & FINANCING

1. How many years of tax relief are you seeking? 9

2. Have you secured a financing commitment for this project?

Yes. If yes, please provide the following information:

a. Name of Lender: Franklin Savings Bank

b. Amount of Loan: 80% of As Proposed Approval Value t/b/d by appraisal after the interior demolition phase is completed.

c. Interest Rate: t/b/a

d. Term (Years): t/b/a

e. Is the commitment contingent upon RSA 79-E?: No, but, economically, the Carriage House cannot be saved without the tax relief.

No

Not applicable

3. Does the project's financing plan rely on the use of any State or Federal grants or tax credits?

Yes. If so, please:

a. Identify which program(s) you intend to use, the total amount of credits, and the cash value of credits when monetized: _____

b. Please attach a narrative to this application describing these programs and include such information as the anticipated schedule for funding cycles, copies of applications for said funds (if you have already filed), and any other pertinent information about said programs relative to your project.

No But see Supplemental Answers attached.

4. **Statement of Sources & Uses (Project Budget):** Please complete the attached form titled "Project Sources & Uses" included in **Exhibit 3** of this application. You may customize the sources and uses for your specific project as appropriate; however, all items in **Exhibit 3** must be explicitly provided. Please attach any supporting information currently available for your project, such as estimates / bids from contractors, construction contracts, building plans, site plans, sketches, renderings or photographs that would help explain your project.

5. **Pro Forma:** Please complete the attached forms in **Exhibit 4** of this application. Electronic copies of the pro forma template are available upon request. The forms in **Exhibit 4** contemplate a residential or mixed use rental project which will be held by a developer for the duration of the RSA 79-E period. You may customize the pro forma for your specific project as appropriate; however, the pro forma must explicitly contain all items in **Exhibit 4**. Please contact the City to discuss modifications to the pro forma in the event your project features the sale of real estate during the RSA 79-E tax relief period. When preparing your pro forma, please model a scenario which accounts for your projected increased assessed value after the completion of your proposed project **without RSA 79-E**. Please provide both paper and electronic copies of your pro forma. Electronic copies shall be in MS Excel and unprotected so the City may manipulate data in spreadsheets.

PART 6: APPLICATION CHECK LIST

Please check the boxes below confirming the following documents have been attached to this application:

- Completed and signed application.
- Application Fee (\$250.00). Check made payable to the City of Concord.
- Property Deed Coming after 10/1/2019
- City Assessing Card Partially relevant (this is the smaller lot of a new subdivision)
- Project Sources and Uses Form ("Project Budget") (**Exhibit 3**)
- Project Pro Forma (**Exhibit 4**) (**Paper and electronic copy in MS Excel are required**)
- Development plans (if available)
- Estimates / Bids for Construction, (if available) Preliminary estimates are included in numbers.
- Historic Inventory Form (if eligible for State / National Register, or located in a State / National Register District) (if applicable) Updated information should become available after 10/15/2019

PART 8: AFFIDAVIT AND SIGNATURE


1. I have read and understand RSA 79-E, which is attached to this application in **Exhibit 5**.
2. I certify under penalty of perjury that the information provided herein, and attached to this application, is accurate.
3. I hereby acknowledge that the application process is a public process which will include public hearings held by City Council to discuss and secure public input regarding the merits of this application, including financial need and potential public benefits associated with this project.
4. I hereby acknowledge that in accordance with RSA 79-E:4,II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information as required herein. I further acknowledge that the City has up to 45 days to act on this application after completion of the aforementioned public hearing (RSA 79-E:4,III).
5. I hereby understand that, in accordance with RSA 79-E:13,II, tax relief granted under the RSA 79-E Program shall only apply to improvements to the property which commence after City Council approves this application and after the applicant grants a Covenant to the City on the subject property to protect the public benefit as set forth in RSA 79-E:8. Therefore, I hereby covenant that I shall not make any improvements to the property, including demolition of any portion of the subject structure(s), until the City has acted upon this application and I have granted the protective covenant for the property. I further acknowledge that commencement of improvements prior to City Council's action on this application and granting of the protective covenant may result in the denial of this application.
6. In the event that RSA 79-E Community Revitalization Tax Relief Incentives are granted, I shall be solely responsible for the preparation of the covenant to protect the public benefit set forth in RSA 79-E:8 at my sole expense and that said covenant shall be acceptable to the City in its sole discretion.

7. I also hereby acknowledge that the City has no obligation to approve this application, and may withhold approval for any reason. In the event this application is denied, I understand that City Council's decision may be appealed either to the Board of Tax and Land Appeals or the Merrimack County Superior Court, as set forth in RSA 79-E:4, VII; however, that such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination.
8. I hereby grant permission to City staff and their designees to enter onto this property for the purpose of inspecting the property in conjunction with the City's review process for this application. Said permission shall extend from the date the application is submitted until such time that construction at the property is completed, or the application is denied by the City or withdrawn by the applicant or the owner.
9. I hereby covenant that if the financing plan for this project utilizes third party financing, and said financing is contingent upon approval of this RSA 79-E application, that I shall not close on said financing until City Council takes action upon this application, or the application is withdrawn by the applicant or the owner.

Applicant's Name Printed: Fred L. Potter

Applicant's Signature:  Date: 9/30/2019

Property Owner's Name Printed: 135NSS, LLC

Property Owner's Signature: By:  Date: 09/30/2019
 Fred L. Potter, Managing Member

Listing of Application Exhibits

- Exhibit 1: Maps of RSA 79-E Districts
- Exhibit 2: Maps of Tax Increment Finance Districts
- Exhibit 3: Project Sources and Uses ("Project Budget")
- Exhibit 4: Pro Forma
- Exhibit 5: RSA 79-E Statute
- Exhibit 6: Resource Listing for State / National Register of Historic Places and Map of City's Locally Designated Historic District

Supplemental Answers for City of Concord RSA 79-E Community Revitalization Tax Relief Incentive Application of October 2, 2019 from 135NSS, LLC with respect to the Governor Rollins Mansion at 135 North State Street

Part 4; Question 6:

The project has been designed to comply with the Secretary of the Interior Standards for Rehabilitation. Preservation consultant Elizabeth Durfee Hengen, who has successfully completed dozens of preservation tax incentive projects, is on the design team and will be responsible for shepherding the project through the state and federal review process. NHDHR staff are already engaged in project review and will remain so throughout the duration of the project.

The project will meet the Standards in that the historic character of the house, stable and site will be retained and preserved; significant historic features will remain and be repaired, rather than replaced; the floor plan will remain largely unchanged; missing features, such as historic window sash, will typically not be replicated; and new additions and architectural features will be products of their time and designed to complement and be compatible with the scale and massing of the historic buildings.

The rehabilitation shall include energy efficiency improvements; their value shall far exceed \$5,000.

Part 4; Question 10:

The Governor Rollins House is significant on a statewide level for its associations with Frank West Rollins (1860-1915). A state senator and one-term governor (1899-1900), Rollins is noted as the founder of Old Home Week (shortened in many municipalities to Old Home Day); a founder and first president of the Society for the Protection of New Hampshire Forests; the creator of Arbor Day; a primary collaborator in crafting the bill that led to the Weeks Act and the subsequent establishment of the White Mountain National Forest and the eastern forest reserve system; for establishing the first state nursery; and for creating a forest fire protection program for the state. Locally, Rollins is remembered for leading the effort to create Rollins Park in the South End of Concord. Rollins Park on Mt. Kearsarge was named for him.

Architecturally, the Rollins is one of the finest examples of the Shingle Style in the region. Its interior retains virtually all of its architectural features, including a highly distinctive—perhaps unique—room designed by naval architects to simulate a ship's cabin. The property also retains its original urban stable, which is an increasingly rare building type and one of the larger such structures to survive in the Capital region.

The project will reuse two historic buildings, both listed on the National Register of Historic Places, and put them back into service. The planned rehabilitation will retain and reuse almost all of the existing materials, thereby conserving embodied energy. It will also introduce new systems that will introduce a level of energy efficiency in both buildings that is commensurate with new construction.

Part 5; Question 3:

The project will utilize the Historic Preservation Tax Incentives for work on both the house and stable. Part I of the application is underway and will be filed with NHDHR by October 11, 2019. Part II will be filed by October 31, 2019. The applicant and preservation consultant have met on site with Brandee Loughlin, coordinator of the program at NHDHR, to review the work program and will continue to work with her as plans develop. Copies of each application will be submitted to the City of Concord upon completion. Likely, without the credits, it will not be possible to renovate the carriage house.

EXHIBIT 3: SOURCES & USES (PROJECT BUDGET)

A	<u>SOURCES</u>	<u>AMOUNT</u>	<u>NOTES</u>
a	Developer Equity		
b	Investor Equity	2,209,885	A substantial portion of this must be repaid within 1 year.
c	Tax Credits (cash value when monetized)	150,000	
d	Grants		
e	Bank Loan	368,000	More work is required to gain adequate banking support
f	Other:		support for this project. It will be refinanced at some point.
	<u>TOTAL - SOURCES</u>	2,727,885	
B	<u>USES</u>	<u>AMOUNT</u>	<u>NOTES</u>
<u>1</u>	<u>Soft Costs</u>		
a	Real Estate Appraisal	3,000	
b	Real Estate Acquisition	570,000	
c	Real Estate Closing Costs	5,000	
d	Boundary Survey		
e	A&E Fees	125,000	
f	Environmental Assessments	2,000	
g	Legal Fees	25,000	
h	Marketing / Advertising		
i	Development Permit Fees		
j	Inspections	2,500	
k	Interest Costs		
l	Bank Fees	3,500	
m	Property Insurance		
n	Real Estate Taxes	6,885	
o	Fixtures, Furnishings, Equipment	300,000	
p	Developer Fee		
q	Other:		
	Subtotal: Soft Costs		
<u>1</u>	<u>Hard Costs</u>		
a	General Conditions		
b	Environmental Abatement		
c	Demolition	35,000	
d	On-site Improvements		
e	Off-site Improvements		
f	Renovations	1,600,000	We are working to reduce these costs. This is challenging.
g	New Construction		
h	Contractor Fee		
i	Project Management Fees		
j	Construction Contingency	50,000	
k	Other		There are substantial additional costs for this project.
l	Subtotal: Hard Costs		
	<u>TOTAL - USES</u>	2,727,885	

Note: These are good faith initial estimates. Substantial changes are anticipated.

**EXHIBIT 4 - PRO FORMA WITHOUT RSA79-E
PART 1 - REVENUES**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Notes:
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A INCOME

- 1 Residential
- 2 Retail
- 3 Office
- 4 Restaurant
- 5 Parking (if any)
- 6 Storage
- 7 Other

TOTAL GROSS INCOME

8 Less Vacancy

NET REVENUES AFTER VACANCY

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Notes:
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B EXPENSE

- 1 Accounting
- 2 Leasing and Advertising
- 3 Insurance
- 4 Janitorial Service (Contracted)
- 5 Landscaping / Snow Removal
- 6 Legal
- 7 Licenses
- 8 Property Management (Contracted)
- 9 Repairs / Maintenance (Contracted)
- 10 Property Manager Payroll
- 11 Maintenance Payroll
- 12 Taxes - Real Estate
- 13 Taxes - Personal Property
- 14 Taxes - Payroll
- 15 Taxes - Other
- 16 Trash Removal
- 17 Utilities - Electricity
- 18 Utilities - Natural Gas / Fuel Oil
- 19 Utilities - Sewer and Water
- 20 Utilities - Phone / Internet
- 21 Parking
- 22 Other (Identify)

TOTAL OPERATING EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Notes:
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C NET OPERATING INCOME

- 1 Net Revenue Less Operating Expenses
- 2 Leasing and Advertising
- 3 Insurance
- 4 Janitorial Service (Contracted)
- 5 Landscaping / Snow Removal
- 6 Legal
- 7 Licenses
- 8 Property Management (Contracted)

Note: These are good faith initial estimates. Substantial changes are anticipated.

Data is under development -- initial draft is expected after the acquisition closing which presently is scheduled for 10/8/2019.