



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

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

DATE: March 8, 2021

SUBJECT: Acquisition of 10-12 Higgins Place

Recommendation:

1. Accept the following report; and,
2. Set the attached resolution approving a Purchase and Sales Agreement with David A. Kelso concerning purchase of 10-12 Higgins Place for public hearing on April 12, 2021; and,
3. Set the attached resolution appropriating the sum of \$75,000 for purchase of 10-12 Higgins Place for public hearing on April 12, 2021.

Background:

David A. Kelso is the owner of real estate located at 10-12 Higgins Place. The 0.31+/- acre parcel largely consists of vacant land, but does feature a small storage shed. The property is assessed for \$59,000.

The property is located within the City's "Opportunity Corridor"; a former industrial and rail corridor targeted for redevelopment which generally stretches between Horseshoe Pond and the South End Marsh, and is sandwiched between Interstate 93 and Downtown.

The parcel also abuts other property owned by the City. Please see the attached maps for more information.

Mr. Kelso has offered to sell the property to the City for the sum of \$59,000.

Discussion:

- 1) **Overview:** As previously stated, this property is located within the City's Opportunity Corridor. Redevelopment of this property, as well as surrounding parcels, has been discussed in numerous City plans and studies including, but not limited to:
 - 1997 Downtown Master Plan Master Plan;
 - 2001 Concord 20/20 Vision Plan;
 - 2005 Economic Development and Tax Base Expansion Plan;
 - 2006 Opportunity Corridor Master Plan; and,
 - 2008 City 2030 Master Plan.

Acquisition of this property would assist the City in achieving its long-term goal of redeveloping the Opportunity Corridor.

- 2) Purchase and Sales Agreement: The Purchase and Sales Agreement is attached to this report. The Agreement has been executed by Seller and the City Manager. The Agreement is specifically contingent upon City Council approval and appropriation of funds. The agreement includes the City’s normal and customary terms for these transactions. Closing is scheduled to occur on or before June 30, 2021, and is expressly subject to the results of the City’s title and environmental due diligence.

- 3) Budget: The total budget for this transaction is \$75,000, as detailed below. The budget includes funds to complete a Phase I Environmental Site Assessment (ESA). The Phase I ESA will document known or suspected environment conditions at the property, thereby protecting the City’s interests. In addition, the City is obligated complete its own environmental due diligence prior acquisition in order to qualify for potential future USEPA or NHDES Brownfields Grants which might be needed to finance potential environmental cleanup activities at the property (if any). Funds are also proposed for limited Phase II ESA activities (i.e. soil and groundwater testing) should those be prudent pending results of the Phase I ESA.

<u>Item</u>	<u>Amount</u>	<u>Notes</u>
Purchase Price	\$ 59,000	
Phase I ESA	\$ 4,500	
Phase II ESA Environmental Drilling & Testing	\$ 7,500	Pending results of Phase I ESA
Boundary Survey	\$ -	Omitted
Title Insurance and Closing Costs	\$ 4,000	
Total	\$ 75,000	

Presuming no significant environmental issues at the property, which would require ongoing management or monitoring, the annual operating costs for the property are tentatively estimated to be approximately \$1,500 +/- . Operating costs would include property management and groundskeeping activities (such as lawn care), as well as utility availability fees (as applicable). These fees are excluded from the attached resolution and shall be addressed in the FY2022 operating budget. Alternatively, City Administration may use residual funds from the \$75,000 appropriation to finance those activities.

- 4) Funding Source: City Administration recommends that this appropriation be financed by the Economic Development Reserve (EDR) Fund. As of June 30, 2020, the EDR had \$961,238 available to support economic development initiatives. The City Council recently approved Resolution #9352 in the amount of \$20,000 to support an Economic Development Fellow for the remainder of FY2021.

City Administration believes the EDR has ample capacity to support this investment.

It is worth noting that this property directly abuts the North End Opportunity Corridor Tax Increment Financing District. In the event the NEOCTIF District is expanded in the future to include this property, the NEOCTIF Development Program and Financing Plan could be structured to repay the Economic Development Reserve’s investment in the property, as well as support annual operating costs.

Alternatively, in the event the City divests of the property in the future, proceeds from the sale could be used to reimburse the Economic Development Reserve Fund.

Map #1: 10-12 Higgins Place (2020 City GIS Aerial Photo)



Map #2: Locus Map for 10-12 Higgins Place (2020 City GIS Aerial Photo)

