

*Matthew Normand  
City Clerk*



*Heather Freeman  
Assistant City Clerk*

*JoAnn Ferruolo  
Assistant City Clerk*

**CITY OF MANCHESTER**  
*Office of the City Clerk*

**MEMORANDUM**

To: Committee on Lands and Buildings

From: Maura Leahy   
Administrative Assistant

Date: March 14, 2013

Re: Agenda Addendum

Attached is a communication from Leon LaFreniere, Planning and Community Development Director, that provides additional information for item four on the March 18, 2013, agenda.



# CITY OF MANCHESTER

## PLANNING AND COMMUNITY DEVELOPMENT

Planning and Land Use Management  
Building Regulations  
Community Improvement Program  
Zoning Board of Adjustment

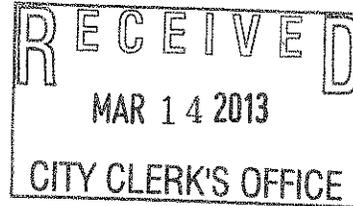
Leon L. LaFreniere, AICP  
Director

Pamela H. Goucher, AICP  
Deputy Director - Planning & Zoning

Matthew M. Sink  
Deputy Director - Building Regulations

14 March, 2013

Committee on Lands and Buildings  
Honorable Board of Mayor and Aldermen  
City Hall - One City Hall Plaza  
Manchester, N.H. 03101



RE: "Surplus" Report regarding 4 city-owned properties centered around 167 Lake Avenue

Dear Committee Members:

This letter follows up on our previous correspondence to you of 11 February, 2013, concerning the above subject matter involving the following properties:

<u>Street Address</u>	<u>TM / Lot #</u>	<u>Parcel Area</u>	<u>Current parcel use</u>
167 Lake Avenue	TM 54, Lot 6	9,999 s.f.	One-story office building
187 Lake Avenue	TM 54, Lot 5	2,499 s.f.	Street access drive-through to Back Street
189 Lake Avenue	TM 54, Lot 4	2,499 s.f.	Vehicular parking
120 Spruce Street	TM 54, Lot 15	<u>4,383 s.f.</u> 19,380 s.f.	Vehicular parking

Following the departure of the former property tenant, the Manchester Community Resource Center (MCRC), the City is currently seeking a possible new owner for the four involved city-owned Lake Avenue properties at TM 54, Lots 4, 5, 6 & 15. Toward this end, a letter of interest has been received from the *Families In Transition* organization which inquires about their possible acquisition of the involved properties. Based on the substantial nature of their letter of interest, the City is interested in negotiating the sale of the properties to that non-profit company and is hereby seeking authorization to do so.

In addition, and as detailed in our 11 February, 2013, letter to you, the involved properties would (a) need to be declared "surplus" to City needs, and (b) that sale of the properties to *Families In Transition* would need to be deemed "in the best interest of the city".

Should you have any questions, I will be available at your next committee meeting.

Sincerely,

Leon L. LaFreniere, AICP, Director

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**CITY OF MANCHESTER**  
**PLANNING AND COMMUNITY DEVELOPMENT**

Planning and Land Use Management  
 Building Regulations  
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Leon L. LaFreniere, AICP  
 Director

Pamela H. Goucher, AICP  
 Deputy Director - Planning & Zoning

Matthew M. Sink  
 Deputy Director - Building Regulations

11 February, 2013

Committee on Lands and Buildings  
 Honorable Board of Mayor and Aldermen  
 City Hall - One City Hall Plaza  
 Manchester, N.H. 03101

RE: "Determination of Surplus" Report regarding 167 Lake Avenue

Dear Committee Members:

Pursuant to Section 34.15-25 the Planning & Community Development Department hereby provides a report concerning regarding a proposal to sell four city owned properties at 167, 187, 189 Lake Avenue and 120 Spruce Street to the *Families In Transition* organization. More particularly, the involved properties can be briefly described as follows:

<u>Street Address</u>	<u>TM / Lot #</u>	<u>Parcel Area</u>	<u>Current parcel use</u>
167 Lake Avenue	TM 54, Lot 6	9,999 s.f.	One-story office building
187 Lake Avenue	TM 54, Lot 5	2,499 s.f.	Street access drive-through to Back Street
189 Lake Avenue	TM 54, Lot 4	2,499 s.f.	Vehicular parking
120 Spruce Street	TM 54, Lot 15	4,383 s.f.	Vehicular parking
		19,380 s.f.	

The 167, 187 & 189 Lake Avenue properties are positioned contiguous to each other on the south side of the street, approximately 150 feet east of Pine Street, and the 120 Spruce Street parcel is situated directly across Lake Avenue Back Street from the other three parcels. The one-story office building property at 167 Lake Avenue was acquired by the City via tax deed and rehabilitated with Enterprise Funds received in 1995. The involved properties have since been leased to the Manchester Community Resource Center (MCRC), a non-profit agency which will soon relocate to the Dearborn Memorial Hall building at 434 Lake Avenue. With the move of the MCRC, the City has been seeking a possible new owner for soon-to-be vacant city-owned properties and, toward this end, has discussed the possibility of their disposition to *Families In Transition*, another local non-profit agency.

**Surplus Determination and Disposition:** After investigating the matter, we have determined that there are no known reasons why the City should retain ownership of the parcels in question and it is, therefore, our recommendation that they be deemed surplus to City needs.

The city policy regarding surplus property requires that such property be disposed of through “public auction” unless otherwise ordered by the Board of Mayor and Aldermen on <sup>the</sup> recommendation of the Committee on Lands and Buildings and such disposition is deemed “in the best interest of the city, is required by justice or if other good reason exists.”

Given the previous established use of the property for non-profit community service needs, and given the long and positive community service track record of the prospective new owner, the *Families In Transition* organization, the Committee may wish to declare that it is “in the best interest of the city” to continue using these properties for non-profit community purposes and recommend sale of the properties to *Families In Transition*.

Please reference the attached Letter of Intent submitted by *Families In Transition* which proposes to acquire these properties.

Should you have any questions, I will be available at your next committee meeting.

Sincerely,



Leon L. LaFreniere, AICP, Director

Copy: file  
Map attachment

## LETTER OF INTENT

Please accept this Letter of Intent from Families in Transition, or its assigns ("Buyer") to purchase from the City of Manchester (the "Seller") the property located at 167 Lake Avenue and 189 Lake Avenue, Manchester, NH. Said property is to be purchased together with all, easements, improvements, fixtures and appurtenances, attached and affixed thereon, in accordance with the following terms and conditions.

1. **OFFER TO PURCHASE:** That certain piece or parcel of land and all improvements located thereon as described above ("the Property"). The term "Property" shall also be deemed to include all tangible property owned by Seller and used exclusively in connection with the ownership or operation of the Property.
2. **INTENT TO BE PURCHASED:** Fee simple title via deed without covenants
3. **PURCHASE PRICE:** Four Hundred Thousand Dollars (\$400,000) for 167 Lake Avenue and Thirty Thousand Dollars (\$30,000) for 189 Lake Avenue for a total of Four Hundred Thirty Thousand Dollars (\$430,000).
4. **TERMS:** The Purchase Price shall be payable by the Buyer to the Seller as follows:

The Buyer shall deliver a promissory note to the Seller upon the following terms and conditions:

- (i) Loan Amount: \$430,000
- (ii) Term: One (1) year secured by a mortgage
- (iii) Interest Rate: Three percent (3%)
- (iv) Payments: Monthly payment of "interest only" with a balloon payment of Four Hundred Thirty Thousand Dollars (\$430,000) by bank or certified check or wire transfer on the one (1) year anniversary of the promissory note.

5. **DUE DILIGENCE PERIOD:** Buyer has 60 days, from the date of execution of the Purchase and Sale Agreement, described below (the "Due Diligence Period"), to conduct a review of the Property, including, but not limited to, in Buyer's sole discretion, a zoning and permitting review, a review of title to the Property, an environmental audit/inspection, a review of any restrictions affecting the Property, a review of any records or reports pertaining to the Property, or any other inspection Buyer feels is necessary. During this period, Seller agrees to cooperate with Buyer's need to examine and prepare building plans, property records, environmental reports, etc. and to allow Buyer reasonable access to the Property to perform any tests or inspections it deems necessary. If prior to the expiration of the Due Diligence Period, Buyer is not

satisfied with the results of any report or inspection, Buyer may terminate the Purchase and Sale Agreement and the Deposit shall be returned to Buyer and the transaction will be terminated without further recourse to either Buyer or Seller. Upon execution of the Purchase and Sale Agreement, Seller shall provide Buyer with copies of any and all inspections, reports, title policies, plans, etc. in its possession with respect to the Property. In the event that the transaction does not close, Buyer shall return all copies to the Seller.

6. **APPROVALS:** This sale is subject to Buyer receiving all necessary local, State and Federal Approvals to operate a childcare/daycare center at the Property (the "Approvals"). All costs for planning, engineering etc. are to be paid by the Buyer.
7. **FINANCING:** This sale is subject to Buyer receiving financing, by a date to be specified in the Purchase and Sale Agreement, sufficient to acquire and rehabilitate the Property for its intended use as a childcare/daycare center (the "Financing").
8. **CLOSING:** The closing to occur on or before April 30, 2014 (the "Closing") if Buyer has not terminated the Purchase and Sale Agreement during the Due Diligence Period or because Buyer is unable to obtain Financing or Approvals.
9. **CONDITIONS PRECEDENT TO CLOSING:** The Purchase and Sale Agreement shall require normal conditions contained in similar agreements related to title, condemnation, and fire or other casualty.

Transfer of Lot 54-6 specifically is contingent on the City of Manchester Board of Mayor and Aldermen passage of an ordinance authorizing sale.

10. **CONVEYANCE OF PROPERTY:** Title to the Property will be conveyed by Seller to Buyer via a warranty deed, conveying marketable and insurable title to the Property, free and clear of any and all outstanding liens and encumbrances.
11. **PURCHASE AND SALE AGREEMENT:** Upon acceptance of this Letter of Intent, Seller and Buyer, through their respective attorneys, shall negotiate and execute a mutually acceptable Purchase and Sale Agreement (the "Purchase and Sale Agreement"). Buyer and Seller will work diligently to execute the Purchase and Sale agreement within thirty (30) days of the execution hereof. During the thirty (30) day period, Seller shall not offer the Property for sale to, or negotiate with anyone other than the Buyer. Buyer's attorney shall be responsible for drafting the Purchase and Sale Agreement and the Lease referenced in Section 10, above.
12. **COMMISSION:** Buyer and Seller acknowledge that no broker was involved in the transactions contemplated by this letter of intent.

13. ACCEPTENCE: Seller shall have until 5:00 p.m. on February \_\_\_\_\_, 2012 to accept the terms of this letter of intent.

This letter outlines business terms the Buyer and Seller will include into a purchase and sale agreement. If the terms of this offer are acceptable, please so indicate by signing below.

Buyer:

FAMILIES IN TRANSITION

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Maureen Beauregard  
Title: Executive Director

Seller:

CITY OF MANCHESTER

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:  
Title