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Concord considers incentives for downtown redevelopment

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In hopes of encouraging redevelopment downtown, the Concord City Council is considering waiving certain impact fees – a change that could save thousands of dollars for business owners and landlords.

The city charges fees when the use of a building changes, such as converting a retail store to a restaurant, or upper-story office space into market-rate apartments. Tonight, the city council will consider exemptions for such redevelopment of existing buildings in downtown Concord and downtown Penacook.

“It’s another tool that the city can use to try to encourage development downtown, to continue to improve our downtown,” said Mayor Jim Bouley.

Under Concord’s impact fee ordinance implemented in 2001, the city charges impact fees for transportation improvements for redevelopment, and additional school and recreation impact fees for housing development. The proposed revision would exempt housing developers from the school impact fee, but not the recreation fee.

More than \$16,000 in impact fees has been collected in the past five years in Concord’s downtown business district, according to a report from former city planner Gloria McPherson. (McPherson left Concord last month for a job in Provincetown, Mass.)

The cost to the city for waiving these fees is “not substantial on a yearly average,” McPherson wrote in her report to the mayor and city council last month.

The city could face a greater loss with the development of market-rate housing. Converting the vacant upper stories at 132½-146 N. Main St. – the building with Bead It!, Dips Frozen Yogurt and Thorne’s on the ground level – into 21 apartment units would generate more than \$48,000 in school and traffic impact fees, McPherson estimated. Nonresidential impact fees are smaller; the future home of Siam Orchid at 12 N. Main St. was charged \$6,250 in 2010 for traffic impact fees.

City Manager Tom Aspell called the potential change an incentive to bring business and housing downtown.

“A lot of the fees that you could charge for business downtown relate to transportation in particular,” Aspell said, noting that changes of use in the downtown area do not always bring the increased traffic that impact fees are meant to offset.

The downtown area is already developed, McPherson wrote in her report, “placing less of a burden on transportation facilities than traditional development patterns that require multiple vehicle trips to basic goods and services.”

Downtown housing development would also not necessarily burden school facilities, McPherson said.

“It is anticipated that the majority of market-rate housing developed in downtown would be occupied by empty-nesters or young professionals without children and would put less of a burden on school facilities than other types of housing developments throughout the city,” she wrote.

The proposed changes would also apply to downtown Penacook, where the city collected \$743 in impact fees in the past five years. The changes would not apply to new construction or subsidized housing.

Bouley said it’s important to consider the change to “create as many tools as we can” to encourage redevelopment.

“I think what we’ve seen a focus in . . . the redevelopment of our downtown,” he said. “It has been a priority of the council to encourage upper-story developments, including market-rate housing downtown.”

The city council will hold a public hearing and vote on the revised ordinance tonight. The meeting begins at 7 p.m. in the council’s chambers on Green Street.

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