

AGENDA ITEM #: #21-135
COUNCIL MTG. OF: November 2, 2021
FROM: Dave Caron, Town Administrator
OFFERED BY: Administration
PREPARED BY: Administration
SUBJECT: Abbott Court Development

INTRODUCTION:

To update the Council on progress towards redeveloping Abbott Court and to enter into a Memorandum of Understanding (MOU) with Lansing-Melbourne Group.

TOWN ADMINISTRATOR COMMENTS

Please see comments within this staff report.

BACKGROUND

The Town purchased several properties in the Abbott Court area many years ago, and as of late, has been attempting to redevelop the property as a stimulus for further economic development in the Downtown. Based upon prior direction from the Council, Economic Development Director Bev Donovan has been working multiple development paths: staff previously engaged with Monadnock Economic Development Corporation and the potential application of New Market Tax Credits, as well as collaborating with private developers (Dick Anagnost and Peter Flotz on separate proposals) to research a private or public/private partnership.

Town staff has been engaged in discussions with Peter Flotz and his Lansing-Melbourne Group for months now advancing a vision to redevelop Abbott Court. LMG has made several trips to Derry and has engaged design professionals to test various visions for the property. The Town's relationship with LMG has progressed to this point where it is recommended that the Town Council authorize the Town Administrator to sign a Memorandum of Understanding with LMG to work collaboratively on a vision for Abbott Court. It is hoped that this process will culminate in a request to the Council to approve a Master Development Agreement which will lay out specifics regarding the development and bind both parties to certain obligations.

DISCUSSION

As the attached spreadsheet indicates, there are multiple tasks and challenges to be addressed as we seek to redevelop Abbott Court. We envision the construction of a parking structure on the site along with retail, institutional and residential uses. The MOU provides for the following:

- 1) LMG has exclusive rights to investigate the feasibility to redevelop Abbott Court.

- 2) The Town will share whatever information is available on the property and surrounding areas.
- 3) LMG will provide the Town with a comprehensive development plan within 180 days, to include:
 - a. Summary of site investigation and analysis of existing conditions
 - b. Building evaluation
 - c. Site and infrastructure planning
 - d. Land use programming and completion of a master plan in concert with the Town's vision
 - e. Preliminary plan for phased development
 - f. Plan for re-platting of Property boundaries
 - g. Financing plan, including both public and private sources
 - h. Proposed terms for transfer of Property within Project
 - i. Entitlements and permits required for the master plan
 - j. Development budget estimating the total cost of the project
 - k. Detailed term sheet for the MDA
 - l. Developer shall complete a schematic design scheme of the Project
- 4) LMG and Town will attempt to finalize a Master Development Agreement for consideration by the Town Council.

FISCAL IMPACT:

None at this point in the process, although successful development of Abbott Court is anticipated to fund the cost of any public improvements associated with the project, and ultimately allow the Council to continue to declare unretained captured assessed value within the TIF District, which allows the Town to return tax dollars for the benefit of the town, school and county.

RECOMMENDED ACTION BY COUNCIL

Please see Resolution #2021-075.

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Redeveloping Abbott Court as a Catalyst for Downtown Development

November 2, 2021

Town Council Meeting

Resolution #2021-067
To Authorize a
Memorandum of
Understanding for the
Redevelopment of
Abbott Court

Memorandum of Understanding

- Establishes period to determine opportunities and vision to redevelop Abbott Court.
- Work exclusively with Lansing Melbourne Group (LMG), the Town's proposed development partner.
- Allows LMG to engage Town's land use boards during this period.
- Goal of process is to present a Master Development Agreement to the Council in the future:
 - Timelines for development
 - Obligations of each partner
 - Incorporate the Town's vision for the Downtown

How Did We Get Here?

1995-2020 Ten separate studies/visioning efforts which include a focus on the Downtown

Town acquired multiple parcels in the Abbott Court area beginning in 1984.

2010 Master Plan

- Goal 1.1 “...address parking issues in the Downtown... plan the downtown revitalization...”

Reimagining Downtown Derry process (2019)

- Redevelop vacant property
- Create new parking
- Increase occupancy
- Parking garage

How Did We Get Here?

2020 Master Plan

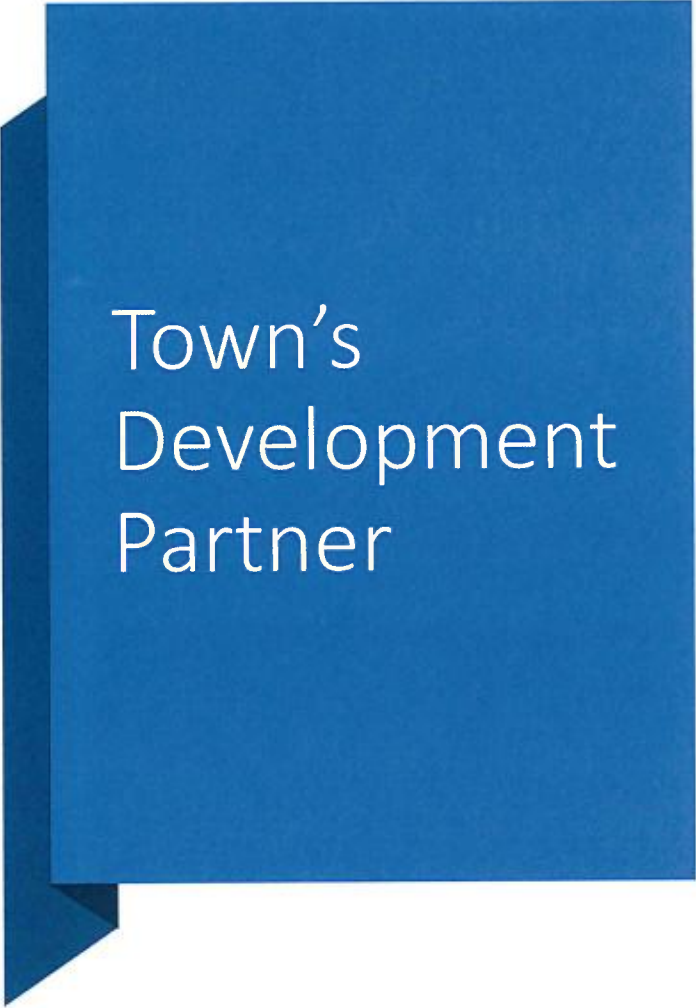
- Goal 1 Make Derry a Destination
 - 1.1 Improve and promote Derry's Downtown
- Goal 4 Promote Derry as a Place to Live
 - 4.1 Provide a range of Housing options
 - 4.2 Attract and retain Younger Adults

Town Council Goals

- Downtown Redevelopment and Abbott Court Development have been top Council goals since FY18

Initial Vision

- Market Rate Housing to increase activity in the Downtown
- Parking Structure to Support Development and Downtown
- Rail Trail level retail, common and gathering spaces
- Training/Incubator/Educational Space to support 18-hour economy

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Town's Development Partner

Lansing Melbourne Group www.lmggroup.us

“Build upon underutilized value to create community assets which serve as catalyst for further development”



TOWN OF DERRY LMG INTRODUCTION

ABBOTT COURT P₃

November 2, 2021



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November 2, 2021

LMG AT A GLANCE

Mission: *creating public private partnerships to enhance meaningful places*

Vision: *to reshape communities across the Eastern U.S. as a trusted and productive development partner*

Execution:

- 🌀 101 realized investments
- 🌀 \$800 million in total development
- 🌀 \$200 million in equity invested

LMG Historical Market Experience

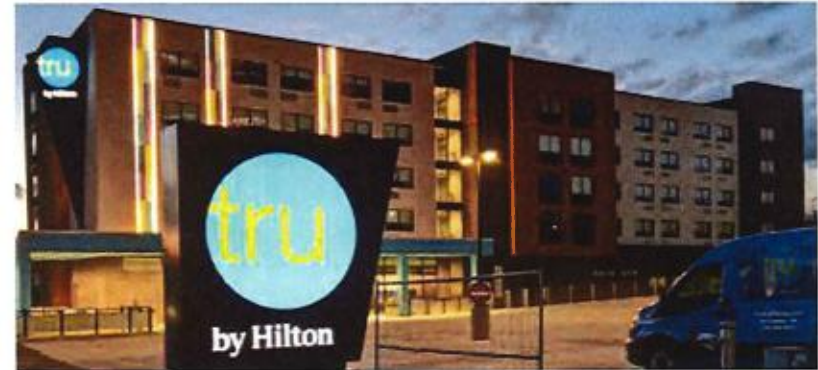


LMG Existing Portfolio

Property Name	MSA	Units or SF	Start Date	Budget
Novi	Charlotte (Concord)	304	8/1/21	\$58,000,000
High Street Flats	Nashua	150	11/1/21	\$40,000,000
Trenton Mills	Charlotte (Gastonia)	85	11/1/21	\$24,000,000
Stadium Lofts	Charlotte (Kannapolis)	35	2/1/22	\$15,000,000
200 Main St. Lofts	Charlotte (Kannapolis)	78	2/1/22	\$13,000,000
Tru by Hilton	Manchester	126	3/1/19	\$25,000,000
<u>Vida</u>	Charlotte (Kannapolis)	289	12/28/18	\$46,000,000
SNHU	Manchester	200k SF	11/25/18	\$56,000,000
Eastwood Hyatt Place	Lansing	125	3/1/16	\$14,000,000

LMG – A PROUD HISTORY IN SOUTHERN NEW HAMPSHIRE

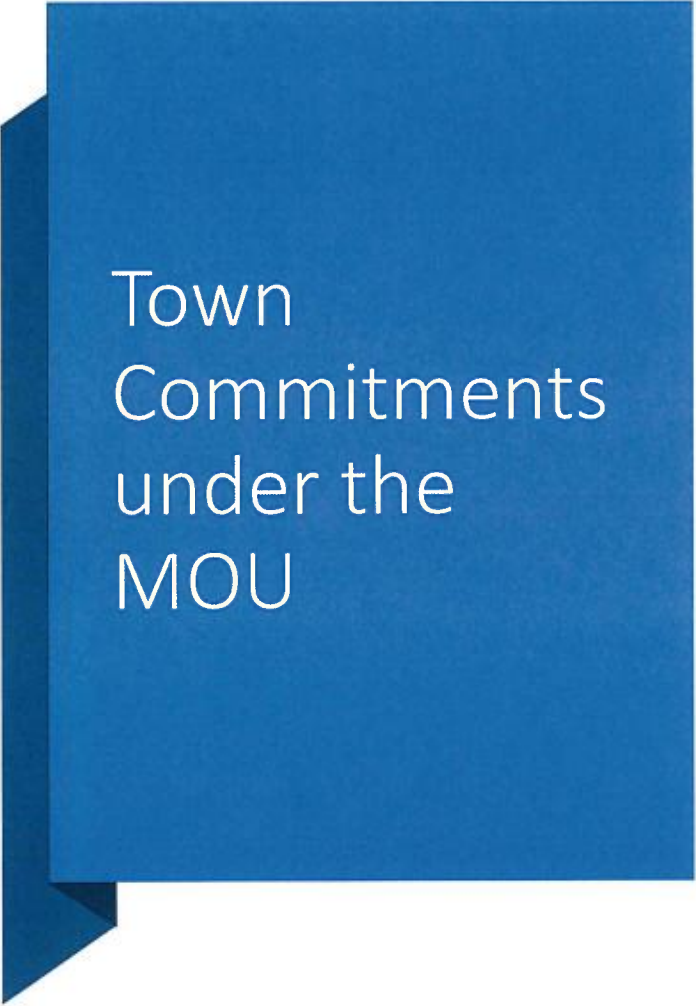
- ④ Began consulting work in 2001
- ④ Manchester parking plan in 2004
- ④ Parking plan updates in 2009 & 2012
- ④ SNHU project built 2017-2019
- ④ Tru Hotel project evolved 2013-2020
- ④ Nashua Multifamily project begins Q4
- ④ Four additional project in predevelopment





Timeframe



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Town Commitments under the MOU

- Exclusive Evaluation Period of Abbott Court site for LMG
- Cooperate with LMG during the Evaluation Period
- Share any plans, studies or documents on Abbott Court in possession of the Town