

DRAFT

An Opportunity to Redevelop West Lebanon Main Street

**How the City of Lebanon's acquisition of 14, 28, + 30 Main Street
could facilitate in-fill development of new retail and residential in
keeping with community vision of a revitalized village.**



March 8, 2023

14-52 Main Street, West Lebanon, NH

A block of potential redevelopment opportunity

- The City of Lebanon presently has three properties (in red) under contract for \$1.75M.
- There are five other properties, each with separate ownership, between 30 Main Street and the Mascoma Bank parking lot.
- Although there is some history to the properties, the character has been stripped away and the properties are under-utilized, under-tenanted, and far from the highest-and-best use of the property from a downtown revitalization and tax-base standpoint.

What the City's role in redevelopment could be:

- Acquire and assemble underutilized properties and prepare for redevelopment.
- Utilize Tax Increment Financing (TIF) to make acquisitions and pay for enabling infrastructure.
- City has advantage of limited liability, access to State and Federal grant programs, and- if required- the use of eminent domain.
- *Much of this is already being done in Downtown Lebanon, and elsewhere in the State.*



Historical Precedent for Future Use

Revitalization Requires Reinvestment

- The 2021 West Lebanon Revitalization Advisory Committee (WLRAC) and resultant *Action Plan For West Leb* calls for the encouragement of reinvestment and redevelopment in West Leb, to transform the downtown from the remnants of the railroad-era to a vibrant village connected to the river.
- Historical photos of downtown West Lebanon– and multiple past studies conducted by the City– identify how the downtown could be redeveloped in a manner that creates new housing where it is served by existing infrastructure and public transportation, and in keeping with the historical development patterns of the village.

5. Encourage Investment - Building The Next Era Of Downtown

- Seek to facilitate In-fill redevelopment that matches the past and present character of West Lebanon.
- The regional housing crisis has reached an acute stage, and the growing need for “Missing Middle” housing is apparent at the local, regional, state, and national level.
- There are wide-ranging benefits of developing housing within existing downtowns and areas served by water/sewer and transportation infrastructure.
- Adjust dimensional restrictions, parking requirements, etc. to better enable and encourage redevelopment that aligns with historic uses, downtown reinvestment, and Smart Growth best-practices



Rendering of In-fill Mixed-Use Development by Architect Dan Winny, for the WLRAC



Historic Image of downtown West Lebanon circa 77

REDEVELOPMENT
West Lebanon Village currently features ample opportunities to redevelop single-use sites within the district into higher-density, mixed-use projects. The recent construction of 29 apartments on Tracy Street, which replaced two, dilapidated single-family structures is a good example of what might be possible in the Village. Such new or redevelopment, along with traffic calming, access management, streetscape and pedestrian improvements, and related amenities, would enhance the vitality and economic viability of the district.

2020 West Lebanon Village Visioning Final Report
Page 18, “Opportunities”

28 - Action Plan For West Leb

“Downtown density with mixed-use buildings incorporating residential above street-level retail” is as much a reflection of West Lebanon’s past as it is a hope for future development.

Historical precedent for downtown West Lebanon, as featured in **Encourage Investment**, Section 5 of *Action Plan for West Leb*



21 S Main St

Present condition



21 S Main St

REDEVELOPMENT AT MAIN ST & CHURCH ST WEST
New retail & apartment building; improved sidewalk width with plantings, street trees. Parking in rear.

Sketch by Architect Dan Winny, 2021 West Lebanon Revitalization Advisory Committee

Hypothetical Layout (rough!)

East Main St. Residential/Retail

- Assumes a 60' double-loaded corridor multi-family configuration, running the ~430' of the block.
 - *Note:* does not account for architectural design to break-up the facade, dormer the roof, etc.
- Assumption of a 10% loss factor and 1,000sf/unit yields **70 residential units** over three stories.
 - 3 stories: ~ 46 units
 - 4 stories: ~ 70 units
 - 5 stories: ~ 93 units
- Street-front retail at 2,300sf/unit yields 10 storefronts.
 - These can be combined into larger units, and facilitate village retail.
 - Existing tenants can be re-located into new retail space.
- Copy/pasting existing parking pattern (red) from Mascoma Bank rough-fits approximately 160 parking spots behind the new building, serving the residential and commercial spaces.
 - Akin to the shared-parking arrangement proposed by City in 2021 that did not gain support from multiple property owners.



Total Block: Church Street West -> Mascoma Bank									
Parcel ID	Street Address	Land SF	Acreage	Gross Building SF	Finished Building SF	Assessed Land Value	Assessed Improvement Value	Total Assessed Value	2022 Annual Tax Income to City
72-79	52 Main Street	6,450.0	0.15	0	0	\$ 109,400	\$ 5,100	\$ 114,500	\$ 2,638
72-80	50 Main Street	10,890.0	0.25	7,558	4,839	\$ 235,300	\$ 222,200	\$ 457,500	\$ 10,541
72-81	36-48 Main Street	15,801.0	0.36	9,274	6,548	\$ 96,500	\$ 448,000	\$ 544,500	\$ 12,545
72-82	34 Main Street	1,099.0	0.03	3,214	2,111	\$ 42,400	\$ 178,200	\$ 220,600	\$ 5,083
72-83-200	32 Main Street	9,200.0	0.21	4,963	1,947	\$ 213,300	\$ 249,100	\$ 462,400	\$ 10,654
72-83	30 Main Street	19,709.0	0.45	8,965	7,690	\$ 289,300	\$ 168,900	\$ 458,200	\$ 10,557
72-84	28 Main Street	20,909.0	0.48	4,680	2,881	\$ 293,600	\$ 239,200	\$ 532,800	\$ 12,276
SUBTOTAL		84,058.0	1.9	38,654	26,016	\$1,279,800	\$1,510,700	\$2,790,500	\$64,293

Chiplin Acquisition: 14, 28, 30 Main Street									
Parcel ID	Street Address	Land SF	Acreage	Gross Building SF	Finished Building SF	Assessed Land Value	Assessed Improvement Value	Total Assessed Value	2022 Annual Tax Income to City
72-83	30 Main Street	19,709.0	0.45	8,965	7,690	\$ 289,300	\$ 168,900	\$ 458,200	\$ 10,557
72-84	28 Main Street	20,909.0	0.48	4,680	2,881	\$ 293,600	\$ 239,200	\$ 532,800	\$ 12,276
72-88	14 Main Street	4791.6	0.11	9,957	7,912	\$ 103,900	\$ 352,400	\$ 456,300	\$ 10,513
SUBTOTAL		45,409.6	1.04	23,602	18,483	\$686,800	\$760,500	\$1,447,300	\$33,346

February, 2023 Contract Price **\$1,750,000**
 Premium > Assessed Value **20.91%**

Additional Assemblage: 32-52 Main Street Properties									
Parcel ID	Street Address	Land SF	Acreage	Gross Building SF	Finished Building SF	Assessed Land Value	Assessed Improvement Value	Total Assessed Value	2022 Annual Tax Income to City
72-79	52 Main Street	6,450.0	0.15	0	0	\$ 109,400	\$ 5,100	\$ 114,500	\$ 2,638
72-80	50 Main Street	10,890.0	0.25	7,558	4,839	\$ 235,300	\$ 222,200	\$ 457,500	\$ 10,541
72-81	36-48 Main Street	15,801.0	0.36	9,274	6,548	\$ 96,500	\$ 448,000	\$ 544,500	\$ 12,545
72-82	34 Main Street	1,099.0	0.03	3,214	2,111	\$ 42,400	\$ 178,200	\$ 220,600	\$ 5,083
72-83-200	32 Main Street	9,200.0	0.21	4,963	1,947	\$ 213,300	\$ 249,100	\$ 462,400	\$ 10,654
SUBTOTAL		43,440.0	1.0	25,009	15,445	696,900	1,102,600	1,799,500	41,460

Estimated Market Value **\$ 2,175,862**
 Premium > Assessed Value **20.91%**

Resultant Development Site: 14-52 Main Street				
Parcel ID	Street Address	Land SF	Acreage	Assessed Land Value
72-79	52 Main Street	6,450.0	0.15	\$ 109,400
72-80	50 Main Street	10,890.0	0.25	\$ 235,300
72-81	36-48 Main Street	15,801.0	0.36	\$ 96,500
72-82	34 Main Street	1,099.0	0.03	\$ 42,400
72-83-200	32 Main Street	9,200.0	0.21	\$ 213,300
72-83	30 Main Street	19,709.0	0.45	\$ 289,300
72-84	28 Main Street	20,909.0	0.48	\$ 293,600
SUBTOTAL		84,058.0	1.9	\$1,279,800

Total Estimated Acquisition **\$ 3,925,862**
 Premium > Assessed Land Value **206.76%**

\$/SF Land \$46.70
\$/Acre Land \$2,034,435

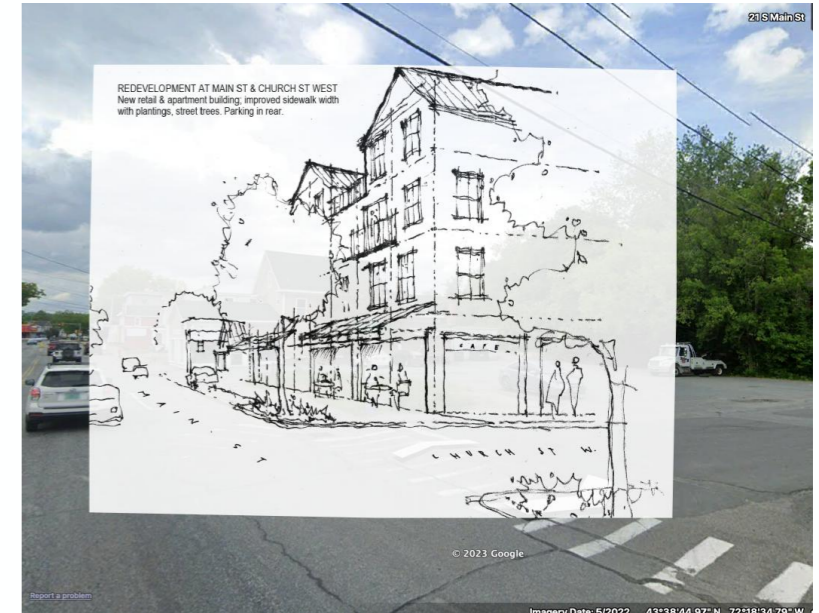
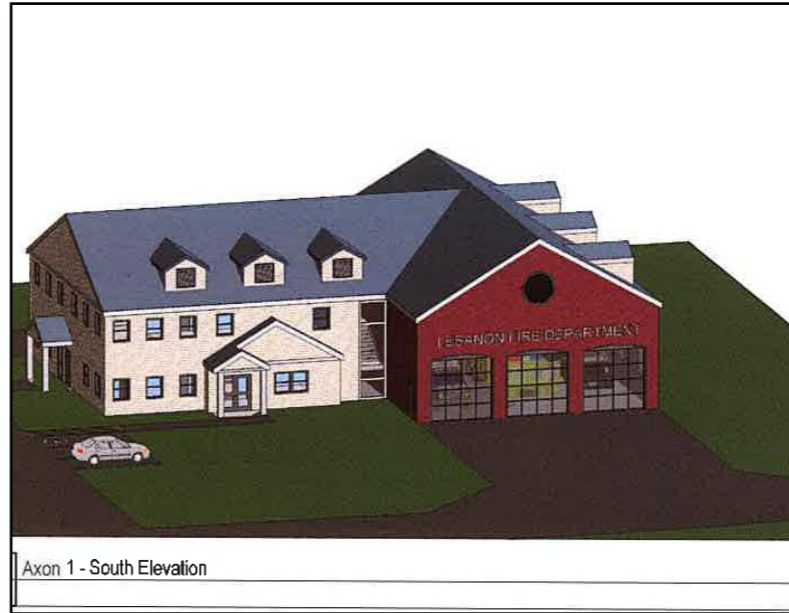
Value Per Acre (VPA) Analysis		
Present Value Per Acre (VPA)	Total VPA	Est. Tax/year
	\$ 1,446,075	\$ 33,318
Redeveloped Value Per Acre (VPA)	Total VPA	Est. Tax/year
	\$ 16,707,103	\$384,932
% increase		1055%
Multiple		11.6

Hypothetical Redevelopment				Hypothetical Redevelopment Valuation			
Building Footprint	430' x 60'			Total SF	103,200 sf		
floorplate	25,800 sf						
Construction Area	3 stories	4 stories	5 stories	\$/SF Val	tax rate \$23.04/\$1000		
Total	77,400	103,200	129,000	\$ 250	\$ 25,800,000	\$ 594,432	
Residential	51,600	77,400	103,200	\$ 275	\$ 28,380,000	\$ 653,875	
Commercial	25,800	25,800	25,800	\$ 300	\$ 30,960,000	\$ 713,318	
Resi Units Created				\$ 325	\$ 33,540,000	\$ 772,762	
Loss Factor	10%	46,440	69,660	\$ 350	\$ 36,120,000	\$ 832,205	
@ 1,000sf/unit		46	70	\$ 375	\$ 38,700,000	\$ 891,648	
Comm Units Created	sf/unit	2,300 sf		Ass. Land Val	\$ 1,279,800	\$ 29,487	
Loss Factor	10%	23,220 sf		Total Assessed Value	\$ 32,239,800	\$ 742,805	
Total Units		10 units		Total Annual Taxes Paid		\$ 742,805	
Parking Area	1.4 acres			Current Taxes Paid		\$ 64,293	
				Add'l Tax Paid/Year		\$ 678,512	
Rough Est. Spots	160 spaces			Total Acquisition Cost	\$ 3,925,862		
Residential				Demolition + Permitting	\$ 1,000,000		
Parking Ratio : unit					\$ 4,925,862		
1.5	70	104	139	Payoff Period of Acquisition + Demo via Incremental Tax			7.26
2	93	139	186				
Commercial							
Spaces : 1,000sf							
2	52	52	52				
3	77	77	77				
4	103	103	103				
Total Req							156



The Bottom Line

What 3 scenarios mean for Lebanon tax base



Current Condition

Corner Parcels: 28-30 Main

Total Taxable Value: \$991,000
Annual Taxes: \$22,832

Other Parcels: 32-52 Main

Total Taxable Value: \$1,799,500
Annual Taxes: \$41,460

Full Block: 28-52 Main

Total Taxable Value: \$2,790,500
Annual Taxes: \$64,293

Fire Station Use

Corner Parcels: 28-30 Main

Total Taxable Value: \$0
Annual Taxes: \$0

Other Parcels: 32-52 Main

Total Taxable Value: \$1,799,500
Annual Taxes: \$41,460

Full Block: 28-52 Main

Total Taxable Value: \$1,799,500
Annual Taxes: **\$41,460**

Highest-and-Best Hypothetical

Full Block: 28-52 Main

Total Taxable Value: \$32,239,800
Annual Taxes: **\$742,805**

Case Study: Congress + Main

St. Albans, Vt. Public-Private Partnership

- The Congress + Main model facilitated by the City of St. Albans in public-private partnership with a local developer can serve as a roadmap for how to accomplish transformative downtown redevelopment that is in-keeping with the character and goals of the downtown.
- Created new downtown housing, commercial space for key institutions, and street-front retail for the community.
- City assembled underutilized properties and facilitated demolition, remediation, and site-prep.
- Partnered with local developer and project team included consultants, state grants, and local contractor.
- Regional institutions became anchor commercial tenants, and project created 33 downtown residential units.

St. Albans Messenger: Congress and Main project approved

https://www.samessenger.com/news/congress-and-main-project-approved/article_6c892c66-0fe0-5435-9778-72723595686d.html

VT Digger: New apartment building in St. Albans could be a model for downtown development

<https://vtdigger.org/2021/04/04/new-apartment-building-in-st-albans-could-be-a-model-for-downtown-development/>

White + Burke: Public-Private Partnerships Revitalize Downtown St. Albans

<https://whiteandburke.com/advisory-services/public-private-partnerships-st-albans/>



Project Rendering (2018)

https://www.samessenger.com/news/congress-and-main-project-approved/article_6c892c66-0fe0-5435-9778-72723595686d.html



Completed Project (2021)

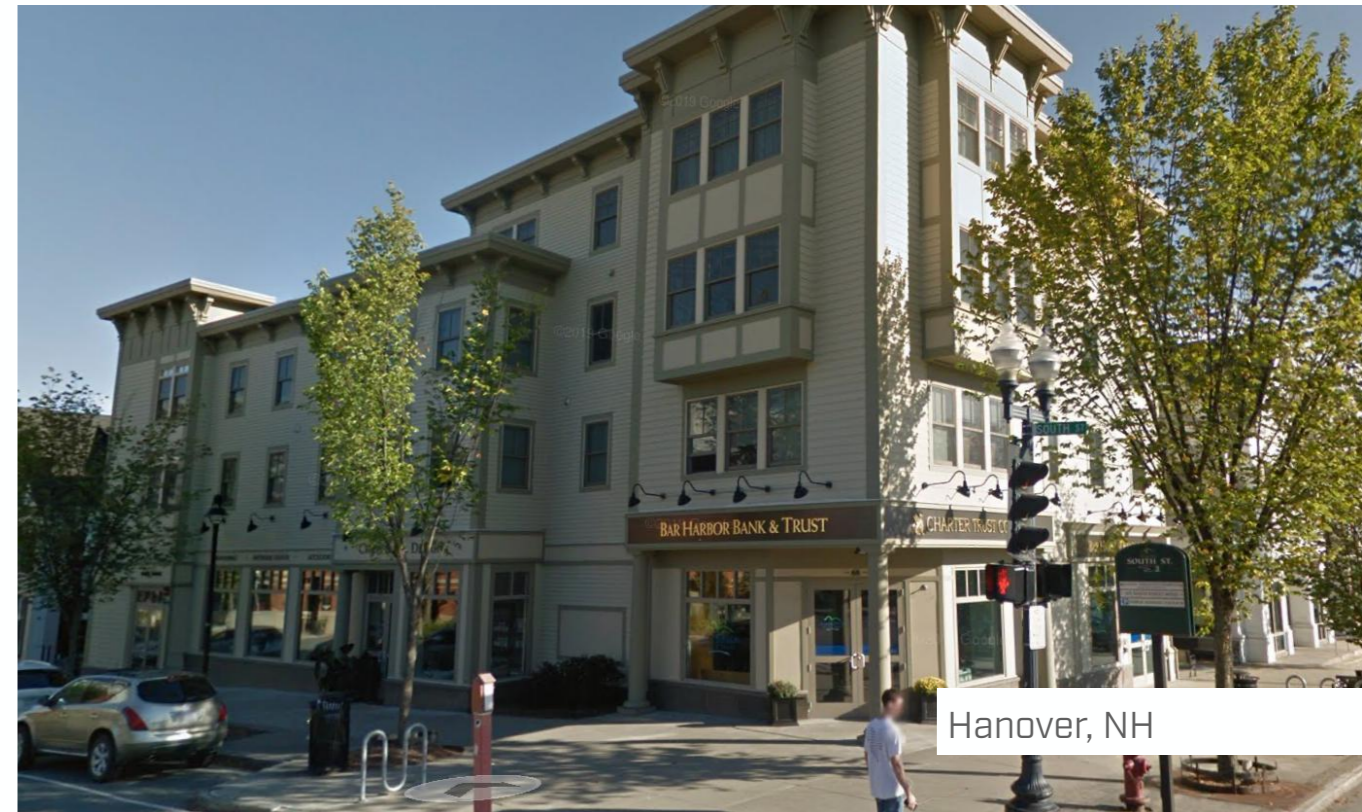
<https://vtdigger.org/2021/04/04/new-apartment-building-in-st-albans-could-be-a-model-for-downtown-development/>

Comparable Upper Valley Projects

Proposed Lebanon TIF Projects + Existing Examples



Lebanon Downtown TIF - Spencer Street
 Approved and awarded project to the Braverman Company, City doing property remediation to facilitate redevelopment.



Hanover, NH



Lebanon Downtown TIF - Rear Parking Lot Proposal
 From proposals currently being reviewed by Lebanon Downtown TIF and EDC



White River Junction

Quantitative, Qualitative Hypothetical Development Math

~70 units

of new
downtown housing

\$678,512

Increase in *annual*
taxes paid to Lebanon

< 10 Years

Payback period on
land acquisition

~10 Storefronts

new street-front retail in
West Lebanon village

+1055%

Value Per Acre

160 spots

Contiguous, shared
downtown parking

- ❑ Replaces remnant, railroad-era buildings with highest-and-best use of key downtown block.
- ❑ Aligns with 2021 Action Plan For West Leb, 2019 West Lebanon Village Visioning, 2012 Lebanon Master Plan, and regional planning priorities.
- ❑ Opportunity to re-locate existing residential and commercial tenants into new space on same block.
- ❑ Substantially increases the West Lebanon tax base to alleviate tax burden on existing homeowners.
- ❑ Mixed-use development shown to be the most productive land-use.
- ❑ New source of tax revenue to pay for plans to revitalize West Lebanon.
- ❑ Downtown housing is served by existing infrastructure and public transportation.
- ❑ Additional downtown residential development generates population density necessary for village retail.