



## **RESOLUTION**

**REFUNDING THE YMCA'S PROPERTY TAXES FOR THE TAX YEAR STARTING  
APRIL 1, 2011**

### ***CITY OF NASHUA***

*In the Year Two Thousand and Eleven*

**WHEREAS**, starting in 2008, the City of Nashua and YMCA negotiated an option agreement and lease agreement regarding Lot E-2224, a new lot created out of city-owned land on Riverside Street on which the YMCA would build a new indoor recreational facility.

**WHEREAS**, R-10-19 "Authorizing additional actions related to a land exchange and proposed lease agreement with the YMCA for portions of parcels on Riverside Street (Lot E-1358 and Lot E-1359)" was approved by the Board of Aldermen on April 27, 2010.

**WHEREAS**, the lease agreement includes the following language regarding real estate taxes: the city and the YMCA anticipate that no real estate taxes will be imposed on Lot 2224, the Facility or other improvements made by the YMCA at Lot 2224 or Lot 1359...the YMCA recognizes that it will be required to file with the City of Nashua and qualify for a charitable exemption from such taxes pursuant to RSA 72:23 and related provisions.

**WHEREAS**, the lease agreement also provides that the YMCA will pay rent to the city.

**WHEREAS**, the city and the YMCA negotiated the lease agreement under the assumption that property taxes would not be owed on Lot E-2224, as the lot was first city property, and then would qualify for a charitable exemption under the YMCA.

**WHEREAS**, on April 1, 2011, the YMCA's new indoor recreational facility was nearly complete but not yet being used for the charitable purposes that would give the YMCA an exemption from the city's property tax, resulting in a tax bill for the property for the tax year starting April 1, 2011.

**WHEREAS**, the YMCA is now operating their new indoor recreational facility on Lot E-2224.

**NOW THEREFORE BE IT RESOLVED** by the Board of Aldermen of the City of Nashua that as the YMCA's property tax bill for the April 1, 2011 tax year was an unintended consequence based on the timing of the construction of the project, and as it was not considered during the negotiation of the parties' lease terms, including the rent payments, the City of Nashua hereby refunds the YMCA's property taxes on Lot E-2224 for the tax year starting April 2, 2011.

**LEGISLATIVE YEAR 2011**

**RESOLUTION:** R-2011-130

**PURPOSE:** Refunding the YMCA's property taxes for the tax year starting April 1, 2011

**SPONSOR(S):** Mayor Donnalee Lozeau

**COMMITTEE  
ASSIGNMENT:**

**FISCAL NOTE:** As the City of Nashua was not anticipating any real estate tax revenue from this property, there will be no fiscal impact if this legislation is approved.

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**ANALYSIS**

This legislation refunds the YMCA's property taxes on Lot E-2224 for the tax year starting April 1, 2011 for the reasons stated in the resolution.

NH RSA 72:23, I, (b) provides in part: "[a]ll leases and other agreements, the terms of which provide for the use or occupation by others of real or personal property owned by the state or a city...entered into on or after January 1, 1994, shall clearly state the lessee's obligations regarding the payment of both current and potential real and personal property taxes, and shall also state whether the lessee has an obligation to pay real and personal property taxes on structures or improvements added by the lessee". This statutory ability for the city to state in a lease agreement that the lessee does not have to pay property taxes on structures added by the lessee supports the authority of the city to pass this resolution.

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**Approved as to form:** Office of Corporation Counsel

By: Dowling Clarke

Date: June 23, 2011

**RESOLUTION** R-11-130

**Refunding the YMCA's property**

**taxes for the tax year starting**

**April 1, 2011**

Endorsed by

Maureen Moran

MAYOR

Bill McCarthy

MCCARTHY

Michael Tabacsko

TABACSKO

John S. Gil

COX

James Sheehan

SHEEHAN

Pat Craftey

CRAFTEY, J.

**IN THE BOARD OF ALDERMEN**

1<sup>ST</sup> READING June 28, 2011

Referred to:

Personnel and Administrative Affairs

2<sup>nd</sup> Reading AUGUST 9, 2011

3<sup>rd</sup> Reading \_\_\_\_\_

4<sup>th</sup> Reading \_\_\_\_\_

Other Action \_\_\_\_\_

Passed AUGUST 9, 2011

Indefinitely Postponed \_\_\_\_\_

Defeated \_\_\_\_\_

Attest: [Signature] City Clerk

[Signature] President

Approved [Signature] Mayor's Signature

August 10-2011 Date

Vetoed: \_\_\_\_\_

Veto Sustained: \_\_\_\_\_

Veto Overridden: \_\_\_\_\_

Attest: \_\_\_\_\_ City Clerk

\_\_\_\_\_  
President