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'Huge deal': Portsmouth reaches deal to buy Community Campus for $10 million

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Published 2:13 p.m. ET Sept. 16, 2021 | Updated 3:56 p.m. ET Sept. 16, 2021

PORTSMOUTH — The city has reached a tentative deal with the Foundation for Seacoast Health to buy the Community Campus building, along with 34 acres of land surrounding the facility.

The price tag is $10 million, according to documents released by the city Thursday.

Mayor Rick Becksted called the tentative purchase agreement "a huge deal for the city."

Asked what the city could will do with the property off West Road, Becksted said, "That's the challenge. It could be used for anything, virtually anything, but a lot of work is going to have to go into that."

He added, "It opens up possibilities of all different things."

In Portsmouth: 'Whaling Wall' mural by Wyland is being demolished. What's coming next?

The mayor pledged to have a robust public discussion to determine how the new city property should be used, assuming the tentative deal results in a purchase-and-sale agreement.

"The sale opens up all kinds of possibilities, the sky's the limit as far as I'm concerned," Becksted said.

The City Council is expected to vote at its meeting Monday night to give City Manager Karen Conard the authority to negotiate a purchase-and-sale agreement for the property, Becksted said.

Foundation for Seacoast Health Executive Director Deb Grabowski explained the decision to move the purchase and sale process forward with the city in a prepared statement.

Heat, furniture, meal plan?: Portsmouth microunit housing project headed for vote

"The Foundation's Board of Trustees agreed during our lengthy strategic planning process that in order to better serve our mission and return to our roots as a grant making organization, it was time to divest ourselves as property managers of the Community Campus. We have explored several options with interested parties and unanimously agree that a sale to the City of Portsmouth will ensure that our legacy to support area non-profits, and the services they provide, will remain accessible to Seacoast area residents," she said.

A key component to the deal, Grabowski said Thursday, is the Community Campus tenants will be able to remain on site after the sale.

"Our greatest concern with the sale to the city was their commitment to our existing tenants," she said.

The tenants include Seacoast Community School, Child Advocacy Center, Portsmouth Adult Basic Education Program and the Krempels Center.

The Families First Health & Support Center previously announced it is moving to a new location, Grabowski said.

She stressed the sale of the property to the city "gives us more flexibility to reach our mission by reaching additional nonprofits."

She said the foundation has issued several grants, totaling $342,000 over the past 18 months, many to support those in need throughout the pandemic and is enthusiastic the sale will enable the foundation to continue to make a positive impact on the lives of Seacoast community residents through increased grant making.

Tim Durkin, chair of the Foundation for Seacoast Heath Board of Trustees, said, "We are thrilled with the possibilities this sale will represent for both the Foundation for Seacoast Health and the city of Portsmouth. It's really a win/win situation for all involved, including our current tenants."

Conard said in a prepared statement, "The city has made the decision to move forward with a letter of intent with the Foundation for Seacoast Health because of the tremendous potential the Community Campus provides to reinforce the city's recreation and school department programs and facilities."

"The opportunity for the city to acquire such a significant property with a physical connection to the new athletic field and determine the future use of that site could not be more ideal," she added. "Securing this location so the city can decide its future is the type of legacy decision that will truly serve as a positive impact for generations to come."

Broad support on City Council for deal

Assistant Mayor Jim Splaine said he was "excited" about the tentative deal and believes it represents "an important part of Portsmouth's future for recreation and education, as well as other opportunities."

“It is a heck of a lot better that letting all that property be developed into some kind of high-end housing or condos or expensive apartments, which I think would have happened if it had been sold to someone else,” Splaine said.

The opportunity to purchase the land was “something simply we couldn’t pass up,” he said. “This is going to be owned by the residents of the city of Portsmouth collectively and the City Council will be able to make those choices about how it should be developed."

Splaine declined to say if the site made sense as a home for a new police station or much-needed affordable housing.

“This really gives future City Councils the opportunity to decide what is best for the future of Portsmouth, whether that’s 10, 20 or 30 years down the road,” he said.

Splaine credited Conard and city staff or their work on the tentative deal, saying the city manager “really did a great job showing her real talent.”

He also stated that “special credit” goes to the mayor for reminding city councilors about the ongoing need to develop recreational assets in Portsmouth.

In Portsmouth: City Council to discuss affordable housing with PHA

The City Council has held multiple non-public sessions about the land deal before announcing the news Thursday.

“This is a big deal and one of the biggest transactions we’ve had in many, many years,” he said. “This is a continually developing part of the city with a large and growing population.”

“It’s going to be easy to access by a lot of people,” he added.

City Councilor Paige Trace acknowledged that “$10 million is a lot of money no matter what it’s being used for, but in this instance I think it’s money well spent.”

Trace said it’s her understanding that the city can purchase the property without having to bond out any additional monies.

“We have thought long and hard about this and the city manager has steered us through this,” she said.

She called the tentative deal an “absolutely fabulous win-win for both the city and the Foundation.”

“It helps the foundation go and do what they were created to do,” she said.

In terms of what the land could be used for, Trace said “my mind goes to the topic of work-force and affordable housing.”

“We all keep talking about the need for that, but this gives us real potential,” she said. “If we purchase this, it allows us to contemplate, 'Does City Hall get moved out there, and can something else happen to City Hall?' It becomes a vehicle to explore other opportunities.”

Terms of the sale

The Letter of Intent reached by the two parties said the $10 million price tag is to be paid in two parts.

“First, a lump sum at the time of closing equal to the sum of the amount required by the Foundation to retire any debt secured by the property” will be paid, along with any taxes and fees associated with the transaction, according to the Letter of Intent.

That amount is estimated to be $5.5 million, the letter states.

The remainder of the purchase price will be paid “over a time period of five to 10 years, or less at the option of the city, to be determined by negotiations between the parties, the letter states.

The estimated closing date is on or before Jan. 31, according to the letter.