

**ECONOMIC DEVELOPMENT COMMISSION  
VIRTUAL MEETING  
MINUTES  
JANUARY 14, 2021**

**MEMBERS PRESENT:** Tom Phillips, Co-Chair; Norm DeLaura, Co-Chair, Shelly Koehler, Tom Deffenbaugh, Joy Dorin, Steve Carter, Earnell Kelly

**ALSO PRESENT:** Gary Anderson, Director of Planning & Economic Development  
Kyle Shiel, Senior Planner  
April DiFalco, Greater Manchester Chamber of Commerce  
Joe Lipiner, Downtown Special Services District

Adoption of Minutes of October 8, 2020

Mr. Phillips moved to approve the minutes as written. Mr. Carter seconded and all members voted in favor. Ms. Dorin abstained. All others voted in favor

Adoption of 2021 Meeting Schedule

Mr. DeLaura moved to approve the 2021 meeting schedule. Mr. Phillips seconded and all members voted in favor.

Election of Officers

Ms. Dorin moved to nominate Mr. DeLaura and Mr. Phillips as co-chairs. Mr. Carter seconded. All members voted in favor.

Downtown Loan Application, 2-4 Pearl Street

*Applicant Presentation*

Mr. Anderson reviewed the Downtown Investment Loan Fund Program. He said the EDC is responsible for approving Downtown Loan applications. He said the fund began with \$750,000 and was intended to help finance transformative projects with zero-interest loans. He said to date, the EDC approved one application for the Firestone Art Studio and Café. Mr. Anderson said generally, the loan funds code improvement projects that may otherwise not be financially feasible. The code improvements are intended to allow new uses and improve the overall building stock of the downtown district.

The loan applicants Chris Soverns and Tom Napolitano introduced themselves. Mr. Soverns said they purchased 2-4 Pearl Street in June of 2020. Both are local businessmen and excited about the potential of the property. He said they are real estate investors with construction experience. After taking ownership of the building in June 2020, they completed light demolition and relocated the previous tenants. The building is currently vacant while they continue working with their architect on a final design plan. Mr. Soverns said their vision for the building includes

substantial renovation, including structural and design improvements and that the Downtown Investment Fund Loan fund would help finance those improvements. He said they see the building as a significant property for the overall feel of Main Street and the goal is to construct eight residential market rate units on the upper floors. The partners are interviewing potential restaurant management partners to help run the planned restaurant on the ground floor.

Mr. Soverns said the total projected project cost is roughly \$850,000, with \$384,000 allocated for code related upgrades and \$465,000 for non-code-related improvements. He said he believes improving the residential portion of property will help enhance that section of Main Street and help make the proposed restaurant a Downtown staple. He said other requests from the Town include tax abatement during construction, pursuing a shared parking agreement for the public 'Brown Lot' of roughly 10 spaces, and negotiating an area in which to locate a commercial dumpster.

Mr. DeLaura asked how long the construction process would be expected to take. Mr. Soverns said it would take about one year and they were most of the way through the design phase. He said construction would likely be ready to start within a few months. Mr. Phillips asked about the residential portion of the project. Mr. Soverns said the units are intended to be market-rate at the middle end of the market and would feature modernized amenities. Mr. Phillips asked about an elevator for the building. Mr. Soverns said there was likely not room for an elevator, but he was currently working with the Town building department to determine the final code requirements.

Ms. Dorin asked if the two owners have worked together on a similar project before. Mr. Soverns said they had not on this precise type of project although Mr. Napolitano has done similar work in Springfield. Ms. Koehler said the CT Small Business Development Center is available with consultation advice for the restaurant portion of the project. Ms. DiFalco said the Chamber of Commerce is also available to assist where possible. Ms. Soverns thanked Ms. Koehler and Ms. DiFalco and said he would explore all available local resources.

Mr. DeLaura asked if the owners have contingency plans for project in the event the restaurant portion takes longer than expected to open. Mr. Soverns said the goal is to begin the residential portion first, as that is lower risk. He said as long as the rental units are at least at seventy-five percent occupied, that would carry most of the project cost. Mr. Anderson said the plan for the building has been to construct market-rate apartments and said it would be a significant change as the building was previously a rooming house with single-room occupancy.

Mr. Anderson asked Mr. Soverns to review the proposed code changes. Mr. Soverns said they were estimating roughly \$40,000 for asbestos and lead abatement work, \$90,000 for HVAC work, \$45,000 for plumbing work, \$36,000 for roofing upgrades, \$45,000 for electrical work, \$30,000 for necessary structural upgrades, \$48,000 for fire-code upgrades, and \$50,000 for kitchen and restaurant-related work. He said the total cost of the code improvements is roughly \$384,000.

Mr. Anderson thanked Mr. Soverns and Mr. Napolitano for their presentation and said the Commission would now discuss the item. Mr. Soverns and Mr. Napolitano thanked the Commission for their time and exited the meeting.

### *EDC Discussion*

Mr. Phillips asked about the market for residential units downtown. Mr. DeLaura said it was difficult to tell seeing as there are not many comparable units. Ms. Dorin said several units downtown appear to have been successful. Mr. Anderson said the demand for newer, high-quality housing is relatively strong, citing the Dowling on Main apartments owned by Lee Property Advisors in downtown. He said building more market-rate housing is one goal of the loan program.

Mr. Phillips asked if the potential lack of parking could be a challenge. Mr. Anderson said the first step for the project would be obtaining funding from the loan program to finance the necessary building upgrades and then the developers would plan to approach the Downtown Special Services District for the parking request and the Board of Directors for the dumpster location request. Mr. DeLaura asked if the Brown public lot had sufficient lighting. Mr. Anderson said he was unsure about the lighting at that particular lot.

Mr. Deffenbaugh said people do seem to be demanding upgraded, modernized properties downtown. Mr. Carter asked if the Town has reviewed the financial statements from the applicants. Mr. Anderson said the Town's Director of Finance has reviewed the financials and was satisfied with the submitted material. Mr. Kelly said he was unsure about the viability of the project getting market-rate rents and that the parking situation was a potential concern.

Ms. Koehler said downtown Manchester is a good central location and that while parking is important, it does not necessarily make or break a project by itself in this location. Mr. DeLaura said regardless of the success of the proposed project, the building itself would be improved and enhance the downtown district, better positioning it for a variety of future uses.

Mr. Carter said he was in favor of assisting the project at a level of assistance commensurate to what the Commission provided Firestone. Mr. Anderson said the application does propose improving a property that has long been mentioned as important for helping transform downtown. Mr. DeLaura said he was in favor of providing \$200,000 in assistance, as that was the same amount provided to Firestone. Ms. Koehler asked if there was a gap between what Firestone initially requested and what they ultimately received in assistance. Mr. Anderson replied in the affirmative.

Mr. Phillips concurred with the previous suggestions to provide a commensurate level of support. Ms. Dorin said she had some concern about the applicants not working together on this specific type of project before but felt the application was overall strong. Mr. Deffenbaugh said improving the building was a worthwhile goal. Mr. Carter made a motion to approve \$200,000 in Downtown Investment Loan funds to the applicants, subject to final approval of the code analysis by the Fire Marshall and Building Department. Mr. Phillips seconded. All members voted in favor.

Project Update from Planning & Economic Development Director

Mr. Anderson asked Mr. Lipiner and Ms. DiFalco if they wanted to include any brief updates. Mr. Lipiner noted that while he did not have a formal vote in the EDC meeting, he said the Downtown Special Services District (SSD) was in favor of the 2-4 Pearl project. He said the SSD recently established a curbside pick-up program in response to the COVID pandemic and hoped it would be continued in the future. Ms. DiFalco said the Chamber is working on a resource guide for local businesses attempting to compile all the most important resources for businesses in a single website. She said the Chamber is putting together a 'Family Feud' style fundraiser event that will feature first responder and essential workers.

Mr. Anderson said the Parkade preliminary development plans have been submitted. He said staff is currently reviewing the plans, and it will go before the Planning and Zoning Commission sometime in the next six to eight weeks. He said the Winstanley Logistics Center has gotten permits for the last phase of their project and the building will likely be fully occupied by end of summer. He said the tenant would be in the transportation industry and would generate about 500 jobs. He said over 1,000 people in total will be working at the entire site when it is fully occupied. Regarding the restaurant Manchester Country Club, Mr. Anderson said the Board of Directors has reached an agreement with Geno Auriemma's restaurant group to run operations.

#### Discussion of Potential EDC Workplan for 2021

Mr. Phillips said he would like to develop a 2021 workplan for the Commission and will work with staff and Mr. DeLaura on a draft for next scheduled meeting.

#### COVID-19 Relief Update

Ms. Koehler said the CT Small Business Development Center (CTSBDC) is providing on-demand and live office hours for details on the CARES act and COVID relief legislation, including relevant updated on the Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), and related grants. She said a new application period recently opened and some lenders are accepting PPP applications from businesses who do not have existing lender relationships. She said the CTSBDC has COVID-relief advisors available to answer questions for applicants who need assistance.

#### Adjournment

Mr. Phillips made a motion to adjourn. Ms. Koehler seconded and all members voted in favor. The meeting adjourned at 9:14 am.