SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC HEARING – TAX RELIEF INCENTIVE APPLICATIONS)

October 16, 2023 at 5:00 PM
Aldermanic Chambers, City Hall (3rd Floor)

Mayor and All Aldermen

AGENDA

The Mayor calls the meeting to order.

The Mayor calls for the Pledge of Allegiance.

A moment of silence is observed.

The Clerk calls the roll.

1. The Mayor advises that the purpose of the special meeting is to hear those wishing to speak on two Community Revitalization Tax Relief Incentive Applications pursuant to RSA 79-E for properties located at 25-27 Lowell Street and 215 Canal Street in the city of Manchester; that anyone wishing to speak must first step to the nearest microphone when recognized and give his/her name and address in a clear, loud voice for the record; that each person will be given only one opportunity to speak; and any questions must be directed to the Chair.

The Mayor requests that Jodie Nazaka, Economic Development Director, make a presentation on 25-27 Lowell Street.

The Mayor calls for those wishing to speak.

The Mayor requests that Jodie Nazaka, Economic Development Director, make a presentation on 215 Canal Street.

The Mayor calls for those wishing to speak.

The Mayor advises that this being a special meeting of the Board, no further business can be presented and a motion is in order to adjourn.

CITY OF MANCHESTER
Economic Development Office

Jodie L. Nazaka, AICP
Director

October 10, 2023

Board of Mayor and Aldermen
c/o Matt Normand, City Clerk
One City Hall Plaza
Manchester, NH 03101

RE: Community Revitalization Tax Relief Incentive Revised Application (RSA 79-E) for 25 & 27 Lowell Street.

Dear Mayor Craig and Aldermen:

The intent of RSA 79-E is to provide temporary property tax relief to incentivize qualifying development projects that either rehabilitate certain qualifying structures or replace structures that do not possess significant historical, cultural, or architectural value, provided said projects create certain public benefits.

The Economic Development Office received a revised application for the above-referenced property to review and determine eligibility for relief consideration under New Hampshire statute RSA 79-E. After reviewing the updated conceptual plans, scope of work, and state statute, I believe the application qualifies for your consideration. Since the March 2023 application, there haven't been significant changes concerning the project's eligibility for 79-E consideration. Yet, there are some updated aspects in the proposal that the Board should take note of:

1. The property is now under an agreement for purchase and sale with new owner(s) North Street Properties LLC (Applicant); and
2. The number of units has grown from 48 to 73, with a larger proportion of one-bedroom units.

Enclosed is a summary of our findings, along with supplementary details such as the developer's application, floor plans, and PROforma.

Building and Project Description
The property is at 25 & 27 Lowell Street (Tax Map 9, Lot 7). The applicant proposes to convert the existing five-story, steel-frame office building into a 55,000 SF apartment building with 73 multi-family residential units and two first-floor commercial units, with associated site improvements in the Central Business Zoning District (CBD). The applicant has provided floor plans of the ground floor layout and the layout of the subsequent four floors. The composition of the units includes two commercial units situated at the front of the building along Lowell Street, seven (7) studios, sixty-one (61) one-bedrooms, and five (5) two-bedrooms.

The building was built in 1940 and is considered in 'average' condition. The condition of the building is well-suited for the proposed development plan and revitalization. As represented by the applicant in their pro forma worksheet, the proposed project budget, exclusive of site acquisition but inclusive of demo costs, environmental abatement, sitework, etc., is **$13,968,991.00**.

Statutory Criteria

To receive relief under the statute, an applicant must demonstrate compliance with several requirements:

Public Benefit: Pursuant to 79-E:7, to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits:

I. *It enhances the economic vitality of the Downtown*:
The proposed substantial rehabilitation would improve the economic vitality of the neighborhood and area by overhauling an underutilized building to productive use, adding seventy-three (73) market-rate residential units to the Downtown.

II. *It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located:*
Built in approximately 1940, the Wellington Trade Center has long been a primary office building within the Downtown and the former location of Mountain Trains and Hobbies. With its prominent location and scale, this building is culturally important to the people of Manchester.

II-a. *It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the US Secretary of the Interior's Standards for Rehabilitation;*
Although the building is not listed on any historic registry, the preservation helps to maintain the community's sense of place and identity. The rehabilitation of this building also helps to revitalize the neighborhood and can stimulate economic development by attracting businesses and residents to the area. Overall, promoting the preservation and reuse of existing building stock through rehabilitation is an essential aspect of sustainable development that benefits both the environment and the community.

III. *It promotes the development of municipal centers, providing for efficiency, safety, and a greater sense of community:*
Revitalizing the Wellington Trade Center with new residents and maintaining street-level retail represents a significant stride in the city's efforts to attract more residents to the Downtown area. It can boost economic activity, as downtown residents often support local businesses. Additionally, new residents contribute to a more lively and engaged community, fostering a stronger sense of unity through participation in local events and activities.

IV. *It increases residential housing in urban or town centers*:
This project proposes to add seventy-three (73) new market-rate apartments to our Downtown. Based on the information provided, it does not appear the applicant is offering any affordable units. The New Hampshire Housing Finance Authority (NHHFA) defines affordable housing as rental or owner-occupied housing that costs no more than 30% of one's income at 80% of the area's median income (AMI). Rental cost is determined as rent plus utilities. *Reference: In Manchester, 80% of AMI for one person in 2023 is $59,250. 30% of $59,250 is $1,488 per month.*

<u>Qualifying Structure</u>: Pursuant to RSA 79-E:2 II, Qualifying Structure means a building located within the Central Business Service District (CBSD) as defined by the Board of Mayor and Aldermen pursuant to § 37.02 or the Redevelopment District (RDV) as defined by Article 4.01 A.10 of the Zoning Ordinance of the City of Manchester. The property at 25 & 27 Lowell Street is within the CBSD and is considered a qualifying structure.
<u>Substantial Rehabilitation</u>: As defined by City Ordinance 36.40 (B) pursuant to RSA 79-E:2 IV, Substantial Rehabilitation is rehabilitation that costs at least 15% of the pre-rehabilitation assessed valuation or at least $75,000 whichever is greater than. The 2021 assessed valuation of the property is $3,165,100. The 15% threshold is $474,765. The adjusted total estimated project construction cost is $17,118,991. The proposed project cost meets the Substantial Rehabilitation requirement.

<u>Term of Covenant Requested:</u> The applicant has requested a tax relief period of **seven (7) years**. Per City Ordinance 36.40 (C) pursuant to RSA 79-E:5, the Board of Mayor and Aldermen shall grant a tax relief period of up to five (5) years. The Board may also grant up to an additional two (2) years of tax relief for a project that results in new residential units.

<u>Recommendation:</u>
It's important to start by noting the housing availability and affordability challenges we're experiencing in Manchester and throughout New Hampshire. The demand for housing has far outpaced the available supply, leading to a housing crisis that affects our residents and challenges our local economy. The vacancy rate for housing in Manchester has consistently remained under 1%, a situation that has reached alarming proportions. This scarcity of housing options has far-reaching consequences. It affects not only the ability of our residents to find suitable and affordable homes but also impacts the attractiveness of Manchester as a place to live and work. Such a low vacancy rate can hinder our ability to attract and retain a diverse workforce, which is vital for our city's continued economic growth and vitality.

The city can utilize initiatives such as 79-E to attract housing developers and investors to the Manchester market, thereby enhancing the total housing inventory and investments in our community. As more homes become available, the supply of housing units grows, and the vacancy rate increases. This boost in housing availability can ease the strain on current rental rates. Given the high demand and restricted housing supply in Manchester, landlords typically have the upper hand in raising rents. However, when housing supply matches demand, the market tends to offer more consistent and fair rental rates.

Given the data shared by the applicant and the city's pressing need for more housing units, six-year of relief under 79-E appears justified. After assessing the potential effects of the increased housing units on the city, and taking into account the applicant's PROforma and annual predictions, it seems the project will find its footing by the seventh year. As such, the recommendation is to approve a six-year request, instead of extending it to seven. Through discussions with the Chairman of the Board of Assessors, Robert J. Gagne, it is estimated that the property's assessed value after renovation will be $11.8 million for a 73-unit residential conversion. The post-renovation assessed value will increase the annual property taxes by approximately $164,699 in year one (1). If approved, the tax subsidy would result in an estimated cost savings of $1,092,444 over six (6) years.

Enclosed with this review letter is a copy of the applicant's PROforma. However, lines 58 and 59 lack the property tax expense based on the post-renovation value and the Central Business Service District

(CBSD) tax. The applicant has also not clarified whether off-street parking will be included for tenants or if it will come at an extra cost. Given the patterns observed in the downtown with similar properties, it's presumed that off-street parking will incur an additional cost for tenants. Conservatively estimating 50 parking spaces at $100 each per month, this could lead to an additional annual income of approximately $60,000. In response, I've provided an updated PROforma. This projects an annual tax of $222,430.00, which will see an estimated 4% increase yearly based on the post-renovation assessed value of $11.8 million. It also accounts for the estimated CBSD tax at $3,599 and an estimated additional parking revenue of $60,000.

I, as well as the applicant, are available should you have questions.

Respectfully,

Jodie Nazaka

Jodie Nazaka, AICP
Director
Manchester Economic Development Office

Enclosures: Project Narrative – page(s) 5-6
Copy of submitted 79-E application – page(s) 7-13
Applicant's PROforma/project budget – page(s) 14-15
Adjusted PROforma – page(s) 16-17
Floor Plans – page(s) 18-22

Project Description

North Street Properties LLC (the "Applicant") requests that the Honorable Board of Mayor and Aldermen grant seven years of tax relief under RSA 79-E for the property located at 25-27 Lowell Street, Manchester, New Hampshire 03104 (the "Wellington Trade Center"). The Applicant agreed to purchase the Wellington Trade Center from the current owner, Wellington Trade Center, LLC, contingent on the Applicant receiving RSA 79-E tax relief.

The Applicant plans on changing the Wellington Trade Center from a commercial property to a mixed-use property. The Wellington Trade Center currently is 51,600 square feet of commercial space. The current owner has been unable to find commercial tenants to rent the space in the building due to low demand for commercial space post-Covid. The Wellington Trade Center currently consists of 35 office spaces that are vacant.

The Applicant's new use will consist of 73 residential units and two commercial units. The 73 residential units will consist of seven studio units, 61 one-bedroom units, and five two-bedroom units. The two commercial units will be a total of 2,950 square feet combined. The Applicant will remodel and update the inside of the building to make it safer and more appealing to future residents. The electrical and wiring will be updated to the modern standards. Each unit will be "gutted" and new sheetrock, paint, sprinklers, flooring, doors, and kitchens will replace the current interior.

The Applicant's project will provide much needed housing in Manchester and specifically, housing in the downtown area which is in limited supply. The Applicant is reusing an existing building and the outside of the building will remain in its current state with the exception of the removal of a staircase being removed from the back the building. The project will conclude with a building that is updated on the inside while still maintaining the classic look on the outside to match the historic character of Manchester's downtown.

The Applicant's project meets the goals and requirements of RSA 79-E. The Wellington Trade Center is located in the Central Business Services District ("CBSD") The CBSD is one of the zones where RSA 79-E relief is available. The Wellington Trade Center meets the definition of a "Qualifying Structure" because it is withing the CBSD and it is right off of Elm Street. The Applicants project will cost approximately $17,118,991.00 which meets the minimum meets the minimum rehabilitation cost.

The Applicant's project meets the definition of public benefit under RSA 79-E:7 because it is a rehabilitation of a Qualifying Structure which is located in a downtown area. The project will add more housing in the center of Manchester and provide 73 units of market rate apartments. The Applicant will provide housing to future tenants with new appliances and new residential interiors in each unit to replace the existing interior meant for commercial tenants. The Applicant will install new wiring and plumbing to meet the needs of future residents. The Wellington Trade Center's current systems are outdated. Replacing the outdated systems will enhance energy efficiency and safety.

The Applicant plans on holding the Wellington Trade Center as an investment property for the foreseeable future and the Applicant will abide by the guidelines provided in RSA 79-E during the tax relief period.

RSA 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE APPLICATION

MANCHESTER ECONOMIC DEVELOPMENT OFFICE

OVERVIEW

Through the 79-E program, a governing body may grant temporary property tax relief for a defined period. The tax relief period is intended to incentivize development projects that substantially rehabilitate a qualifying structure or replace structures that do not possess significant historical, cultural, or architectural value, provided said projects create certain public benefits.

Please complete this application, sign it, and return it to the Manchester Economic Development Office (MEDO) with the application fee and all related documents as required herein. If you have questions about this application, please call 603-624-6505 for more information.

APPLICATANT INFORMATION

Name : North Street Properties LLC

Company Name : North Street Properties

Phone Number : 978-319-2508

Mailing Address : PO Box 10604

Suite/Apt # :

City/Town : Bedford

State : NH

Zip Code : 03110

E-Mail : derek@northstreetproperties.com

PROPERTY OWNER INFORMATION

Name : Wellington Trade Center LLC

Company Name :

Phone Number : (603) 624-4333- Counsel

Mailing Address : 722 Chestnut Street (Counsel)

Suite/Apt # :

City/Town : Manchester

State : NH

Zip Code : 03104

E-Mail : sdunphy@cbzlaw.com

PROPERTY INFORMATION

1. Address : 25-27 Lowell Street Manchester, NH 03104

2. Building Name : Wellington Trade Center **3. Tax Map #** : 91

4. Current Assessed Value

Land : **Building** : 3,165,100

5. Deed (Hillsborough County Registry of Deeds)

Land : Book 5918 Page: 1421 **Building** : Same

6. Year Built : 1940

7. Gross Building Square Footage : 61,920

8. Is the Property eligible for, or has it been listed on, the State or National Register of Historic Places, either individually or as part of an existing or potential State or National Register District?

No ☑ **Yes** ☐ **If yes, please attach the Historic Inventory Form for the property to this application.**

9. Provide historic district name if applicable : CBSD

10. Is the Property located in a qualifying RSA 79-E District?

Central Business Service District (CBSD) or Redevelopment District (RDV) Please Exhibit 1.

No ☐ **Yes** ☑

11. Existing Uses (describe number of units by type and size)

	Existing Square Footage	Proposed Square Footage
Residential		51,600
Commercial/Office	51,600	
Industrial/Warehouse		
Restaurant		
Retail		
Other		

12. Is there a change of use associated with this project?

No ☐ **Yes** ☑

If so, please describe.

Mix of residential and commercial-73 Residential Apartments and 2 Commercial Units

Please see attached

2. What is the scheduled start date? : 12.1.2023

3. What is the scheduled completion date? : 11.30.2024

4. Will the project include new residential units?

No ☐ Yes ☑

If yes, please describe how many new units will be created and what types of units are proposed (condo, apartment, other)?.

Apartments-73 Residential
Commercial-2 Units

5. Will the project include new affordable residential units?

No ☑ Yes ☐

If yes, please describe affordable housing restrictions to be placed on the property:

6. Does your project involve the demolition and replacement of an existing building?

No ☑ Yes ☐

If your building is 50 years of age or older, please attach a completed New Hampshire Division of Historic Resources Individual-Resource Inventory Form prepared by a qualified architectural historian for the subject property. In accordance with RSA 79-E:4, I-a, your application will also be reviewed by the City's Heritage Commission.

***The governing body may not hold a public hearing on your application until 1) said Historic Inventory Form is provided, and 2) the Heritage Commission's review is complete.**

****Projects involving demolishing structures with significant historical, cultural, or architectural value are not eligible for RSA 79-E incentives.**

7. For projects involving the rehabilitation of historic buildings, do you plan to complete the renovation in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation?

No ☐ **Yes** ☐

If yes, please attach a narrative describing how your project shall comply with these standards. Please confirm that you have engaged a qualified architectural historian or preservation consultant for this project. Also, please be advised that improvements must be reviewed and approved by the NH Division of Historical Resources, at the applicant's expense, prior to the project's start and at the time of project completion. Please confirm that rehabilitation shall include energy efficiency improvements valued at 10% of the pre-rehabilitation assessed value of the property or $5,000, whichever is less, per RSA 79-E:2,IV.

8. Have you applied for / secured any development permits for this project:

No ☑ **Yes** ☐

If yes, please describe:

The permit applications are currently being filled out and will be submitted shortly after this application.

Please attach any Planning Board approvals, building permits, plot plans, building plans, sketches, renderings or photographs that would help explain this application.

PUBLIC BENEFIT

1. Please identify which of the following public benefits you believe your project achieves in accordance with RSA 79-E:7:

☑ **The project enhances the economic vitality of Downtown Manchester;**

☐ **The project enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, the district in which the building is located;**

☑ **The project promotes the preservation and reuse of existing building stock in Manchester by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation;**

☑ **The project promotes the development of municipal centers, providing efficiency, safety, and a greater sense of community, consistent with RSA 9-B (NH Smart Growth Policy); or**

☑ **The project increases residential housing in the Central Business Service District (CBSD) or the Redevelopment District (RDV).**

2. Please attach a narrative describing, in detail, how the project addresses the public benefit(s) identified above. Any proposed replacement must provide one or more of the public benefits listed above to a greater degree than would a substantial rehabilitation of the same qualifying structure.

PROJECT BUDGET AND FINANCING

1. How many years of tax relief are requested? 7

2. Will any state or federal grants or funds be used in this project?

No ☑ **Yes** ☐

If yes, describe and detail any terms of repayment, program(s) used, the total amount of credits, and the cash value of credits when monetized.

3. Pro Forma: Please complete the attached forms in Exhibit 2 of this application. Electronic copies of the pro forma template are available upon request. The forms in Exhibit 2 contemplate a residential or mixed-use rental project held by a developer for the duration of the RSA 79-E period.

To assist the Board with the application review, applicants must provide detailed information about their financing package for the project, including a statement of sources and uses (i.e., Project Budget) and a financial pro forma (Exhibit 2).

Failure to submit the required information will deem an application incomplete. Under RSA 79-E:4, II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information required here. The Board has up to 45 days to act upon the application after the public hearing.

APPLICATION CHECKLIST

1. Please check the boxes below confirming the following documents have been attached to this application:

- ☑ **Completed and signed application (Paper and electronic copies are required. Electronic documents shall be submitted on a thumb drive);**
- ☑ **Application fee ($200). Check made payable to the City of Manchester;**
- ☑ **Property card (obtained from the City of Manchester Assessors Office);**
- ☑ **Copy of property Deed;**
- ☑ **Development plans (if available);**
- ☑ **Public Benefit narrative;**
- ☑ **Project Pro Forma (Exhibit 3) (Paper and electronic copy are required);**
- ☐ **Copies of all permits and approvals received;**
- ☐ **Historic Inventory Form (if eligible for State / National Register, or located in a State / National Register District) (if applicable);**
- ☐ **Estimates / Bids for Construction (if available)**

ACKNOWLEDGMENTS

1. I have read and understand RSA 79-E, which is attached to this application in Exhibit 3.

2. I certify under penalty of perjury that the information provided herein, and attached to this application, is accurate.

3. I hereby acknowledge that the application process is a public process that will include public hearings held by the Board of Mayor and Alderman to discuss and secure public input regarding the merits of this application, including financial need and potential public benefits associated with this project.

4. I hereby acknowledge that in accordance with RSA 79-E: 4, II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information as required herein. I further acknowledge that the City has up to 45 days to act on this application after the completion of the aforementioned public hearing (RSA 79-E: 4, III).

5. I hereby understand that in accordance with RSA 79-E:1 3, II, tax relief granted under the RSA 79- E Program shall only apply to improvements to the property which commence after the Board approves this application and after the applicant grants a Covenant to the City on the subject property to protect the public benefit as set forth in RSA 79-E:8. Therefore, I hereby agree that I shall not make any improvements to the property, including demolition of any portion of the subject structure until the City has acted upon this application and I have granted the protective covenant for the property. I further acknowledge that the commencement of improvements prior to the Board's action on this application and granting of the protective covenant may result in the denial of this application.

6. If RSA 79-E Community Revitalization Tax Relief Incentives are granted, I shall be solely responsible for preparing the covenant to protect the public benefit set forth in RSA 79-E:8 at my sole expense, and that said covenant shall be acceptable to the City in its sole discretion.

7. I also hereby acknowledge that the City has no obligation to approve this application and may withhold approval for any reason. In the event this application is denied, I understand that City's decision may be appealed either to the Board of Tax and Land Appeals or the Hillsborough County Superior Court, as set forth in RSA 79-E:4, VII; however, such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination.

8. I hereby grant permission to City staff and their designees to enter this property for the purpose of inspecting the property in conjunction with the City's review process for this application. Said permission shall extend from the date the application is submitted until construction at the property is completed or the application is denied by the City or withdrawn by the applicant or the owner.

9. I hereby agree that if the financing plan for this project utilizes third-party financing, and said financing is contingent upon approval of this RSA 79-E application, I shall not close on said financing until the City takes action upon this application or the applicant or the owner withdraws the application.

10. I hereby agree that the burden of proof is on all elements of the proposal, and the proposal must be supported by proof that it conforms to all applicable standards and criteria by providing written findings or statements of factual information which are intended to demonstrate the proposal complies with any or all applicable standards and criteria.

SIGNATURES

APPROVAL BY A MAJORITY OF THE MAYOR AND ALDERMEN REQUIRED

I have read and understand the Community Revitalization Tax Relief Incentive RSA Ordinance (see following pages) and am aware that this will be a public process including a public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the City and pay any reasonable expenses associated with the drafting of the covenant.

Ben Gamache

Printed Name Of Property Owner

Date

Signature Of Property Owner

Derek Lawton

7/31/2023

Printed Name Of Applicant

Date

Derek Lawton

Signature Of Applicant

APPLICATION EXHIBITS

Exhibit 1: Qualifying districts: Central Business Service District (CBSD) and Redevelopment District (RDV)

Exhibit 2: Pro Forma

Exhibit 3: RSA 79-E Statute

Exhibit 4: New Hampshire Division of Historic Resources Individual-Resource Inventory Form

FOR MORE INFORMATION

CONTACT THE MANCHESTER ECONOMIC DEVELOPMENT OFFICE (MEDO)

One City Hall Plaza, Manchester, NH 03101
Director: Jodie Nazaka, AICP
Email: jnazaka@manchesternh.gov
Phone: (603)624-6505
Web: manchesternh.gov/Economy

PRO FORMA WITHOUT RSA 79-E

Expected Project Start Date: 12/1/2023 Expected Project Completion Date: 11/30/2024

PROJECT BUDGET	Estimated Cost	NOTES
Soft cost		
Real Estate Acquisition	$3,150,000	
Boundary Survey	$6,500	
Development Permiting/Legal Fees	$320,000	
Environmental Assessments	$ -	
Inspections	$ -	
Real Estate Taxes	$57,731	
Property Insurance	$42,500	
Other	$ -	
Total Soft Costs:	**$ 3,576,731.00**	
Hard costs		
Demolition	$709,500	
Environmental Abatement	$228,521	
Off-Site Improvements		
Renovations	$5,308,695	
New Construction	$2,158,385	
Structural	$ -	
Electrical	$1,709,521	
Plumbing/Heating	$2,478,858	
Mechanical	$ -	
Contingency	$948,780	
Other	$ -	
Total Hard Costs	**$ 13,542,260.00**	
Total Estimated Project Cost:	**$ 17,118,991.00**	

FINANCING SOURCES & USES (PROJECT BUDGET)		NOTES
Developer Equity	$ -	
Investor Equity	$ -	
Tax Credits (cash value)	$ -	
Grants	$ -	
Bank Loan(s)	$12,839,243	
Other:	$ -	
Total - Sources:	**$ 12,839,243.00**	

DEBT SERVICE COVERAGE RATIO (DSCR)

ESTIMATED INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Residential	$1,484,400	$1,528,932	$1,574,800	$1,622,044	$1,670,705	$1,720,826	$1,772,451	$1,825,625	$1,880,394	$1,936,805
Retail	$53,100	$54,693	$56,334	$58,024	$59,765	$61,557	$63,404	$65,306	$67,265	$69,283
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Resturant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking (if any)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Gross Income	**$1,537,500**	**$1,583,625**	**$ 1,631,134.00**	**$ 1,680,068.00**	**$ 1,730,470.00**	**$ 1,782,383.00**	**$ 1,835,855.00**	**$ 1,890,931.00**	**$ 1,947,659.00**	**$ 2,006,088.00**
Less Vacancy	$ 84,840.00	$ 87,386.00	$ 90,007.00	$ 92,707.00	$ 95,488.00	$ 98,352.00	$ 101,304.00	$ 104,342.00	$ 107,473.00	$ 110,697.00
Net Revenues After Vacancy	**$ 1,452,660.00**	**$ 1,496,239.00**	**$ 1,541,127.00**	**$ 1,587,361.00**	**$ 1,634,982.00**	**$ 1,684,031.00**	**$ 1,734,551.00**	**$ 1,786,589.00**	**$ 1,840,186.00**	**$ 1,895,391.00**

ESTIMATED EXPENSE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Taxes - Property	$57,731	$ 57,731.00	$ 57,731.00	$ 57,731.00	$ 57,731.00	$ 57,731.00	$ 57,731.00	$ 249,660.00	$ 257,150.00	$ 264,864.00
Taxes - Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Trash Removal	$ 15,026.00	$ 15,777.00	$ 16,566.00	$ 17,394.00	$ 18,264.00	$ 19,177.20	$ 20,136.06	$ 21,142.86	$ 22,200.00	$ 23,310.00
Utilities - Electricity	$ 30,365.00	$ 30,365.00	$ 31,428.00	$ 32,528.00	$ 33,666.00	$ 33,666.00	$ 33,666.00	$ 33,666.00	$ 33,666.00	$ 33,666.00
Utilities - Natural Gas	$ 11,739.00	$ 11,739.00	$ 12,326.00	$ 12,942.00	$ 13,589.00	$ 13,589.00	$ 13,589.00	$ 13,589.00	$ 13,589.00	$ 13,589.00
Utilities - Sewer and Water	$ 60,260.00	$ 60,260.00	$ 63,273.00	$ 66,437.00	$ 69,759.00	$ 73,246.95	$ 76,909.29	$ 80,754.75	$ 84,792.48	$ 89,032.10
Utilities - Phone / Internet	$ 6,198.00	$ 6,198.00	$ 6,508.00	$ 6,833.00	$ 7,174.00	$ 7,532.70	$ 7,909.33	$ 8,304.79	$ 8,720.02	$ 9,156.02
Parking	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Management and Repairs	$ 109,280.00	$ 112,558.00	$ 115,935.00	$ 119,413.00	$ 122,995.00	$ 126,685.00	$ 130,486.00	$ 134,401.00	$ 138,433.00	$ 142,586.00
Total Estimated Operating Expenses	**$290,599**	**$ 294,628.00**	**$ 303,767.00**	**$ 313,278.00**	**$ 323,178.00**	**$ 331,627.85**	**$ 340,426.68**	**$ 541,518.40**	**$ 558,550.50**	**$ 576,203.12**

NET OPERATING INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Revenue Less Operating Expenses	$ 1,162,061.00	$ 1,201,611.00	$ 1,237,360.00	$ 1,274,083.00	$ 1,311,804.00	$ 1,352,403.15	$ 1,394,124.32	$ 1,245,070.60	$ 1,281,635.50	$ 1,319,187.88
DEBT SERVICE PAYMENTS										
Bank Loans	$999,301	$ 999,301.00	$ 999,301.00	$ 999,301.00	$ 999,301.00	$999,301	$ 999,301.00	$ 999,301.00	$ 999,301.00	$ 999,301.00
Other Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Debt Service	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**
DEBT SERVICE COVERAGE RATIO (DSCR)										
Net Operating Income / Debt Service Payment	**1.162873849**	**1.202451514**	**1.23822552**	**1.274974207**	**1.312721592**	**1.353349141**	**1.395099495**	**1.245941513**	**1.28253199**	**1.320110637**

UNIT DESCRIPTION

Unit #	Unit SF	# of Bedrooms	Proposed Rent
7 Apartments	360	0	$1,500
61 Apartments	675	1	$1,700
5 Apartments	750	2	$1,900
Unit 1 Retail	1,546	0	$2,319
Unit 2 Retail	1,404	0	$2,106
			$ -
			$ -
			$ -
			$ -
			$ -
			$ -
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			$ -

PRO FORMA WITHOUT RSA 79-E - ADJUSTED

Expected Project Start Date: 12/1/2023

Expected Project Completion Date: 11/30/2024

PROJECT BUDGET	Estimated Cost	NOTES
Soft cost		
Real Estate Acquisition	$3,150,000	
Boundary Survey	$6,500	
Development Permiting/Legal Fees	$320,000	
Environmental Assessments	$ -	
Inspections	$ -	
Real Estate Taxes	$57,731	YR2022
Property Insurance	$42,500	
Other	$ -	
Total Soft Costs:	**$ 3,576,731.00**	
Hard costs		
Demolition	$709,500	*Provide copy of estimate if availible
Environmental Abatement	$228,521	*Provide copy of estimate if availible
Off-Site Improvements		
Renovations	$5,308,695	
New Construction	$2,158,385	
Structural	$ -	
Electrical	$1,709,521	
Plumbing/Heating	$2,478,858	
Mechanical	$ -	
Contingency	$948,780	
Other	$ -	
Total Hard Costs	**$ 13,542,260.00**	
Total Estimated Project Cost:	**$ 17,118,991.00**	

FINANCING SOURCES & USES (PROJECT BUDGET)		NOTES
Developer Equity	$ -	
Investor Equity	$ -	
Tax Credits (cash value)	$ -	
Grants	$ -	
Bank Loan(s)	$12,839,243	
Other:	$ -	
Total - Sources:	**$ 12,839,243.00**	

DEBT SERVICE COVERAGE RATIO (DSCR)

ESTIMATED INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Residential	$1,484,400	$1,528,932	$1,574,800	$1,622,044	$1,670,705	$1,720,826	$1,772,451	
Retail	$53,100	$54,693	$56,334	$58,024	$59,765	$61,557	$63,404	
Office	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Resturant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Parking (if any)	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	*50 parking spaces at $100 each per month, this could lead to an additional annual income of approximately $60,000
Storage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Gross Income	**$1,597,500**	**$1,643,625**	**$ 1,691,134.00**	**$ 1,740,068.00**	**$ 1,790,470.00**	**$ 1,842,383.00**	**$ 1,895,855.00**	
Less Vacancy	$ 84,840.00	$ 87,386.00	$ 90,007.00	$ 92,707.00	$ 95,488.00	$ 98,352.00	$ 101,304.00	
Net Revenues After Vacancy	**$ 1,512,660.00**	**$ 1,556,239.00**	**$ 1,601,127.00**	**$ 1,647,361.00**	**$ 1,694,982.00**	**$ 1,744,031.00**	**$ 1,794,551.00**	

ESTIMATED EXPENSE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Taxes - Property	$ 222,430.00	$ 231,327.20	$ 240,580.29	$ 250,203.50	$ 260,211.64	$ 270,620.11	$ 281,444.91	*Post renovation assessed value is estimated at $11.8M mill for 73 units
Taxes - Other	$ 3,599.46	$ 3,599.46	$ 3,599.46	$ 3,599.46	$ 3,599.46	$ 3,599.46	$ 3,599.46	2023 CBSD Tax 0.305039 per 1000
Trash Removal	$ 15,026.00	$ 15,777.00	$ 16,566.00	$ 17,394.00	$ 18,264.00	$ 19,177.20	$ 20,136.06	
Utilities - Electricity	$ 30,365.00	$ 30,365.00	$ 31,428.00	$ 32,528.00	$ 33,666.00	$ 33,666.00	$ 33,666.00	
Utilities - Natural Gas	$ 11,739.00	$ 11,739.00	$ 12,326.00	$ 12,942.00	$ 13,589.00	$ 13,589.00	$ 13,589.00	
Utilities - Sewer and Water	$ 60,260.00	$ 60,260.00	$ 63,273.00	$ 66,437.00	$ 69,759.00	$ 73,246.95	$ 76,909.29	
Utilities - Phone / Internet	$ 6,198.00	$ 6,198.00	$ 6,508.00	$ 6,833.00	$ 7,174.00	$ 7,532.70	$ 7,909.33	
Parking	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Management and Repairs	$ 109,280.00	$ 112,558.00	$ 115,935.00	$ 119,413.00	$ 122,995.00	$ 126,685.00	$ 130,486.00	
Total Estimated Operating Expenses	**$458,897**	**$ 471,823.66**	**$ 490,215.75**	**$ 509,349.96**	**$ 529,258.10**	**$ 548,116.42**	**$ 567,740.05**	

NET OPERATING INCOME	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Net Revenue Less Operating Expenses	$ 1,053,762.54	$ 1,084,415.34	$ 1,110,911.25	$ 1,138,011.04	$ 1,165,723.90	$ 1,195,914.58	$ 1,226,810.95	
DEBT SERVICE PAYMENTS								
Bank Loans	$999,301	$ 999,301.00	$ 999,301.00	$ 999,301.00	$ 999,301.00	$999,301	$ 999,301.00	* annual payments
Other Debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total Debt Service	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	**$ 999,301.00**	
DEBT SERVICE COVERAGE RATIO (DSCR)								
Net Operating Income / Debt Service Payment	**1.054499635**	**1.085173876**	**1.111688322**	**1.138807066**	**1.166539311**	**1.196751114**	**1.227669091**	*most commercial banks require a DSCR of 1.25–1.50

UNIT DESCRIPTION

Unit #	Unit SF	# of Bedrooms	Proposed Rent	Totals
7 Apartments	360	0	$1,500	$10,500
61 Apartments	675	1	$1,700	$103,700
5 Apartments	750	2	$1,900	$9,500
Unit 1 Retail	1,546	0	$2,319	$2,320
Unit 2 Retail	1,404	0	$2,106	$2,107
			$ -	**$128,127**
			$ -	
			$ -	
			$ -	
			$ -	
			$ -	
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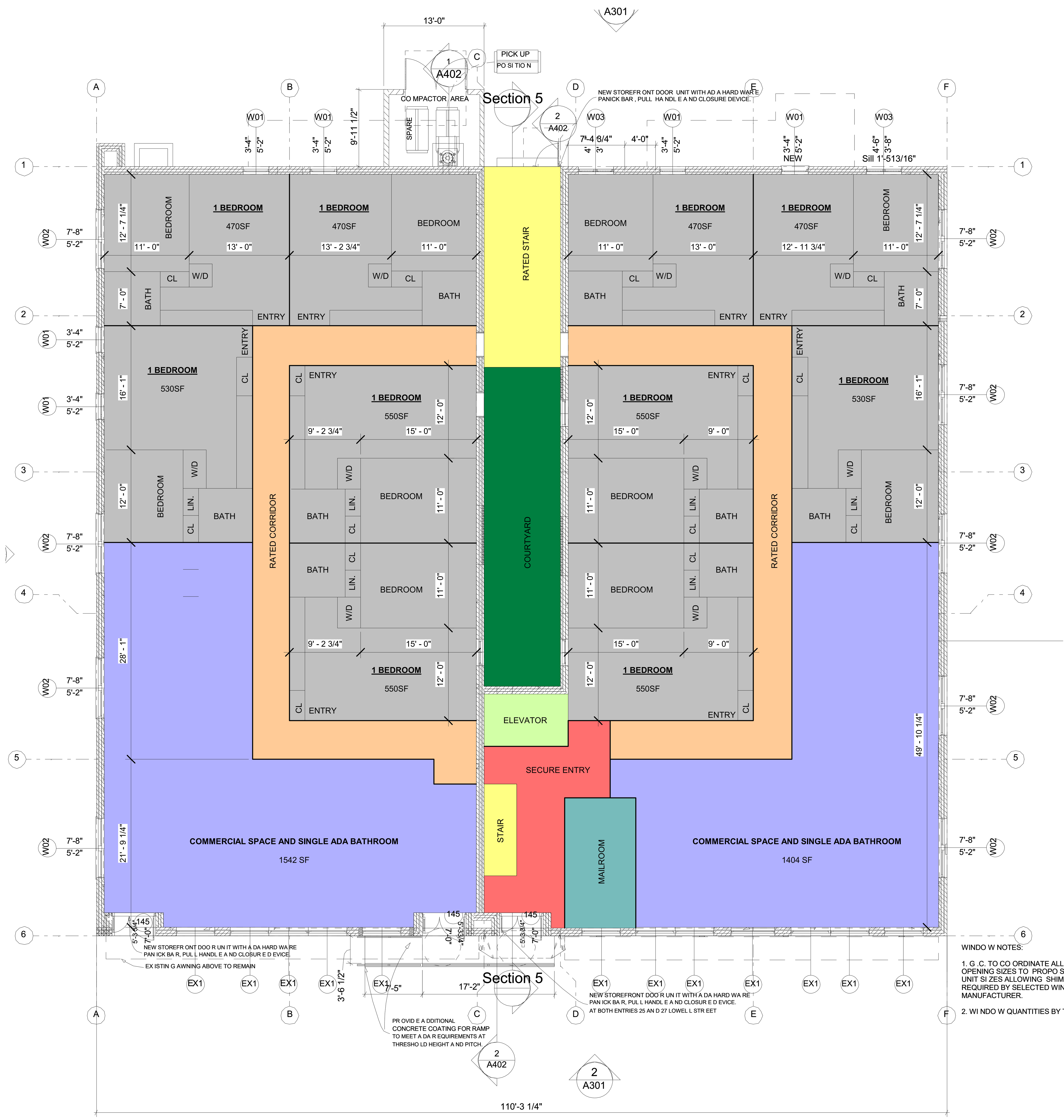

WINDOW NOTES:

1. G.C. TO COORDINATE ALL MASONRY OPENING SIZES TO PROPOSED WINDOW UNIT SIZES ALLOWING SHIMS AND CLIPS AS REQUIRED BY SELECTED WINDOW MANUFACTURER.
2. WINDOW QUANTITIES BY THE G.C.

1 1ST FLOOR PLAN
1/8" = 1'-0"

FIRST FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	0
1 BEDROOM	12
COMMERCIAL SPACE	2
TOTAL COMMERCIAL UNITS	**2**
TOTAL RESIDENTIAL UNITS	**12**

SECOND FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	11
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

THIRD FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

FOURTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

FIFTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**16**

TOTAL RESIDENTIAL UNITS IN BUILDING: 73 RESIDENTIAL UNITS

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No.	Description	Date
1	CONCEPT PLANS TO OWNER	05.10.2023

25 LOWELL ST.

CONCEPT PLANS - FIRST FLOOR

Project Number	Project Number
Date	08.11.2023
Drawn By	MJH/NI
Checked By	DS

A1

Scale 1/8" = 1'-0"

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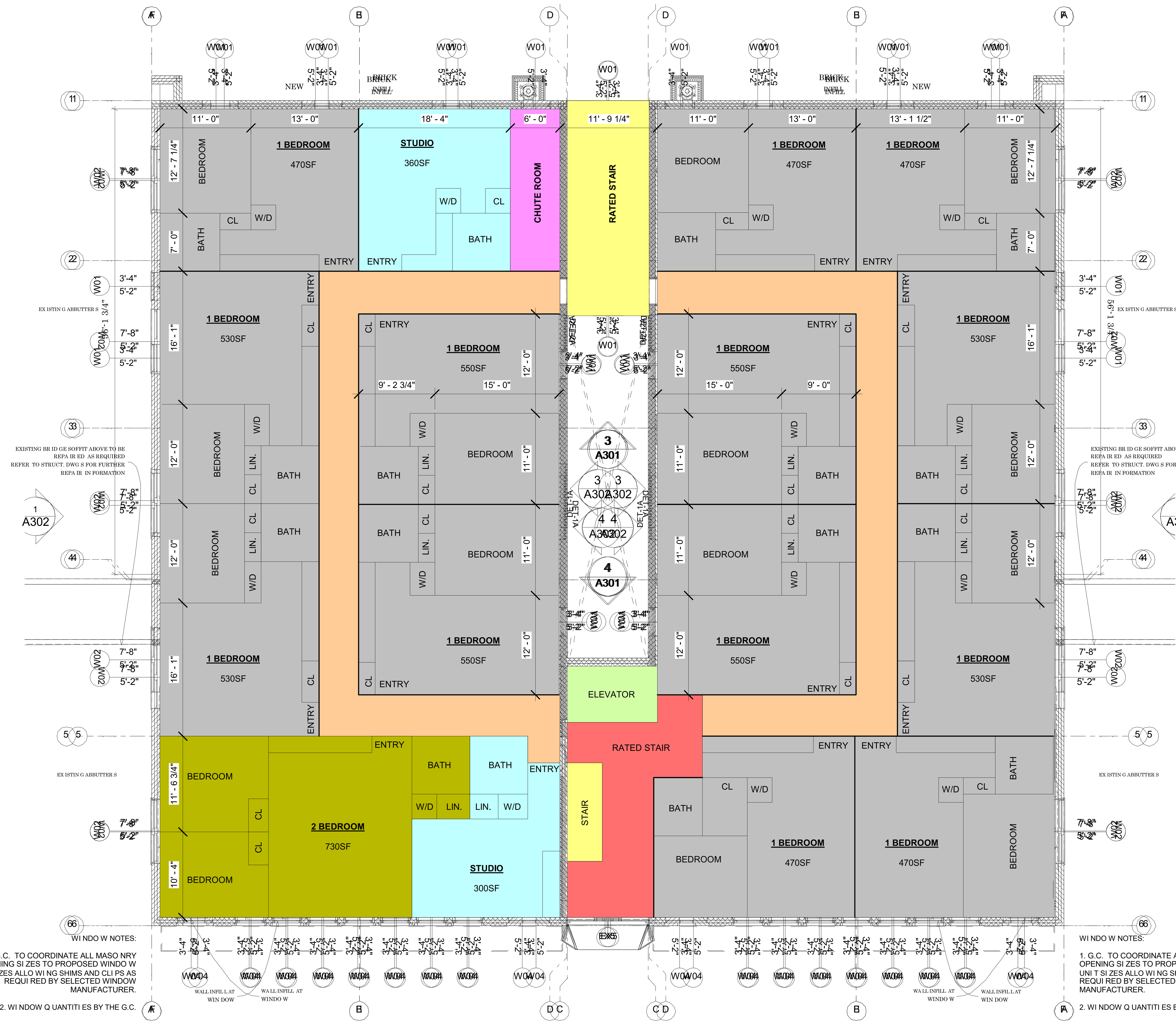

WINDOW NOTES:

1. G.C. TO COORDINATE ALL MASONRY OPENING SIZES TO PROPOSED WINDOW UNIT SIZES ALLOWING SHIMS AND CLIPS AS REQUIRED BY SELECTED WINDOW MANUFACTURER.

2. WINDOW QUANTITIES BY THE G.C.

1 2ND FLOOR PLAN
1/8" = 1'-0"

FIRST FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	0
1 BEDROOM	12
COMMERCIAL SPACE	2
TOTAL COMMERCIAL UNITS	**2**
TOTAL RESIDENTIAL UNITS	**12**

SECOND FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	11
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

THIRD FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

FOURTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

FIFTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**16**

TOTAL RESIDENTIAL UNITS IN BUILDING: 73 RESIDENTIAL UNITS

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No.	Description	Date
1	CONCEPT PLANS TO OWNER	05.10.2023

25 LOWELL ST.

CONCEPT PLANS - SECOND FLOOR

Project Number	Project Number
Date	08.11.2023
Drawn By	MJH
Checked By	DS

A2

Scale 1/8" = 1'-0"

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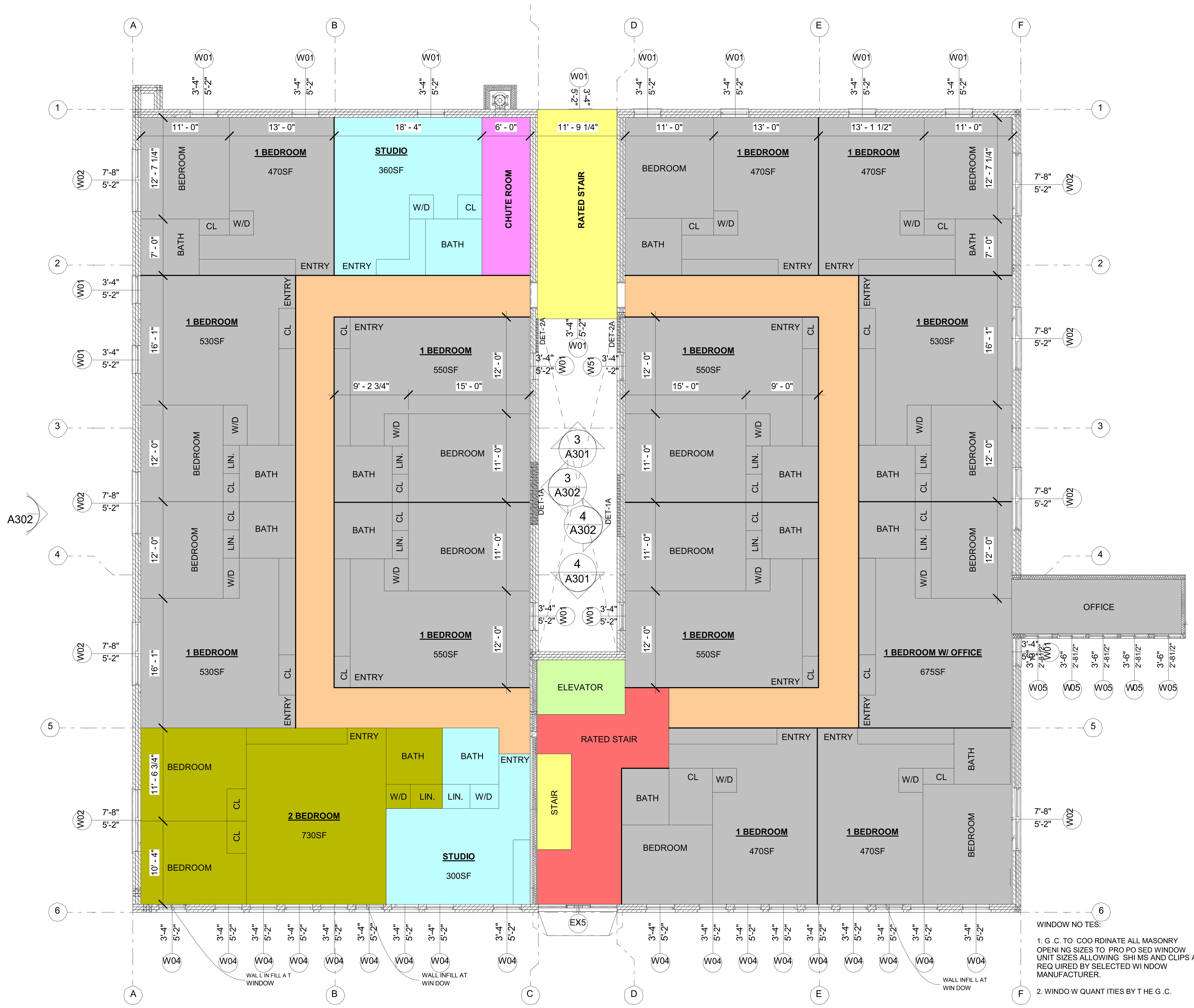

WINDOW NOTES:

1. G.C. TO COORDINATE ALL MASONRY OPENING SIZES TO PROPOSED WINDOW UNIT SIZES ALLOWING SHIMS AND CLIPS AS REQUIRED BY SELECTED WINDOW MANUFACTURER.
2. WINDOW QUANTITIES BY THE G.C.

1 3RD FLOOR PLAN
1/8" = 1'-0"

FIRST FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	0
1 BEDROOM	12
COMMERCIAL SPACE	2
TOTAL COMMERCIAL UNITS	**2**
TOTAL RESIDENTIAL UNITS	**12**

SECOND FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	11
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

THIRD FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

FOURTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**15**

FIFTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	**16**

TOTAL RESIDENTIAL UNITS IN BUILDING: 73 RESIDENTIAL UNITS

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No.	Description	Date
1	CONCEPT PLANS TO OWNER	05.10.2023

25 LOWELL ST.

CONCEPT PLANS - THIRD FLOOR

Project Number	Project Number
Date	08.11.2023
Drawn By	MJH
Checked By	DS

A3

Scale 1/8" = 1'-0"

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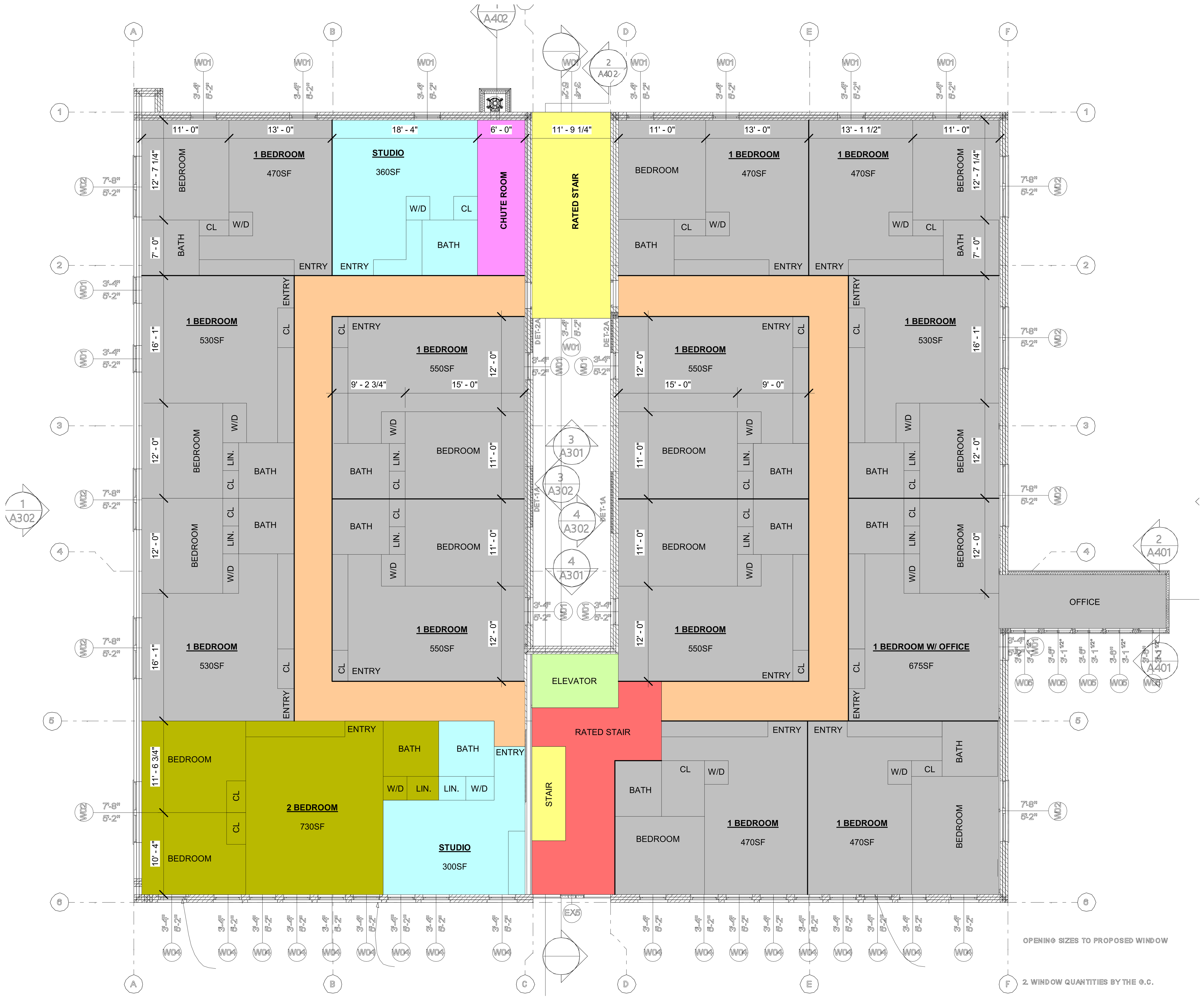

1 4TH FLOOR PLAN
1/8" = 1'-0"

FIRST FLOOR UNIT MATRIX	
UNIT TYPE	UNIT COUNT
STUDIO	0
1 BEDROOM	12
COMMERCIAL SPACE	2
TOTAL COMMERCIAL UNITS	2
TOTAL RESIDENTIAL UNITS	12

SECOND FLOOR UNIT MATRIX	
UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	11
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	15

THIRD FLOOR UNIT MATRIX	
UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	15

FOURTH FLOOR UNIT MATRIX	
UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	15

FIFTH FLOOR UNIT MATRIX	
UNIT TYPE	UNIT COUNT
STUDIO	2
1 BEDROOM	10
1 BEDROOM W/ OFFICE	1
2 BEDROOM	1
3 BEDROOM	1
TOTAL RESIDENTIAL UNITS	16

TOTAL RESIDENTIAL UNITS IN BUILDING: 73 RESIDENTIAL UNITS

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No.	Description	Date
1	CONCEPT PLANS TO OWNER	05.10.2023

25 LOWELL ST.

CONCEPT PLANS - FOURTH FLOOR

Project Number	Project Number
Date	08.11.2023
Drawn By	MJH
Checked By	DS

A4

Scale 1/8" = 1'-0"

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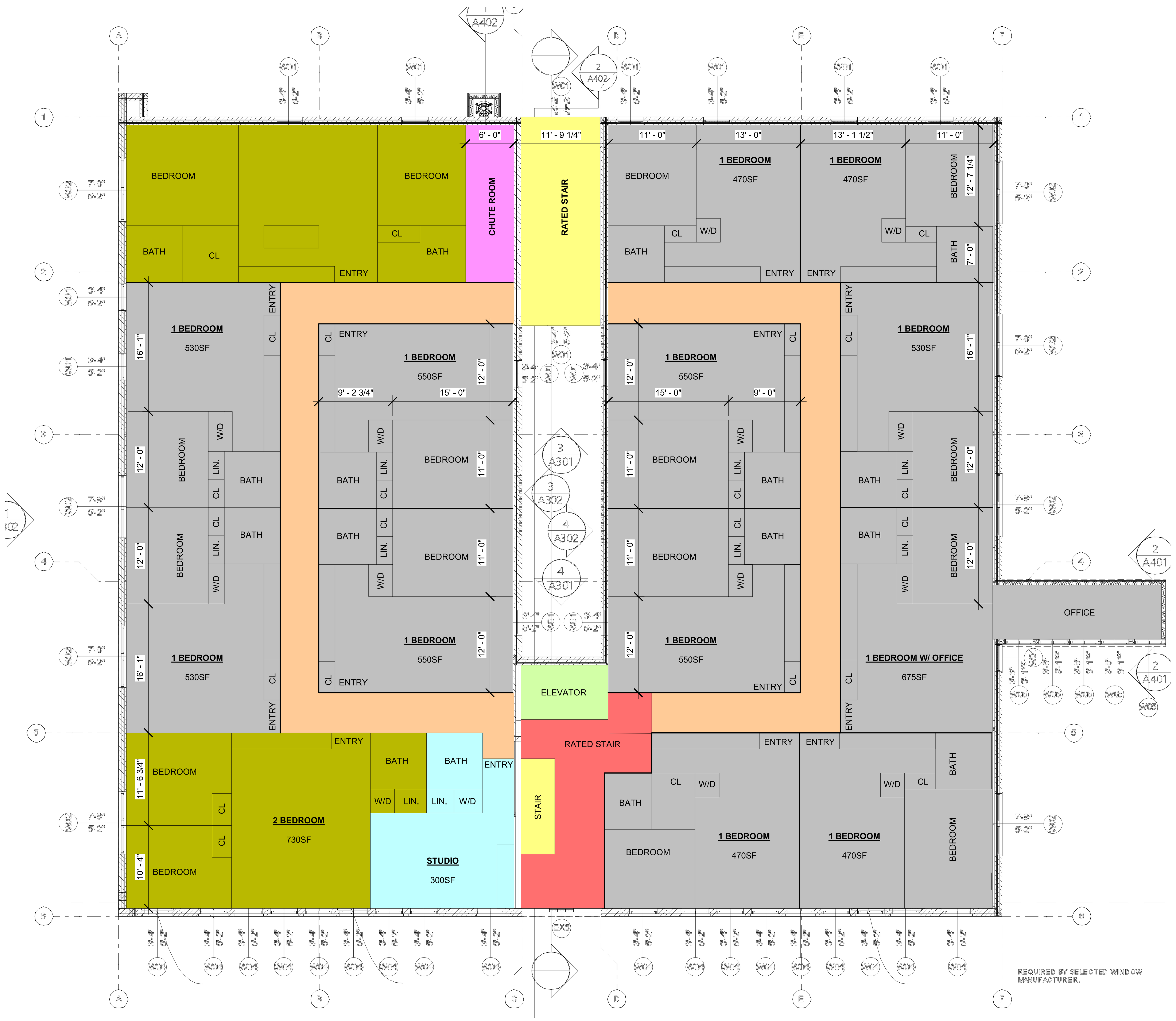

1 FIFTH FLOOR PLAN
1/8" = 1'-0"

FIRST FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	0
1 BEDROOM	12
COMMERCIAL SPACE	2
TOTAL COMMERCIAL UNITS	2
TOTAL RESIDENTIAL UNITS	12

SECOND FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	1
1 BEDROOM	11
2 BEDROOM	1
3 BEDROOM	2
TOTAL RESIDENTIAL UNITS	15

THIRD FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	1
1 BEDROOM	11
1 BEDROOM W/ OFFICE	1
2 BEDROOM	2
TOTAL RESIDENTIAL UNITS	15

FOURTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	1
1 BEDROOM	11
1 BEDROOM W/ OFFICE	1
2 BEDROOM	2
TOTAL RESIDENTIAL UNITS	16

FIFTH FLOOR UNIT MATRIX

UNIT TYPE	UNIT COUNT
STUDIO	1
1 BEDROOM	11
1 BEDROOM W/ OFFICE	1
2 BEDROOM	2
TOTAL RESIDENTIAL UNITS	15

TOTAL RESIDENTIAL UNITS IN BUILDING: 72 RESIDENTIAL UNITS

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No.	Description	Date
1	CONCEPT PLANS TO OWNER	05.10.2023

25 LOWELL ST.

CONCEPT PLANS - FIFTH FLOOR

Project Number	Project Number
Date	08.11.2023
Drawn By	MJH
Checked By	DS

A5

Scale 1/8" = 1'-0"

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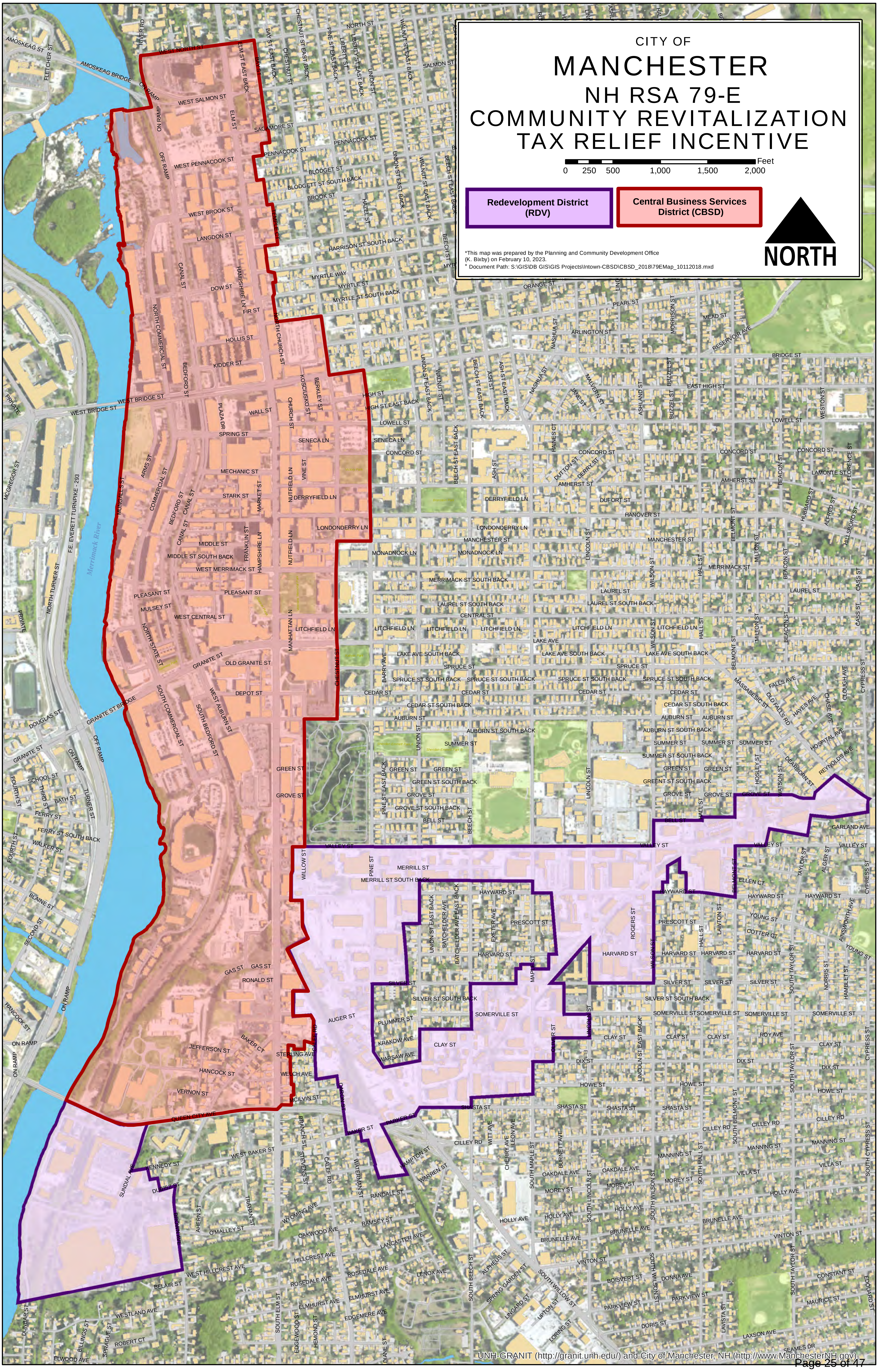

CITY OF
MANCHESTER
NH RSA 79-E
COMMUNITY REVITALIZATION
TAX RELIEF INCENTIVE
0 250 500 1,000 1,500 2,000 Feet
Redevelopment District (RDV)
Central Business Services District (CBSD)
NORTH
*This map was prepared by the Planning and Community Development Office (K. Bixby) on February 10, 2023.
* Document Path: S:\GIS\DB GIS\GIS Projects\Intown-CBSD\CBSD_2018\79EMap_10112018.mxd
Merrimack River
UNH-GRANIT (http://granit.unh.edu/) and City of Manchester, NH (http://www.ManchesterNH.gov)

CITY OF MANCHESTER
Economic Development Office

Jodie L. Nazaka, AICP
Director

October 10, 2023

Board of Mayor and Aldermen
c/o Matt Normand, City Clerk
One City Hall Plaza
Manchester, NH 03101

RE: Community Revitalization Tax Relief Incentive Revised Application (RSA 79-E) for 215 Canal Street.

Dear Mayor Craig and Aldermen:

The intent of RSA 79-E is to provide temporary property tax relief to incentivize qualifying development projects that either rehabilitate certain qualifying structures or replace structures that do not possess significant historical, cultural, or architectural value, provided said projects create certain public benefits.

The Economic Development Office received an application from York Printing Building, LLC for the above-referenced property to review and determine eligibility for relief consideration under New Hampshire statute RSA 79-E. After reviewing the application and supplemental materials, I believe the application qualifies for your consideration. Enclosed is a summary of the findings, along with supplementary details such as the application, narrative, and PROforma.

Building and Project Description
The property is located at 215 Canal Street (Tax Map 151, Lot 31), within the Central Business Zoning District (CBD) and the Arena Overlay District. The applicant's vision involves transforming the current two-story commercial warehouse and manufacturing structure into a mixed-use center spanning over 30,000 square feet and seamlessly connecting with the fully renovated, historic R.G. Sullivan 7-20-4 Cigar Factory to the south. This redevelopment project aims to create a vibrant hub catering to various interests, including food and beverages, health and wellness, sports, entertainment, and the arts, making it an attractive destination for both local residents and visitors. The applicant has not provided floor plans. However, a predevelopment meeting was held in 2022 with the applicant, the Economic Development Office, and the Planning and Community Development Department to discuss the project and the proposed uses.

Constructed in 1955, the building is currently in 'average' condition. The building originally served as a commercial printing company and, most recently, as a facility for a defense contractor and was used for industrial activities. According to the applicant's PROforma worksheet, the estimated budget for the project, which excludes site acquisition but includes demolition, environmental cleanup, sitework, and other related costs, stands at **$3,299,600**.

Manchester Economic Development Office (MEDO)
One City Hall Plaza, Manchester, NH 03101
Phone: 603.624.6505 Fax: 603.624.6308

Statutory Criteria
To receive relief under the statute, an applicant must demonstrate compliance with several requirements:

Public Benefit: Pursuant to 79-E:7, to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits:

I. *It enhances the economic vitality of the Downtown*:
The proposed substantial rehabilitation would improve the economic vitality of the Downtown and surrounding area by overhauling an underutilized building to productive use. The property is strategically positioned in a gateway to the Downtown area, the historic Millyard. The presence of a vibrant mixed-use center at the gateway to the city has numerous positive impacts on the community. A diverse mix of attractions can attract visitors to the area, leading to increased demand for hotels, restaurants, local businesses, and other hospitality services. This, in turn, has the potential to invigorate tourism-related businesses and generate additional revenue for the city through increased local spending.

II. *It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, town center, or village center in which the building is located:*
Built around 1955, the building at 215 Canal lacks any noteworthy cultural or historical significance. However, its proximity to the Millyard presents an opportunity to showcase the area's rich history, architectural heritage, and diverse array of offerings, including local museums, activity centers, dining establishments, wellness studios, high-tech/biofabrication companies, as well as parks and trails.

With both public and private investments supporting the emerging Biofabrication Industry in Manchester, the Millyard is anticipated to see over 7,000 direct jobs in the biofabrication sector over the next five years. Developments like this can play a pivotal role in attracting a new workforce to the city, offering a compelling blend of amenities, opportunities, and enhancements in the quality of life that will make Manchester an appealing place to reside, work, and enjoy leisure activities.

II-a. *It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the US Secretary of the Interior's Standards for Rehabilitation;*
Although the building is not listed on any historic registry, the preservation helps to maintain the community's sense of place and identity. The rehabilitation of this building also helps to revitalize the surrounding area and can stimulate economic development by attracting businesses and visitors. Overall, promoting the preservation and reuse of existing building stock through rehabilitation is an essential aspect of sustainable development that benefits both the environment and the community.

III. *It promotes the development of municipal centers, providing for efficiency, safety, and a greater sense of community:*
The proposed redevelopment represents the establishment of a municipal center at the gateway of the city's Downtown and Millyard. This proposed development holds the promise of breathing new life into the neighboring area by bolstering safety, promoting a sense of community, and accomplishing these objectives through smart land utilization, enhanced accessibility, the promotion of pedestrian-friendly zones, communal gatherings, and the bolstering of local businesses.

IV. *It increases residential housing in urban or town centers*:
N/A – this project does not include a residential housing component.

Qualifying Structure: Pursuant to RSA 79-E:2 II, Qualifying Structure means a building located within the Central Business Service District (CBSD) as defined by the Board of Mayor and Aldermen pursuant to § 37.02 or the Redevelopment District (RDV) as defined by Article 4.01 A.10 of the Zoning Ordinance of the City of Manchester. The property at 215 Canal Street is within the CBSD and is considered a qualifying structure.

Substantial Rehabilitation: As defined by City Ordinance 36.40 (B) pursuant to RSA 79-E:2 IV, Substantial Rehabilitation is rehabilitation that costs at least 15% of the pre-rehabilitation assessed valuation or at least $75,000 whichever is greater than. The 2022 assessed valuation of the property is $1,319,000. The 15% threshold is $197,850. The adjusted total estimated project construction cost is $3,299,600. The proposed project cost meets the Substantial Rehabilitation requirement.

Term of Covenant Requested: The applicant has submitted a request for a tax relief period of **five (5) years**. In accordance with City Ordinance 36.40 (C) as outlined in RSA 79-E:5, the Board of Mayor and Aldermen is authorized to provide a tax relief period of a maximum of five (5) years. Given that this rehabilitation project does not include a housing component, the applicant's request aligns with the maximum allowable duration.

Recommendation:
The proposal for a vibrant mixed-use center in this area represents a significant step forward in the city's efforts to attract more retail and diverse commercial activities to both the Downtown and Millyard areas. A flourishing mixed-use center plays a crucial role in boosting our economy by supporting our existing local businesses and promoting business growth, thus driving economic prosperity. When residents and visitors have easy access to shops, dining establishments, and services within walking distance, they are more likely to support these local businesses, contributing to the liveliness of the community. This vitality, in turn, strengthens the local economy, fostering a more vibrant and interconnected urban environment that benefits not only residents and visitors but also the entire city.

After analyzing the data provided by the applicant and considering the potential benefits of a mixed-use center in enhancing the city's appeal to residents, visitors, and the growing workforce, it seems reasonable to recommend a four to five-year relief period under 79-E. Based on the information submitted by the applicant, it appears that the project will stabilize by the end of the fourth year. Therefore, the recommendation is to approve a four or five-year relief period at the discretion of the Board.

During discussions with Robert J. Gagne, the Chairman of the Board of Assessors, it was estimated that the property's assessed value after renovation would be $3.25 million for the proposed mixed-use conversion. Following the renovation, the assessed value is expected to increase the annual property taxes by approximately $37,262 in the first year. If approved, this tax subsidy would result in estimated cost savings ranging from $158,231 to $201,823 over the course of four or five years.

Enclosed with this review letter is a copy of the applicants PROforma. However, line 59 lacks the property tax expense based on the post-renovation value and the Central Business Service District (CBSD) tax. In response, I've provided an updated PROforma. This projects an annual tax of $61,262, which will see an estimated 4% increase yearly based on the post-renovation assessed value of $3.25 million. It also accounts for the estimated CBSD tax at $1,030.

I, as well as the applicant, are available should you have questions.

Respectfully,

Jodie Nazaka

Jodie Nazaka, AICP
Director
Manchester Economic Development Office

Enclosures: Project Press Release – page(s) 5-7
Applicant's PROforma/project budget – page(s) 8-10
Adjusted PROforma – page(s) 11-13
Project Narrative – pages(s) 14
Project Application – page(s) 15-21

UNDER EMBARGO UNTIL TUES, OCT 10

YORK REAL ESTATE INKS DEAL FOR 30,000-SF FOOD & BEVERAGE, ATHLETIC, CULTURAL AND CREATIVE SPACE IN DOWNTOWN MANCHESTER

"Queen City Center" features a curated collection of brands united by a shared focus on community, craft quality, and entrepreneurship

MANCHESTER, NH – October 10, 2023 – An exciting new entertainment destination is coming to Manchester, New Hampshire, bringing together some of the area's most sought-after food and beverage, sports and fitness, arts and entertainment, and retail offerings all under one roof. Anticipated to open in Spring 2024, Queen City Center will occupy 30,000 sq. feet on almost 1.3 acres with forty dedicated parking spots at 215 Canal Street and provide visitors with complementary offerings owned by respected New England entrepreneurs and craftspeople.

York Real Estate**,** led by principals and brothers Travis and Kyle York, is overseeing the development of Queen City Center, and has signed a management and construction agreement with leading international real estate company, Colliers. Lauer Architects and engineering firm, TF Moran, are also collaborating on the project. The Nation's First Credit Union, St. Mary's Bank, is financing the deal.

Aptly named for its central location, Queen City Center tenants include:

- *Harpoon Brewery* – The employee-owned brewer of New England's original IPA is designing a fun, modern gathering place that includes an experimental brewery, scratch kitchen, and taproom with indoor, outdoor, and event space.

- *Big Brick Productions* – A full-service video production and commercial content studio that expands upon the offerings of integrated marketing agency GYK Antler (headquartered next door at 175 Canal Street) and enhances its ability to provide world-class creative solutions.

- *City Club Golf* – A members-only club providing an unparalleled 24/7 simulated golfing experience and lounge led by Lauren Ryan and Patrick Gocklin, two golf professionals adding to their existing ventures in the area.

- *Union Coffee* – Under the ownership of David Cianci, this East Coast specialty coffee roaster will continue to perfect the coffeehouse craft through its belief that excellence in coffee can inspire healthier individuals, stronger families, closer communities, and a better society.

- *Barre Life* – A fitness studio owned by local entrepreneur Ashley Oberg that offers barre, yoga, Pilates, and trampoline classes seven days a week with the goal of making connections and improving one's emotional, mental, and physical wellbeing.

- *Wicked Joyful* – An 80's, 90's, and 00's pop culture retail shop, nostalgia gallery, and apparel brand. This creative playhouse is owned and operated by respected musician, comedian, and community advocate Nick Lavallee. Wicked Joyful has achieved social media virality and national press attention after creating their custom action figures for celebrities and musicians. Locally, Lavallee led the initiative in having Manchester crowned "The Chicken Tender Capital of the World."

- *Studio A* – A 2,500 sq. foot space that will transform into an occasional music and entertainment venue for ticketed events.

- *The Quad* – An outdoor gathering area for the community that will feature a revolving selection of quality vendors and activities.

Located in the heart of the city, the two-story industrial building where Queen City Center is being developed was once home to a commercial printing company and, most recently, a defense contractor. Neighboring York Real Estate's fully renovated, historic R.G. Sullivan 7-20-4 Cigar Factory building, Queen City Center will take over what is currently West Central Street to create an outdoor gathering space.

"Queen City Center will connect downtown, The Millyard, residential and entertainment districts while sitting less than a half mile from many workplaces, SNHU Arena, Northeast Delta Dental Stadium, and others," says Travis York. "It's always been my passion to create spaces for people to come together that foster a culture of creativity and craft."

The development and future opening of Queen City Center is expected to bring notable employment, entertainment, and entrepreneurial benefits to the area. This news represents broader concerted efforts by members of the local government and business community to revitalize Manchester and bring about its renaissance, making the city a top destination for people of all ages.

"We jumped at the chance to become a part of Travis and Kyle's project," states Charlie Storey, Chief of Customer Engagement for Harpoon Brewery. "We can't wait to create a vibrant, local spot where people can gather to enjoy incredible food, amazing New England beers – and most importantly – great times together!"

Based in Manchester, York Real Estate has a portfolio that comprises more than 100,000 sq. feet of property in the downtown area, including the R.G. Sullivan 7-20-4 Cigar Factory building and Shoppers Pub + Eatery. The company has a keen focus on uplifting the local community and accelerating the growth of the area. York Real Estate also operates a real estate fund with an investment focus on mixed-use developments in the eastern United States.

"This project will be a landmark destination for locals and visitors to the downtown area, which is bustling with economic activity – including thousands of residential units currently under construction – and ready for additional entertainment options," adds Kyle York. "We remain committed to investing in Manchester to help maximize its potential."

ABOUT YORK REAL ESTATE

York Real Estate, based in Manchester, NH, represents the closely held commercial properties and real estate fund interests of the York family and select strategic partners. The portfolio includes more than 100,000 square feet of history-rich office, retail, and community space in Manchester, NH, coupled with general partner investments in modern, large-scale mixed-use projects in collaboration with tier-one construction development firms throughout New England, the Northeast, and beyond. York Real Estate is focused on accelerating emerging markets and uplifting communities. Learn more at: https://york-re.com/.

PRO FORMA WITHOUT RSA 79-E

Expected Project Start Date: October 2023

Expected Project Completion Date: March 2024

PROJECT BUDGET	Estimated Cost		NOTES
Soft cost			
Real Estate Acquisition	$	2,300,000	
Boundary Survey/Engineering	$	55,000	TF Moran for Survey, Structural Design, Exterior Planning, Utility Survey
Development Permiting/Legal Fees	$	20,000	$5,000 Permits, $15,000 Legal
Environmental Assessments	$	4,100	ESA and Asbestos
Interest Carry	$	80,000	
Real Estate Taxes	$	24,000	Based on December 2022 and July 2023 bills
Architectrural	$	50,000	
Property Insurance	$	3,500	Builders Risk
Other Operating Expenses	$	100,000	
Total Soft Costs:	**$**	**2,636,600**	
Hard costs			
Demolition	$	80,000	
Environmental Abatement	$	83,000	Asbestos Removal
Site Improvements	$	500,000	
Renovations	$	2,000,000	Includes Electrical, plumbing, & HVAC
New Construction	$	-	
Structural	$	300,000	
Electrical	$	-	
Plumbing/Heating	$	-	
Mechanical	$	-	
Contingency	$	-	
Other	$	-	
Total Hard Costs	**$**	**2,963,000**	
Total Estimated Project Cost:	**$**	**5,599,600**	

FINANCING SOURCES & USES (PROJECT BUDGET)			NOTES
Developer Equity	$	1,679,880	30% LTV
Investor Equity	$	-	
Tax Credits (cash value)	$	-	
Grants	$	-	
Bank Loan(s)	$	3,919,720	70% LTV
Other:	$	-	
Total - Sources:	**$**	**5,599,600**	

DEBT SERVICE COVERAGE RATIO (DSCR)

ESTIMATED INCOME (increases @ 2% per year)	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	$ -	$ -	$ -	$ -	$ -
Retail	$ 28,000	$ 28,560	$ 29,131	$ 29,714	$ 30,308
Office	$ 122,000	$ 124,440	$ 126,929	$ 129,467	$ 132,057
Resturant	$ 158,000	$ 161,160	$ 164,383	$ 167,671	$ 171,024
Recreation	$ 28,000	$ 28,560	$ 29,131	$ 29,714	$ 30,308
Storage	$ -	$ -	$ -	$ -	$ -
CAM & Tax Reimbursement	$ 156,000	$ 159,000	$ 162,000	$ 165,000	$ 169,000
Total Gross Income	**$ 492,000**	**$ 501,720**	**$ 511,574**	**$ 521,566**	**$ 532,697**
Less Vacancy at 5%	$ 24,600	$ 25,086	$ 25,579	$ 26,078	$ 26,635
Net Revenues After Vacancy	**$ 467,400**	**$ 476,634**	**$ 485,996**	**$ 495,488**	**$ 506,062**

ESTIMATED EXPENSE (increases @ 2% per year)	Year 1	Year 2	Year 3	Year 4	Year 5
Taxes - Property	$ 60,000	$ 61,200	$ 62,424	$ 63,672	$ 64,946
Management:	$ 23,370	$ 23,832	$ 24,300	$ 24,774	$ 25,303
Janitorial	$ 3,600	$ 3,672.00	$ 3,745.44	$ 3,820.35	$ 3,896.76
Utilities Electric	$ 6,000	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59
Utilities Fuel	$ 13,000	$ 13,260.00	$ 13,525.20	$ 13,795.70	$ 14,071.62
Utilities Water & Sewer	$ 3,000	$ 3,060.00	$ 3,121.20	$ 3,183.62	$ 3,247.30
Repairs & Maintenance	$ 18,600	$ 18,972.00	$ 19,351.44	$ 19,738.47	$ 20,133.24
Insurance	$ 6,000	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59
Landscaping/Snow Removal	$ 13,500	$ 13,770.00	$ 14,045.40	$ 14,326.31	$ 14,612.83
Trash Removal	$ 3,600	$ 3,672.00	$ 3,745.44	$ 3,820.35	$ 3,896.76
Misc.	$ 6,000	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59
Total Estimated Operating Expenses	**$ 156,670**	**$ 159,798**	**$ 162,985**	**$ 166,233**	**$ 169,591**

NET OPERATING INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
Net Revenue Less Operating Expenses	$ 310,730	$ 316,836	$ 323,011	$ 329,254	$ 336,471
DEBT SERVICE PAYMENTS					
Bank Loan 1	$ (128,651)	$ (128,651)	$ (128,651)	$ (128,651)	$ (128,651)
Bank Loan 2	$ (145,855)	$ (145,855)	$ (145,855)	$ (145,855)	$ (145,855)
Total Debt Service	**$ (274,507)**	**$ (274,507)**	**$ (274,507)**	**$ (274,507)**	**$ (274,507)**
DEBT SERVICE COVERAGE RATIO (DSCR)					
Net Operating Income / Debt Service Payment	**$ 1.13**	**$ 1.15**	**$ 1.18**	**$ 1.20**	**$ 1.23**

Lender Requirement of 1.25 DSCR

UNIT DESCRIPTION

Unit #	Unit SF	Use	Proposed Rent
A	1679	Retail	$ 21,000.00
B	2687	Restaurant	$ 38,000.00
E	1799	Restaurant/Event	$ 10,000.00
F	9216	Restaurant	$ 110,000.00
G	2355	Recreation	$ 28,000.00
H	2709	Office	$ 33,000.00
J	7427	Office	$ 89,000.00
K	622	Retail	$ 7,000.00
			$ -
			$ -
			$ -
			$ -
	28494		$ 336,000.00

PRO FORMA WITHOUT RSA 79-E - ADJUSTED

Expected Project Start Date: October 2023

Expected Project Completion Date: March 2024

PROJECT BUDGET	**Estimated Cost**		**NOTES**
Soft cost			
Real Estate Acquisition	$	2,300,000	
Boundary Survey/Engineering	$	55,000	TF Moran for Survey, Structural Design, Exterior Planning, Utility Survey
Development Permiting/Legal Fees	$	20,000	$5,000 Permits, $15,000 Legal
Environmental Assessments	$	4,100	ESA and Asbestos
Interest Carry	$	80,000	
Real Estate Taxes	$	24,000	Based on December 2022 and July 2023 bills
Architectrural	$	50,000	
Property Insurance	$	3,500	Builders Risk
Other Operating Expenses	$	100,000	
Total Soft Costs:	**$**	**2,636,600**	
Hard costs			
Demolition	$	80,000	
Environmental Abatement	$	83,000	Asbestos Removal
Site Improvements	$	500,000	
Renovations	$	2,000,000	Includes Electrical, plumbing, & HVAC
New Construction	$	-	
Structural	$	300,000	
Electrical	$	-	
Plumbing/Heating	$	-	
Mechanical	$	-	
Contingency	$	-	
Other	$	-	
Total Hard Costs	**$**	**2,963,000**	
Total Estimated Project Cost:	**$**	**5,599,600**	

FINANCING SOURCES & USES (PROJECT BUDGET)			**NOTES**
Developer Equity	$	1,679,880	30% LTV
Investor Equity	$	-	
Tax Credits (cash value)	$	-	
Grants	$	-	
Bank Loan(s)	$	3,919,720	70% LTV
Other:	$	-	
Total - Sources:	**$**	**5,599,600**	

DEBT SERVICE COVERAGE RATIO (DSCR)

ESTIMATED INCOME (increases @ 2% per year)	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	$ -	$ -	$ -	$ -	$ -
Retail	$ 28,000	$ 28,560	$ 29,131	$ 29,714	$ 30,308
Office	$ 122,000	$ 124,440	$ 126,929	$ 129,467	$ 132,057
Resturant	$ 158,000	$ 161,160	$ 164,383	$ 167,671	$ 171,024
Recreation	$ 28,000	$ 28,560	$ 29,131	$ 29,714	$ 30,308
Storage	$ -	$ -	$ -	$ -	$ -
CAM & Tax Reimbursement	$ 156,000	$ 159,000	$ 162,000	$ 165,000	$ 169,000
Total Gross Income	**$ 492,000**	**$ 501,720**	**$ 511,574**	**$ 521,566**	**$ 532,697**
Less Vacancy at 5%	$ 24,600	$ 25,086	$ 25,579	$ 26,078	$ 26,635
Net Revenues After Vacancy	**$ 467,400**	**$ 476,634**	**$ 485,996**	**$ 495,488**	**$ 506,062**

ESTIMATED EXPENSE	Year 1	Year 2	Year 3	Year 4	Year 5	
Taxes - Property ($3.25m assessment)	$ 61,262	$ 63,712	$ 66,261	$ 68,911	$ 71,668	(increases @ 4% per year)
Taxes - Other (CBSD Tax)	$ 1,030	$ 1,030	$ 1,030	$ 1,030	$ 1,030	
Management:	$ 23,370	$ 23,832	$ 24,300	$ 24,774	$ 25,303	
Janitorial	$ 3,600	$ 3,672.00	$ 3,745.44	$ 3,820.35	$ 3,896.76	
Utilities Electric	$ 6,000	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59	
Utilities Fuel	$ 13,000	$ 13,260.00	$ 13,525.20	$ 13,795.70	$ 14,071.62	
Utilities Water & Sewer	$ 3,000	$ 3,060.00	$ 3,121.20	$ 3,183.62	$ 3,247.30	
Repairs & Maintenance	$ 18,600	$ 18,972.00	$ 19,351.44	$ 19,738.47	$ 20,133.24	
Insurance	$ 6,000	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59	
Landscaping/Snow Removal	$ 13,500	$ 13,770.00	$ 14,045.40	$ 14,326.31	$ 14,612.83	
Trash Removal	$ 3,600	$ 3,672.00	$ 3,745.44	$ 3,820.35	$ 3,896.76	
Misc.	$ 6,000	$ 6,120.00	$ 6,242.40	$ 6,367.25	$ 6,494.59	
Total Estimated Operating Expenses	**$ 158,962**	**$ 163,340**	**$ 167,852**	**$ 172,503**	**$ 177,344**	

NET OPERATING INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
Net Revenue Less Operating Expenses	$ 308,438	$ 313,294	$ 318,143	$ 322,985	$ 328,719
DEBT SERVICE PAYMENTS					
Bank Loan 1	$ (128,651)	$ (128,651)	$ (128,651)	$ (128,651)	$ (128,651)
Bank Loan 2	$ (145,855)	$ (145,855)	$ (145,855)	$ (145,855)	$ (145,855)
Total Debt Service	**$ (274,507)**	**$ (274,507)**	**$ (274,507)**	**$ (274,507)**	**$ (274,507)**
DEBT SERVICE COVERAGE RATIO (DSCR)					
Net Operating Income / Debt Service Payment	**$ 1.12**	**$ 1.14**	**$ 1.16**	**$ 1.18**	**$ 1.20**

Lender Requirement of 1.25 DSCR

UNIT DESCRIPTION

Unit #	Unit SF	Use	Proposed Rent
A	1679	Retail	$ 21,000.00
B	2687	Restaurant	$ 38,000.00
E	1799	Restaurant/Event	$ 10,000.00
F	9216	Restaurant	$ 110,000.00
G	2355	Recreation	$ 28,000.00
H	2709	Office	$ 33,000.00
J	7427	Office	$ 89,000.00
K	622	Retail	$ 7,000.00
			$ -
			$ -
			$ -
			$ -
	28494		$ 336,000.00

Narrative for Public Benefit Section #2

Most recently, the building housed a defense contractor, was deteriorating, and was utilized for industrial purposes. Because of the nature of their work, it was intentionally nondescript (no signage, overgrown landscaping, functional but not necessarily desirable looking, etc.), surrounded by barbed wire fencing, and usurped center city real estate for manufacturing. Our intention is to repurpose this city center property to be a food/beverage, health/wellness, sports, and creative destination for area residents and visitors. The mix of tenants will create a community that draws people from the various areas of the city connecting residential, Millyard, ballpark, arena and office users with a higher quality and design-centric real estate attraction.

RSA 79-E COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE APPLICATION

MANCHESTER ECONOMIC DEVELOPMENT OFFICE

OVERVIEW

Through the 79-E program, a governing body may grant temporary property tax relief for a defined period. The tax relief period is intended to incentivize development projects that substantially rehabilitate a qualifying structure or replace structures that do not possess significant historical, cultural, or architectural value, provided said projects create certain public benefits.

Please complete this application, sign it, and return it to the Manchester Economic Development Office (MEDO) with the application fee and all related documents as required herein. If you have questions about this application, please call 603-624-6505 for more information.

APPLICATANT INFORMATION

Name : Travis York

Company Name : York Printing Building, LLC

Phone Number : 603/625-5713 Ext. 208

Mailing Address: c/o GYK Antler, 175 Canal Street

Suite/Apt # :

City/Town : Manchester

State : New Hampshire

Zip Code : 03101

E-Mail : travis@gykantler.com

PROPERTY OWNER INFORMATION

Name : Same as Applicant

Company Name :

Phone Number :

Mailing Address:

Suite/Apt # :

City/Town :

State :

Zip Code :

E-Mail :

PROPERTY INFORMATION

1. Address : 215 Canal Street, Manchester, NH

2. Building Name : York Printing Building   3. Tax Map # : 0151//0031//

4. Current Assessed Value

Land :   Building : $1,319,000

5. Deed (Hillsborough County Registry of Deeds)

Land :   Building :

6. Year Built : 1955

7. Gross Building Square Footage : 29,056

8. Is the Property eligible for, or has it been listed on, the State or National Register of Historic Places, either individually or as part of an existing or potential State or National Register District?

No X   Yes   If yes, please attach the Historic Inventory Form for the property to this application.

9. Provide historic district name if applicable :

10. Is the Property located in a qualifying RSA 79-E District?

Central Business Service District (CBSD) or Redevelopment District (RDV) Please Exhibit 1.

No   Yes X

11. Existing Uses (describe number of units by type and size)

	Existing Square Footage	Proposed Square Footage
Residential		
Commercial/Office		10,136
Industrial/Warehouse	29,056	
Restaurant		13,702
Retail		2,301
Other		2,355

12. Is there a change of use associated with this project?

No   Yes X

If so, please describe.

The property has historically been used for commercial printing and most recently for manufacturing. The Applicant will be converting the property to the above uses that are more consistent with the neighborhood and downtown Manchester.

PROJECT DESCRIPTION

1. Describe the work to be done:
Please attach additional pages if needed:

Demolish the entirety of the inside of the building to accommodate multiple tenants that the public can enjoy. Replace all electrical service, plumbing, HVAC, flooring, walls and ceilings. Upgrade the structure to comply with codes related to change of use. Replace all exterior windows and upgrade the exterior facade. Remove asphalt from West Central Street and reconfigure that area with significant site work and landscaping to expand green space in an effort to better connect the neighborhood. Repave the driveways and parking area. Install outdoor seating for restaurant(s).

2. What is the scheduled start date? : October 2023

3. What is the scheduled completion date? : March 2024

4. Will the project include new residential units?

No X Yes

If yes, please describe how many new units will be created and what types of units are proposed (condo, apartment, other)?.

5. Will the project include new affordable residential units?

No X Yes

If yes, please describe affordable housing restrictions to be placed on the property:

6. Does your project involve the demolition and replacement of an existing building?

No X Yes

If your building is 50 years of age or older, please attach a completed New Hampshire Division of Historic Resources Individual-Resource Inventory Form prepared by a qualified architectural historian for the subject property. In accordance with RSA 79-E:4, I-a, your application will also be reviewed by the City's Heritage Commission.

***The governing body may not hold a public hearing on your application until 1) said Historic Inventory Form is provided, and 2) the Heritage Commission's review is complete.**

****Projects involving demolishing structures with significant historical, cultural, or architectural value are not eligible for RSA 79-E incentives.**

7. For projects involving the rehabilitation of historic buildings, do you plan to complete the renovation in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation?

No Yes

If yes, please attach a narrative describing how your project shall comply with these standards. Please confirm that you have engaged a qualified architectural historian or preservation consultant for this project. Also, please be advised that improvements must be reviewed and approved by the NH Division of Historical Resources, at the applicant's expense, prior to the project's start and at the time of project completion. Please confirm that rehabilitation shall include energy efficiency improvements valued at 10% of the pre-rehabilitation assessed value of the property or $5,000, whichever is less, per RSA 79-E:2,IV.

8. Have you applied for / secured any development permits for this project:

No X Yes

If yes, please describe:

Please attach any Planning Board approvals, building permits, plot plans, building plans, sketches, renderings or photographs that would help explain this application.

PUBLIC BENEFIT

1. Please identify which of the following public benefits you believe your project achieves in accordance with RSA 79-E:7:

X The project enhances the economic vitality of Downtown Manchester;

The project enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of a historic district, the district in which the building is located;

The project promotes the preservation and reuse of existing building stock in Manchester by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation;

The project promotes the development of municipal centers, providing efficiency, safety, and a greater sense of community, consistent with RSA 9-B (NH Smart Growth Policy); or

The project increases residential housing in the Central Business Service District (CBSD) or the Redevelopment District (RDV).

2. Please attach a narrative describing, in detail, how the project addresses the public benefit(s) identified above. Any proposed replacement must provide one or more of the public benefits listed above to a greater degree than would a substantial rehabilitation of the same qualifying structure.

PROJECT BUDGET AND FINANCING

1. How many years of tax relief are requested? Five

2. Will any state or federal grants or funds be used in this project?

No X Yes

If yes, describe and detail any terms of repayment, program(s) used, the total amount of credits, and the cash value of credits when monetized.

3. Pro Forma: Please complete the attached forms in Exhibit 2 of this application. Electronic copies of the pro forma template are available upon request. The forms in Exhibit 2 contemplate a residential or mixed-use rental project held by a developer for the duration of the RSA 79-E period.

To assist the Board with the application review, applicants must provide detailed information about their financing package for the project, including a statement of sources and uses (i.e., Project Budget) and a financial pro forma (Exhibit 2).

Failure to submit the required information will deem an application incomplete. Under RSA 79-E:4, II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information required here. The Board has up to 45 days to act upon the application after the public hearing.

APPLICATION CHECKLIST

1. Please check the boxes below confirming the following documents have been attached to this application:

- X Completed and signed application (Paper and electronic copies are required. Electronic documents shall be submitted on a thumb drive);
- X Application fee ($200). Check made payable to the City of Manchester;
- X Property card (obtained from the City of Manchester Assessors Office);
- X Copy of property Deed;
- Development plans (if available);
- X Public Benefit narrative;
- X Project Pro Forma (Exhibit 3) (Paper and electronic copy are required);
- Copies of all permits and approvals received;
- Historic Inventory Form (if eligible for State / National Register, or located in a State / National Register District) (if applicable);
- Estimates / Bids for Construction (if available)

ACKNOWLEDGMENTS

1. I have read and understand RSA 79-E, which is attached to this application in Exhibit 3.

2. I certify under penalty of perjury that the information provided herein, and attached to this application, is accurate.

3. I hereby acknowledge that the application process is a public process that will include public hearings held by the Board of Mayor and Alderman to discuss and secure public input regarding the merits of this application, including financial need and potential public benefits associated with this project.

4. I hereby acknowledge that in accordance with RSA 79-E: 4, II, the City has up to 60 days to hold a public hearing upon receipt of a complete application. A complete application includes all fees, forms, exhibits, and supporting information as required herein. I further acknowledge that the City has up to 45 days to act on this application after the completion of the aforementioned public hearing (RSA 79-E: 4, III).

5. I hereby understand that in accordance with RSA 79-E:1 3, II, tax relief granted under the RSA 79- E Program shall only apply to improvements to the property which commence after the Board approves this application and after the applicant grants a Covenant to the City on the subject property to protect the public benefit as set forth in RSA 79-E:8. Therefore, I hereby agree that I shall not make any improvements to the property, including demolition of any portion of the subject structure until the City has acted upon this application and I have granted the protective covenant for the property. I further acknowledge that the commencement of improvements prior to the Board's action on this application and granting of the protective covenant may result in the denial of this application.

6. If RSA 79-E Community Revitalization Tax Relief Incentives are granted, I shall be solely responsible for preparing the covenant to protect the public benefit set forth in RSA 79-E:8 at my sole expense, and that said covenant shall be acceptable to the City in its sole discretion.

7. I also hereby acknowledge that the City has no obligation to approve this application and may withhold approval for any reason. In the event this application is denied, I understand that City's decision may be appealed either to the Board of Tax and Land Appeals or the Hillsborough County Superior Court, as set forth in RSA 79-E:4, VII; however, such denial shall be deemed discretionary and shall not be set aside by the Board of Tax and Land Appeals or the Superior Court except for bad faith or discrimination.

8. I hereby grant permission to City staff and their designees to enter this property for the purpose of inspecting the property in conjunction with the City's review process for this application. Said permission shall extend from the date the application is submitted until construction at the property is completed or the application is denied by the City or withdrawn by the applicant or the owner.

9. I hereby agree that if the financing plan for this project utilizes third-party financing, and said financing is contingent upon approval of this RSA 79-E application, I shall not close on said financing until the City takes action upon this application or the applicant or the owner withdraws the application.

10. I hereby agree that the burden of proof is on all elements of the proposal, and the proposal must be supported by proof that it conforms to all applicable standards and criteria by providing written findings or statements of factual information which are intended to demonstrate the proposal complies with any or all applicable standards and criteria.

SIGNATURES

APPROVAL BY A MAJORITY OF THE MAYOR AND ALDERMEN REQUIRED

I have read and understand the Community Revitalization Tax Relief Incentive RSA Ordinance (see following pages) and am aware that this will be a public process including a public hearing to be held to discuss the merits of this application and the subsequent need to enter into a covenant with the City and pay any reasonable expenses associated with the drafting of the covenant.

Travis York

Printed Name Of Property Owner

September 1, 2023

Date

Signature Of Property Owner

Travis York

Printed Name Of Applicant

September 1, 2023

Date

Signature Of Applicant

APPLICATION EXHIBITS

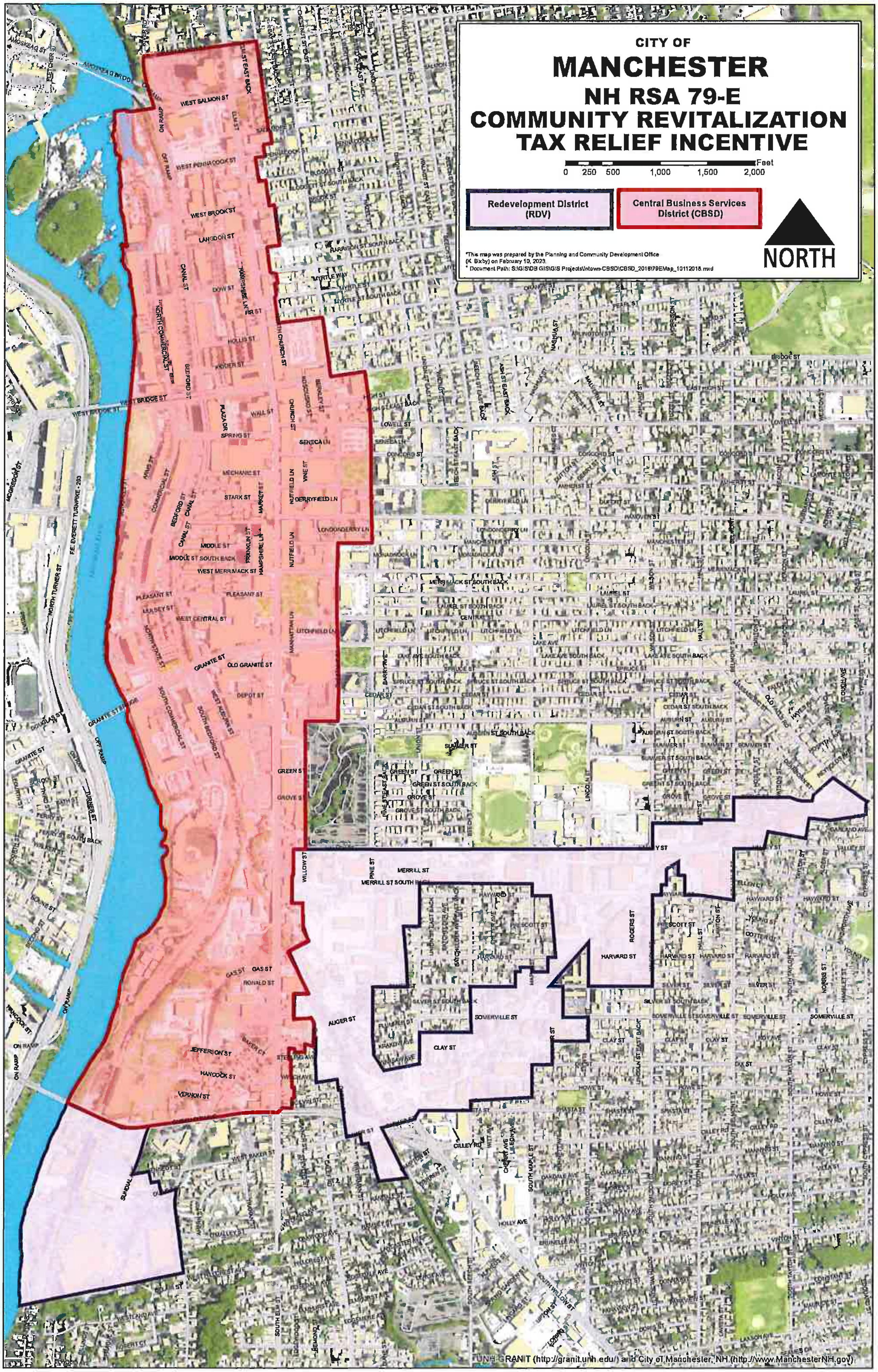
Exhibit 1: Qualifying districts: Central Business Service District (CBSD) and Redevelopment District (RDV)

Exhibit 2: Pro Forma

Exhibit 3: RSA 79-E Statute

Exhibit 4: New Hampshire Division of Historic Resources Individual-Resource Inventory Form

FOR MORE INFORMATION
CONTACT THE MANCHESTER ECONOMIC DEVELOPMENT OFFICE (MEDO)
One City Hall Plaza, Manchester, NH 03101
Director: Jodie Nazaka, AICP
Email: jnazaka@manchesternh.gov
Phone: (603)624-6505
Web: manchesternh.gov/Economy



CITY OF
MANCHESTER
NH RSA 79-E
COMMUNITY REVITALIZATION
TAX RELIEF INCENTIVE
Feet
0 250 500 1,000 1,500 2,000
Redevelopment District (RDV)
Central Business Services District (CBSD)
NORTH
UNH GRANIT (http://granit.unh.edu/) and City of Manchester, NH (http://www.ManchesterNH.gov/)