

Breaking the mold at 290 Pratt

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MERIDEN — Manufacturing firms, law firms, a pinball arcade, a gym, a church and numerous other businesses and organizations on Pratt Street share one thing in common — a roof.

Dozens of businesses have found a home at 290 Pratt St. in recent years. The 435,000-square-foot building was purchased by Steven Ancona and his partners about 10 years ago.

The building houses several small commercial and industrial companies, among other small businesses. Constructed in 1884, the industrial-style building features freight elevators and large window panes commonly associated with factories. Someone unfamiliar with the building's layout could quickly get lost in its maze of hallways.

There are architectural firms, educational resource groups, information technology companies and more throughout the building. Some of its newest tenants include the Episcopal Church in Connecticut and a pinball cooperative called Sanctum.

"The building has worked out great for us," said Jim Swain, who with a group of friends opened Sanctum in July.

It is also home to the New England Society of Information and Technology, which specializes in computer programming and three-dimensional printing.

While he wishes the new windows let in more light, Gary Krancher, president of the society, said the building works out perfectly.

"The rent is very inexpensive, and the freight elevators make moving easy," he said.

Although the owners have been successful in attracting new tenants to the former New Departure manufacturing plant, they noticed numerous inefficiencies with the building.

Early on, Ancona noticed there weren't separate light switches in each hallway, so lights would stay on all night even if that particular section of the building wasn't occupied. Seeking to protect his investment and attract and retain tenants, he decided to attack the issue and make investments in energy efficient technology. While a business owner or landlord might like the idea of making their building energy efficient, the cost can be exorbitant.

"We started to see how much energy this building is wasting," Ancona said.

Through the Connecticut Property Assessed Clean Energy program, Ancona was able to obtain financing to move forward with a two-phase project to install close to \$5 million worth of energy efficient equipment. The program is offered through the quasi-public Clean Energy Finance and Investment Authority. The energy efficiency branch of Lockheed Martin performed an energy audit of the building and determined the measures that should be taken. The first phase of the project is nearly complete.

For those passing by the building, the most obvious change is its windows, which cover 17,000 square feet of the building's exterior.

"Thermal integrity was an issue," said Peter Krumdieck, a senior engineer for Lockheed Martin. "A lot of heat was just disappearing."

Over the last two weeks, glass windows were replaced with insulated fiberglass panes. The semi-transparent white windows — made by the Kalwall Corporation of Manchester, N.H. — allow light to come into the building but reduce heat intake from sunlight. This makes the building easier to cool in the summer. The windows are also air tight, preventing heat from escaping in the winter.

In addition, 22 new washing machine-sized cooling units were installed on the building's roof, as well as individualized thermostats for each tenant. The second phase of the project, which is still in the planning phase, will see a solar array installed on the roof.

The Midstate Chamber of Commerce hosted an informational session at 290 Pratt St. last week for local business owners looking to go the same route as Ancona. Jessica Bailey, director of the Connecticut Property Assessed Clean Energy program, provided an overview of how companies can take advantage of the state's "green bank."

The program, commonly referred to as C-PACE, was established about two years ago through legislation to help finance capital projects that improve energy upgrades. Through a secure lending structure, the program is able to easily obtain financing for energy projects, hence the term "green bank," Bailey said. Before a company can apply for funding, the municipality where it's located must first opt into the C-PACE program. About 100 municipalities across the state have done this, she said, adding that Meriden was one of the first through a City Council resolution in 2013.

C-PACE provides up front financing for a project, no matter how big or small, Bailey said. In return, an additional assessment fee is added to the property tax bill of the company performing the energy updates. Over the course of 20 years, the improvements are paid off through this tax assessment, which is collected by the municipality. The municipality then repays C-PACE with the additional tax revenue. C-PACE in turn pays back its lenders. A municipal lien is placed on the company performing the updates as a security measure. The lien remains with the property, even if it is sold.

Many property owners hold off on energy updates because they plan on selling, said Sean Moore, president of the Midstate Chamber of Commerce. But with C-PACE there's no excuse, because the lien is passed on to the subsequent property owner, he said.

The program is limited to industrial, commercial or multi-family projects, Bailey said. Not every project is approved.

"We want to make sure the energy savings are enough to justify the investment," she said.

A municipality benefits from the program because it can offer property owners a way to finance building updates.

“This is a way for the city to offer something to building owners so they can improve their building and the community,” Bailey said.

Through its audit of 290 Pratt St., Lockheed Martin estimated that Ancona will save \$139,793 annually through the first phase of energy updates. The \$1.99 million investment from C-PACE will be paid back over a 20-year term. In the second phase of the project, a \$2.85 million investment over 20 years, Ancona will save an estimated \$236,155 annually.

Krumdieck said the energy updates can also become a source of profit through renewable energy tax credits. He estimated that Ancona could receive about \$28,000 annually in tax credit revenue. Local companies are already interested in making a similar investment. Joe Ciullo, chief financial officer for Thompson Brands, said his company could benefit from energy upgrades. He attended Wednesday’s meeting to learn more about the C-PACE program.

“We’re an old building just like this,” Ciullo said. “It’s very expensive for upkeep.” Locally, Moore said, Accel International Holdings, Meriden YMCA and Valentin Karate have also expressed interest.

The 290 Pratt St. building “is the poster child” for the program, Moore said, because it had a prior industrial use but is now utilized much differently.

“It’s amazingly mixed-use space,” he said.

Ancona is positioning his building to be part of the city’s downtown revitalization. The city is working to create a boulevard on Pratt Street, making it the new entrance to the downtown area, Moore said. Not only is Ancona improving his building’s efficiency, he is making it more attractive with new windows, he said.

“The trick is to take what you learn and apply it to your business,” Moore said.

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