

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, February 8, 2018
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin (phone); Kiley Gosselin; Meg Green; David Jorgensen (phone); Evonne Klein; Mayor Marcia Leclerc; Michael Matteo; Catherine Smith

Board Members Absent: Jim Redeker; Joanne Berger Sweeney

CRDA Staff Present: Michael Freimuth; Joseph Geremia; Kim Hart; Anthony Lazzaro; Jennifer Gaffey; Robert Saint; Terryl Mitchell Smith

Call to Order

Chairwoman Hopgood called the Board Meeting to order at 6:04pm.

Minutes – Commissioner Appointment

The minutes from the November 30, 2017 Board Meeting were moved by Evonne Klein, seconded by Catherine Smith and approved.

Kiley Gosselin had previously been sworn in as a CRDA Board member.

Innovation Investment Program

Len Wolman and Michael Freimuth visited North Carolina to meet with an entrepreneurial group to discuss an initiative that is taking place in Durham, N.C. The initiative, through Duke University, is to connect investors with start-ups. It launches investor money through their alumni network and people associated with the school, by student and entrepreneurial development efforts, and they are positioning all those efforts into Downtown Durham. Dilapidated buildings are being converted into business centers, expanding the whole infrastructure downtown.

In speaking to the Board, Mr. Wolman discussed his meetings with several local business leaders to examine how this effort can be incorporated in Connecticut. This effort has to be collaborative and needs the whole community to be supportive and have key stakeholders buy-in in order for it to be successful. One of the things that was brought to light is that there are Connecticut investors investing in North Carolina. So the questions becomes, what needs to be done in order for Connecticut investors to invest in Connecticut?

There will be a cost associated with this effort and it will need multiple funding sources. One of the questions will be can CRDA contribute to the effort? The initial round is less than One Hundred Thousand Dollars which will help to get the initiative started and it will grow from there. This project will have to be monitored as it grows and measured as it goes along.

Catherine Smith indicated that CI has been looking at the Angels and trying to get them to invest in Connecticut based companies because that's their whole model. Also, trying to get more VC firms to invest in the State.

Mayors Reports

East Hartford Mayor, Marcia Leclerc reported the following:

- Silver Lane Advisory Committee was formulated several months ago in response to the Brownfield Area Revitalization Grant that was received. This ran simultaneously with a Transportation Grant received from CROG looking at ingress and egress along the Silver Lane corridor and where there were gaps in transportation and changes that are necessary to support economic development growth. The first public hearing was held and very well attended.
- Three rundown properties have been demolished.
- East Hartford is a recipient of the working City Challenge that encompasses the Silver Lane area, one of the lowest performing school districts. CBDG money was also received to be used for improvements in that same area.
- March 31, 2018 is the deadline for the outlet shops contract.
- The Enterprise Zone is being reviewed by the town.
- The new P&W Engineering Building is almost complete, waiting for the final CO.
- The Town is doing a business visitation program, 10 businesses were visited this last quarter to strengthen retention.
- Working to create a college district zone with Goodwin College.
- The Town is acquiring a property to build a new Senior Center.
- American Eagle is moving their Main Office to East Hartford.

Michael Freimuth explained that the following motion regards funds that were specifically allocated to East Hartford under the CRDA Statute. The Town could use the funds should the Silver Lane priority development zone project move forward. This will allow Bond Commission to consider the request through CRDA.

The following motion was moved by Andy Bessette, seconded by Catherine Smith and unanimously approved.

“The CRDA Board of Directors hereby approves the use of \$10 million in CRDA funding allotted for the Town of East Hartford to provide a grant to the Town for the acquisition, abatement, demolition, environmental investigation and remediation, as well as reuse planning, for priority development parcels, with an emphasis within the Silver Lane Development area. Such CRDA funding shall be subject to (1) State Bond Commission approval and (2) such fiduciary terms as deemed appropriate by the Executive Director.”

Kiley Gosselin reported the following update for Hartford's Mayor Luke Bronin:

- Demolition of three large properties on Homestead Avenue is moving forward. A contractor has been selected and the contract is at DECD for signature.
- Due to interest, the DoNo parcel RFP has been extended from Feb. 15 to March 1, 2018.
- The Committee is in the final selection process of choosing a proposal for the RFP for Park & Main project.

- Hartford Sports Group was chosen from an RFP process put forth by CRDA in partnership with the City. The City is currently discussing different ownership structures and financing.
- Mayor Bronin gave a brief explanation regarding the State Bond Commission allocations for Hartford:
 - Westbrook Village – demolition costs which will allow the City to do the demolition and relocation of the Westbrook site in preparation for development.
 - Dillon Stadium and Colt Park - An allocation for much needed improvements.

Finance

The Financial update for February 2018 was reported by Joseph Geremia, CRDA CFO.

Fiscal Year 2018 Financial Statements for the Six Months Ending 12/31/2017

Balance Sheet

- Housing loan's receivable net increase reflects housing construction drawdowns from 111 Pearl Street, 81 Arch Street, and Bowles Park/Willow Creek projects
- Accounts payable net increase relates to increases with the CRDA Housing Initiative program and XL Center offset with decreases in Tennis Escrow and DAS office relocation project
- Due to State increase reflects 12/15/17 CRDA Parking Facilities debt service
- Loans Payable decrease reflects scheduled repayments towards Traveler's loan

Statement of Revenues, Expenses and Changes in Net Position

- Restricted Revenue and Other Income increases reflect administrative fees on housing loans and capital projects
- Combined facilities income and expenses referenced below
- Development cost for the current fiscal year includes \$250,000 in CT Open tennis tournament support

Fiscal Year 2018 Operating Statistics

CT Convention Center – December 2017

December stats: 111 event days held YTD with YTD attendance at 121,000
 Qtr. 2 financials: Net Income \$160,000 favorable to budget
 F&B revenue favorable compared to budget
 Operating expenses even with budget
 Total year projection \$175,000 favorable to budget

CRDA Parking Facilities – December 2017

December stats: Utilization favorable to budget at 79%
 Monthly rate customers favorable to prior year by 3,400 at 18,900 YTD
 Transient customers favorable to prior year by 5,400 at 205,400 YTD
 Qtr. 2 financials: Net Income \$100,000 favorable to budget
 Transient revenue favorable to budget with monthly rate customer revenue even with budget
 Repair & maintenance expense favorable to budget
 Total year projection \$100,000 favorable to budget

XL Center - December 2017

December stats: 51 event days held YTD with YTD attendance at 190,900
 Qtr. 2 financials: Event revenue \$530,000 unfavorable compared to budget, of which \$200,000 is attributed to F&B revenue and the remaining \$330,000 attributed to a lower than budgeted number of concerts and other events
 Hockey operations \$250,000 unfavorable compared to budget
 Operating expenses \$300,000 favorable to budget
 Total year projection approx. \$800,000 unfavorable to budget (Includes \$300,000 attributed to new event admissions tax effective Dec. 1. 2017, \$215,000 attributed to three cancelled events, \$210,000 in underperforming events, and \$75,000 in underperforming hockey net operations)

Church Street Garage - December 2017

December stats: Utilization of 76% favorable to budget of 72%
 Monthly rate customers favorable to budget by 400 at 7,000 YTD
 Transient customers unfavorable to budget by 700 at 8,100 YTD
 Qtr. 2 financials: Net Income even with budget
 Equipment maintenance expense favorable to budget
 Total year projection even with budget

Rentschler Field - December 2017

December stats: 79 event days held YTD with YTD attendance at 143,900
 Qtr. 2 financials: Event revenue even with budget with \$100,000 unfavorable variance attributed to UCONN football offset with \$100,000 favorable budget variance with soccer game
 F&B revenue \$530,000 unfavorable to budget attributed to UCONN football
 Expenses \$175,000 favorable to budget
 For six months, \$345,000 unfavorable to budget
 Total year projection \$410,000 unfavorable to budget of which \$250,000 is covered by UCONN
 \$100,000 unfavorable facility fee due to UCONN football attendance
 \$560,000 unfavorable F&B revenue due to UCONN football attendance
 Offset with \$100,000 favorable soccer game revenue and \$130,000 favorable with expenses

Residential Housing Initiatives –	Total Contracted Loans:	\$81.0M
	Current Disbursed:	\$47.1M

Fiscal Years 2018 – 2020 Audit RFP

RFP released: January 29, 2018
 Deadline for submitting proposals: March 2, 2018
 Contractor Selection: March 16, 2018

Housing Committee

Kiley Gosselin gave an update pertaining to the 28 High Street project listed below. This project was approved by the CRDA Housing Committee, which is forwarding to the CRDA Board for approval.

Project Sponsor: Constantinos Constantinou, Tolland, CT

Description: Conversion of historic vacant commercial building (former Lewtan Property) into 28 units (10 studio, 10 1BR, 8 2BR) 80/20 market/affordable mix with 600 s.f. retail first floor. Project was initially brought to CRDA via the Ct Main Street Initiative and LISC as a TOD project. It was reviewed by CRDA Housing Committee twice in the past 12 months and has been restructured. It adjoins other CRDA projects in the immediate area including 179 Allyn, 201 Ann St, 370 Asylum and 107-21 Allyn. CRDA support for zoning text amendments and utilization of City Anti Blight tax incentives assisted in the financing and design of the project.

Development

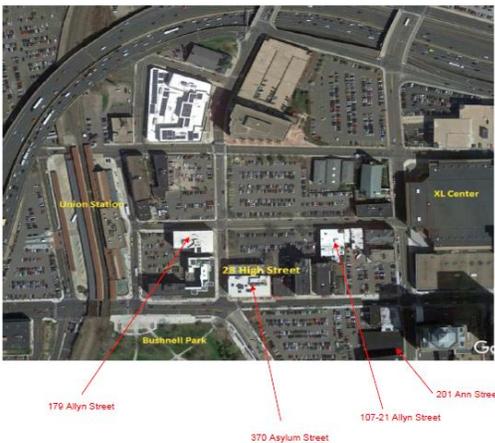
Budget:	\$4,000,000	hard construction
	150,000	soft costs
	80,000	financing costs
	1,020,000	acquisition
	<u>300,000</u>	contingency
	\$5,550,000	TDC

Sources:	\$1,362,000	Equity
	1,088,000	GreenBank
	1,200,000	State Historic Credits
	<u>1,900,000</u>	CRDA
	\$5,550,000	

CRDA Funds: \$1.9M represents \$68,000/unit. Financing to be 3% interest only for 18 months construction and once completed 3% P&I amortized over 28.5 yrs.

The following resolution was moved by Andy Bessette seconded by Catherine Smith and approved.

RESOLUTION:



The CRDA Board authorizes the use of \$1.9M of CRDA housing funds to be lent to Constantinos Constantinou (or such single purpose entity acceptable to CRDA) for the conversion of 28 High Street, Hartford, CT into 28 residential units and 600 s.f. of retail space at 3% interest only during construction and 3% P&I amortizing over 28.5 years subject to **1/** State of Connecticut bond commission approval; **2/** all other sources of funding being secured; and **3/** such fiduciary terms as deemed necessary by the executive director and CRDA counsel.

Venue Committee

Andy Bessette reported on the following Venue Committee items:

XL Center

The 2017-2018 hockey and basketball seasons are in full swing.

- UConn hockey – The team is averaging just over 2,300 attendees for the season. The last 3 games have been very strong, with an average attendance of 4,300, including a season high of 5,300 vs. UNH. The team has won 5 games in a row and has a strong shot at hosting the Hockey East playoff games in March, which would be unbudgeted revenue for the building.
- UConn basketball – The men’s team is averaging 7,200 attendees, with strong showings for Wichita State (12,000) and Villanova (13,600). The women have averaged 8,600, with Notre Dame (11,900) and Cincinnati (9,800) being the strongest games.
- Wolf Pack – The team is averaging 2,700 attendees for the season however, we’ve seen an increase after the holidays, with January games averaging 3,500 attendees.
- Concessions – Concession numbers have been very strong for all events, with Wolfpack games in particular doing well. Per caps for these games have averaged \$10.92 per game, almost \$2.00 over budget and \$1.00 over last year. We’ve been very impressed with the job Spectra and Ovarions have done managing and growing the concessions operations at both XL and the Stadium. They attribute these increases to a number of factors:
 - Proper balance of staffing for events and the use of non-profit groups (more staff = shorter lines = more purchases);
 - Training staff to offer customers additional items and to make them aware of value upgrades (“do you want to supersize that?”);
 - New vendors added each year with more menu options. This year, Ovarions has added Ted’s Steamed Cheeseburgers and Chick-fil-A stands, as well as a greater variety of local craft beers;
 - Tailoring menu options to fit events, with concessions stands “flipped” to create more bars or more kid-friendly menus depending on the event;
 - Larger and better-quality souvenir cups. Priced at \$6, this 44 oz. soda has been a top seller; and
 - Using social media ahead of events to market special offers, with fans coming in to the building looking specifically for kid-friendly combos and specialty drinks
 - Spectra has offered Happy Hour in the Comcast Club two hours prior to game time which has been very successful. It has been so successful that reservations are now required.
- Concerts – Spectra has announced three major concerts in the last month: (1) Def Leppard & Journey for May 21, (2) Elton John for September 19 and (3) The Eagles for Oct 6. The Elton John show, part of his farewell tour, sold out in 15 minutes. There are other pending shows yet to be announced. Unfortunately, we have lost out on a few larger shows as a direct result of the newly-imposed 10% State admissions tax.
- Metal Detectors - XL introduced the new metal detectors during Disney On Ice shows in mid-January. After roughly 20 events, the process has been smooth and seamless and provides a much more

enjoyable experience for patrons, while adding a needed layer of security. There has been a slight increase in staffing during the initial phase, but the hope is that as staff become more familiar with the process, those levels will drop.

- NCAA Basketball Tournament - Initial pre-sales for the March 2019 Tournament will begin soon.
- Bob Saint will be providing a venue construction update later in the meeting.

Pratt & Whitney Stadium at Rentschler Field

Though off season, the Stadium continues to host various meetings, training and receptions. The Operations staff and groundskeepers are working on winter projects to prepare for the spring/summer season.

Spectra is holding dates for potential soccer matches and has also responded to RFP's for lacrosse and international soccer events. They are also beginning preparations for the upcoming NCAA Lacrosse event in May, 2019.

Convention Center

The Convention Center is enjoying a busy few months, hosting the Camping and RV show, as well as a Wedding Expo and Kids' Fair earlier this year. The popular Hartford Boat Show comes to the building this weekend, followed by the Flower and Garden show later in the month.

Michael Freimuth gave a brief update regarding the following items:

XL Center RFP – The RFP to sell the XL center should be presented to the CRDA Board at the March Board meeting with an anticipated April release date.

Northland Property – will be discussed in Executive Session.

MSG - Wolfpack agreement with Global Spectrum through MSG is being renewed, this extension will be taken up at the March Board meeting.

UConn – Men/Women Basketball - Men's Hockey – three-year extension of the current contract has been negotiated.

XL Naming Rights – currently working on a five-year renewal. (XL wants an exit clause should the building be sold).

Bob gave a brief construction update regarding the following items:

Freight elevator – the elevator in the Northwest corner of the XL Center is due to come on-line at the end of February. The remaining two elevators are expected to come online at the end of March.

Security Project – substantially finished. Adding a couple of new cameras and continue to tweak it where blind spots are discovered. One or two cameras will be added to the atrium to support the metal detector.

LED Lighting – replacement working with Eversource – it will be an 18 month payback.

Chiller Replacement for Ice – will need to be replaced within the next two seasons. Working towards getting a design in place this summer to have it bid out and be ready to do the installation the summer of 2019.

Tennis – The TFC Board had a conference call today, February 8, 2018, with regard to the status of sponsorships for the August 2018 tournament. There are still a series of potential possible sponsorships that are outstanding and due by the end of February. As well as ongoing conversations with the WTA for the event. Measurable progress has been made and it looks like the 2018 tournament will move forward. The sponsorships will be looked at again the first week of March and if necessary action is needed, an CRDA Executive Committee Meeting may be called prior to the next CRDA Board Meeting.

Board members asked if it is known how many sponsorships need to be closed in the next few weeks. Catherine Smith responded that there are about five sponsorships that are very important to hit the big numbers and there is a pipeline of promising smaller sponsors that add up to \$100,000.

Neighborhood Committee

Michael Freimuth and Mayor Luke Bronin gave a brief description of the Dillon Stadium project.

Dillon Stadium – CRDA would be in a position to manage the construction of the Dillon improvements which is still in need of the City’s licensing and procurement. The team would run the stadium events for team days and the City would run the facility for non-team days. Perhaps, a third-party vendor to manage the stadium year-round with a certain fee schedule that would have to be negotiated. The building would continue to be a City owned asset. A March target is anticipated for approval.

The construction would be meant for significant repairs for locker rooms, concessions, men’s & ladies rooms, lighting, signage, replacement of bleachers and the artificial turf and improvements for the field.

The following resolution was moved as amended by Catherine Smith seconded by Andy Bessette and unanimously approved.

“The CRDA Board of Directors hereby approves the recommendations of the Neighborhood Committee regarding the use of \$10 million in CRDA “Neighborhood Funds” for improvements at Dillon Stadium and Colt Park. Improvements shall include the renovation of existing structures, repair/replacement of bleachers, new fencing, curbing, sidewalk, landscape and lighting improvements at Dillon Stadium. Additional streetscape, landscape and site improvements will be made at the adjacent Colt Park, with playing field upgrades to be made at both facilities. Such CRDA funding shall be subject to (1) State Bond Commission approval, (2) City of Hartford approval of an agreement to license Dillon Stadium to a United Soccer League level or higher sports team, and (3) other such fiduciary terms as deemed appropriate by the Executive Director.”

Mayor Luke Bronin reported that a historic building that is in severe disrepair at 1240 Albany Avenue is currently being considered as a project for the Neighborhood Committee. No action has been taken by the Neighborhood Committee.

Chairwoman Hopgood reported that President Gwendolyn Thames asked to meet to discuss the number of properties that are being vacated including churches, schools and library branch closings. She indicated that there needs to be an amount of work that the City does before CRDA gets into any conversations regarding these properties. Mayor Bronin indicated that Michael Freimuth and he met with Jay Williams of the Foundation and among the things they discussed was the possibility of funding a position that will be housed either at CRDA or at the City to focus on master planning for those properties in particular.

Swift – A slide was presented on the overhead to depict the complex Swift project. Michael Freimuth explained that CRDA has \$4.3 Million invested into the overall intricate funding. He further explained that this will give the Board some idea of what the new market tax credits are like.

Executive Director Report

370 Asylum – construction is 15% complete and in the framing stage.

Main Street Redevelopment Block – CT Main Street (CMSC) has been asked to prepare a redevelopment plan for an area of Main Street in close proximity to Dunkin Donuts Stadium. Crosskey Architects, the Corporation for Independent Living and Fuss & O’Neill Engineering, will assist with redevelopment planning for this site. CMSC proposes to conduct this scope of work for a fee of \$30,000 to be completed within a 90 day timeframe.

The following motion was moved by Andy Bessette seconded by Catherine Smith and unanimously approved.

“The CRDA Board of Directors hereby approves \$30,000 for the scope of work outlined for the Main Street Redevelopment Block”.

3 Constitution –Michael Freimuth explained that \$65K in CRDA funds along with \$65K from Girona Venture, were previously approved to enhance the corner of 3 Constitution. However, the owner of the property, is not able to put forth the additional funds to move the project forward. The Board agreed that the Executive Director shall rescind the allotment until such a time that the project and funds are ready to move forward.

100 Reserve Road – MIRA/CRDA – RFP for Lease of 20+/-Acre Portion of 100 Reserve Road. CRDA will seek, assess and recommend a use and lease structure. The parcel is expected to be leased to CRDA as a master tenant who in turn will sublease to the selected bidder. RFP’s are due by February 16, 2018.

Executive Session

The following motion was moved by Andy Bessette, seconded by Catherine Smith and unanimously approved. CRDA Legal Counsel Tony Lazzaro was asked to join Executive Session.

“The CRDA Board of Directors hereby moves to go into Executive Session for a contract discussion regarding real estate.”

The Board resumed the Board Meeting at 8:15pm.

The following resolution was moved by Andy Bessette, seconded by Catherine Smith and unanimously approve.

WHEREAS, pursuant to Section 32-602(a)(7) of the Connecticut General Statutes, the purpose of the Capital Region Development Authority (the “Authority”) is to stimulate economic development in the capital region;

WHEREAS, pursuant to Section 32-602(d)(3) and Section 32-600(2)(C) of the Connecticut General Statutes, with respect to Capital City Projects, the Authority has the power to formulate plans for, acquire, finance and develop, lease, purchase, construct, reconstruct, repair, improve, expand, extend,

operate, maintain and market facilities, including the civic center and coliseum complex (the “XL Center”);

***WHEREAS,** the Authority and SCI Architects, P.C. (“SCI”) entered into the certain Consulting Services Agreement dated October 31, 2014 for Arena Program Development and Construction Feasibility Services relating to the XL Center;*

***WHEREAS,** SCI presented its preliminary findings and plans to the CRDA Board of Directors at its monthly meeting of February 19, 2015;*

***WHEREAS,** the Authority subsequently posted such plans to the Authority’s Web site for public viewing;*

***WHEREAS,** on November 29, 2016, a public hearing was held at which SCI presented its completed concept design to the CRDA Venue Committee and members of the general public;*

***WHEREAS,** at the conclusion of the presentation, members of the general public were invited to comment on the concept design, such comments were overwhelmingly supportive;*

***WHEREAS,** the CRDA Board of Directors has subsequently reviewed the recommendations and amended the proposed concept design accordingly (the “Final Concept Design”); and*

***WHEREAS,** in accordance with the Final Concept Design, it is necessary for the Authority to acquire certain real property illustrated in the proposed site plan (See Exhibits A and B).*

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AUTHORITY:

- 1. That it authorizes its Executive Director to proceed with plans to transform the XL Center in accordance with the approved concept design, including the acquisition of that certain real property illustrated in the proposed site plan, subject to available funding.*

The CRDA Board Meeting adjourned at 8:20pm

“The minutes of the February 8, 2018 CRDA Board Meeting were moved by Evonne Klein seconded by Dave Jorgensen and approved by Board Members at the March 22, 2018 CRDA Board Meeting.”