

**Neighborhood Committee Conference Call
DRAFT Minutes
Connecticut Convention Center
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Friday, March 10, 2017
8:30 a.m.**

PRESENT VIA PHONE:

Members: Mayor Luke Bronin (Committee Chair), Joanne Berger-Sweeney, Board Chair
Suzanne Hopgood

Guests: David Foster, Rosanne Haggerty and Patrick McKenna from Community Solutions

Staff: Michael Freimuth and Kim Hart

The meeting was called to order at 8:31 a.m. by Mayor Bronin and the minutes of the January 13th meeting were approved on a voice vote. Ms. Hopgood abstained, as she was not present for the January meeting.

Swift Factory Project – Mr. Foster offered a brief presentation updating the Committee on the project, particularly the status of tenant leases and project funding. He noted that discussions with Hartford Public Schools about utilizing space for a commercial kitchen had stalled and Mayor Bronin noted that he thought a deal with the school board was “highly unlikely”. Mr. Foster assured Committee members that the absence of the school kitchen did not negatively impact the pro forma for the project.

Mr. Freimuth questioned whether private funds provided as a rent “backstop” while the developer secured a health clinic tenant could be utilized for the school board space, now that a health clinic tenant has been identified. Mr. Foster indicated that the backstop funds were specifically designated for the clinic space and the deal would need to be renegotiated for any other area. Mr. Foster indicated that he would look into renegotiating, as well as securing other private funding sources.

Ms. Hopgood asked about federal requirements related to the health clinic. Mr. Foster indicated that the federal approval process is fairly routine and that he was not concerned. He did note that the clinic’s lease would likely include language making its terms contingent on securing such federal approval.

Ms. Berger-Sweeney and Mayor Bronin expressed their support for the project, however, the Mayor questioned the speculative nature of the food incubator and shared office space. Mr. Foster indicated that rents for this space are purposely being kept low to attract new businesses

to the area. Community Solutions' research indicates that there are businesses interested in being part of this type of social enterprise and willing to relocate to the Promise Zone.

Mayor Bronin also asked about the local and minority hiring goals outlined in the presentation and stressed their importance to the City. Mr. Freimuth also noted that the project would likely be included in CRDA's Neighborhood Security Fellows job-training program. Ms. Hart confirmed that CRDA staff has already initiated discussions with Community Solutions on this issue.

Mayor Bronin also raised a question about property taxes on the factory. Mr. Foster indicated that Community Solutions is closing on a pre-development loan next week and proceeds would be used to pay off back taxes. He also reported that he was working with the City on a payment plan moving forward.

The Committee next considered the funding resolution for the project.

Resolved: The Neighborhood Committee hereby approves the use of \$4,000,000 in CRDA Neighborhood funds for the Swift Factory project on Love Lane. Such funds shall be distributed as a loan, with minimum debt service calculated using an initial 1% APR and paid monthly upon stabilization. The developer shall also pay CRDA 70% of net available cash after payment of first lien debt service and other required distributions, per the federal tax code requirements for historic credits. Payment to CRDA shall continue over a 20-year term until the Authority has received all of its capital with a 3% IRR. Such assistance shall be subject to 1) full CRDA Board and State Bond Commission approvals; and 2) such fiduciary terms deemed appropriate by the Executive Director.

Mayor Bronin offered an amendment to formally adopt the City's local and minority hiring goals as outlined on page 14 of the Swift presentation. Ms. Hart read the resolution and the Mayor's amendment was adopted on a voice vote. Mr. Freimuth directed committee staff to work with City staff to draft the hiring goal language prior to the CRDA Board's consideration of the Swift resolution in March.

Ms. Hopgood offered a second amendment, linking CRDA funding to the execution of tenant leases (a) governing no less than 50% of leasable project space or (b) generating no less than 50% of projected rental revenue. This was also adopted on a voice vote.

The resolution, as amended, was adopted on a voice vote. Mr. Freimuth asked Community Solutions to be prepared for a presentation to the full CRDA Board at its monthly meeting on March 16th, where the funding resolution would be considered.

Bowles Park and Brackett Knoll Projects - Ms. Hart gave brief updates on these two projects and Mr. Freimuth noted that more detailed updates would be provided at the March 16th Board Meeting.

The next meeting of the Neighborhood Committee is scheduled for ***Thursday, April 13, 2017.***

There being no further business, the meeting was adjourned at 9:10 a.m.