

Capital Region Development Authority
100 Columbus Boulevard
Board Room B – 4th Floor
Hartford, CT 06103
Thursday, December 6, 2018
6:00 pm

Board Members Present: Chairwoman Suzanne Hopgood; Joanne Berger Sweeney; Andy Bessette; Ben Barnes; Erik Johnson; David Jorgensen; Mayor Marcia Leclerc; Nick Lundgren; Michael Matteo (phone); David Robinson; Catherine Smith; Glendowlyn Thames

Board Members Absent: Mayor Luke Bronin; James Redeker

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

Minutes

The minutes of the October 18, 2018 CRDA Board Meeting were moved by Andy Bessette, seconded by Mayor Leclerc and approved with Nick Lundgren abstaining.

Mayors Reports

Erik Johnson reported on the following in Mayor Bronin's absence:

- **DoNo:** The City has filed another motion to obtain site control. The City is communicating with Randy Salvatore who continues to show interest however, with limited site control, the timeline to move forward is unclear.
- **Parkville:** Carlos Mouta is trying to repurpose some of the older buildings. Mr. Mouta is currently looking at 800,000 to 1,000,000 sq.ft. of space to renovate. In addition, there is 290,000 sq. ft. adaptive re-use of the former Hamilton facilities building. Mr. Mouta and CRDA are in discussions.
- **Opportunity Zones (OZ) Designation:** City is taking steps to see what can be done with regards to its OZ designation. Some of the downtown areas do not meet the criteria and there needs to be another slightly different strategy as a consequence.
- **Westbrook:** Meeting with Penrose and Westbrook team on December 10 to take a second look at what's going to happen with the commercial retail price they are proposing on the north end of Albany Ave.
- **Park & Main RFP:** The City continues to work with Spinnaker and Freeman Companies. A finalized term sheet should be ready December 7, 2018. A second quarter 2019 construction start date is anticipated.

Mayor Marcia Leclerc reported on the following East Hartford projects:

- Great River Park: Meeting with Riverfront Recapture to talk about our input into the project.
- Main Street: The town has identified four properties on Main Street that will be demolished. Bids will be solicited shortly.
- Showcase Cinemas: The town approved the purchase of the property and are slated to close late Jan/early Feb. 2019.

Working with other property owners to leverage their reinvestment in their properties along with the RFP that will go out for the Showcase Cinemas.

- Re-zone: working to re-zone two large areas of Town, Goodwin College to be the third design district and the eastern portion of Silver Lane, both to have more flexibility with mixed use development.
- Sr. Center: work continues, architectural plans were recently rolled out at two public meetings.
- Tax Abatement: Tax abatement was approved for Bigson, LLC, moving from Airport Road to Roberts Street. It is new construction 30,000 square feet. Bigson LLC constructs the trucks for Freightliner.
- Main Street: Sod improvement for a significant section of the Main Street project. Also, have been working to fill the buildings that have become vacant as a result of businesses relocating to Hartford. We've been working with the owners of the buildings and some very significant new businesses are interested.

Finance

CRDA CFO Joseph Geremia gave an overview of the Financial update for December 2018.

Fiscal Year 2019 Financial Statements for the Three Months Ending 9/30/2018

Balance Sheet

- Current unrestricted cash decrease reflects event escrow timing differences between ticket purchases and event occurrences at the XL Center
- Current restricted investment increase reflects timing differences with capital improvement funds expended on behalf of the XL Center and increased housing loan funding
- Accounts receivable increase reflects operating activity at the XL Center
- Housing loan's receivable net increase reflects housing construction drawdowns from 101 & 111 Pearl St, 81 Arch St, 241 & 370 Asylum St, 28 High St, as well as the Bowles Park/Willow Creek, Swift Factory, and the Borden projects
- Intangible asset decrease reflects write-down of WTA sanction value
- Accounts payable net increase relates to increases with the CRDA Housing Initiative program and XL Center
- Loans Payable decrease reflects scheduled repayments towards Traveler's loan

Statement of Revenues, Expenses and Changes in Net Position

- Other Income reflects administrative fees on housing loans and capital projects
- Combined facilities income and expenses referenced below

Fiscal Year 2018 Operating Statistics

CT Convention Center – September/October 2018

- Oct. stats: 78 event days held YTD with YTD attendance at 94,700
- Qtr. 1 financials: Net Income \$100,000 favorable to budget split evenly between rent, event services, and F&B income
- Utility expenses slightly unfavorable to budget
- Total year projection even with budget

CRDA Parking Facilities – September/October 2018

- Oct. stats: Utilization even with budget at 79%
- Monthly rate customers favorable to prior year by 600 at 12,200 YTD
- Transient customers favorable to prior year by 9,800 at 147,900 YTD
- Qtr. 1 financials: Net Income \$200,000 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 \$200,000 favorable to budget

XL Center - September/October 2018

- Oct. stats: 20 event days held YTD with YTD attendance at 475,000
- Qtr. 1 financials: Event revenue \$280,000 unfavorable compared to budget, of which \$40,000 is attributed to F&B revenue and the remaining \$240,000 attributed to a lower than budgeted number of concerts, with one concert not meeting budget
- Hockey operations even with budget
- Operating expenses \$200,000 favorable to budget
- Total year projection approx. \$200,000 unfavorable to budget attributed to a lack of two minor concerts being scheduled and one underperforming concert

Church Street Garage - September/October 2018

- Oct. stats: Utilization of 74% favorable to budget of 72%
- Monthly rate customers even with budget at 4,500 YTD
- Transient customers favorable to budget by 550 at 5,900 YTD
- Qtr. 1 financials: Net Income even with budget
- Total year projection even with budget

Rentschler Field - September/October 2018

- Oct. stats: 55 event days held YTD with YTD attendance at 196,300
- Qtr. 1 financials: Event revenue unfavorable to budget with \$150,000 unfavorable variance attributed to UCONN football offset with \$30,000 favorable budget variance with soccer game
- Expenses even with budget
- Total year projection even with budget of which unfavorable F&B revenue due to UCONN football attendance is offset with favorable soccer game revenue.

Housing and Neighborhood Committee Report

Mike Freimuth reported on the following items:

370 Asylum – scheduled to open first week in January. Twenty-two units out of sixty units are pre-leased. Four of them are pre-leased to teachers.

246-250 Lawrence – on Bond Commission for December 11, 2018. 12 Units, 2 buildings.

Allyn St. – Financial closing complete.

28 High Street – construction underway.

Wyllys St. – meeting one more time, possibly rescinding project for financing.

Arch St. 67% complete, due to open May 2019.

Brackett Knoll – Bids are in and they are too high and we will put the RFP back out to bid.

Charter Oak Health Center – design team is working on this project.

Quirk Middle School – working on a creative job training/job employment program. Waiting for the City to issue a license to get project going.

Heritage Home – the first project of the Asylum Hill Home Ownership Program is about to close its financing.

Venue Committee

Andy Bessette reported on the following Venue Committee items:

XL Center

- New Planning Focus - Mike Freimuth and Bob Saint gave a presentation of the New Planning Focus SCI Architects is finalizing its concept plan for a scaled-back renovation of the XL Center that focuses on opening up the atrium to the arena, increasing the number of rest rooms and expanding the number and types of premium seating in the building. SCI has solicited input from Spectra, as well as UConn, and a presentation on the new concept will occur later in the meeting. Board members discussed and exchanged ideas regarding the overview.

Economic Impact Analysis - Mike informed Board members that Stafford Sports had hired Stone Planning LLC to conduct an economic impact analysis of the XL Center. Representatives from Stone will be in Hartford December 11th through December 13th gathering data and meeting with Spectra and other individuals. Mike invited any members interested in participating in a meeting with Stone.

- Acquisition of Northland Property – The Executive Director will provide an update on the Northland property acquisition later in the meeting.

- Sale RFP – Discussions on the Oak Street proposal have been postponed until after the new General Assembly and new Governor take office.
- Events – Average attendance for UConn hockey and Wolfpack games are roughly comparable to this time last season, while Men’s basketball crowds are larger. Women’s basketball attendance is down from this time last year, though weather has been a factor.

The Travis Scott concert originally scheduled for Nov 30th was postponed to a yet-to-be-determined date. Rigging issues have plagued the tour and the promoter decided to postpone until XL engineers were able to confirm that the rigging plan was sound. Over 9,000 tickets has been sold and Spectra is hopeful that this show will be rescheduled later this fiscal year.

Pratt & Whitney Stadium

- UConn football has completed its disappointing 2018 season, with attendance averaging slightly more than 9,800 per game. The Stadium successfully hosted two international soccer events in July and October, however, this additional revenue is not expected to make up for football losses.
- As reported at our last Board meeting, the Stadium is addressing the failure of numerous chair back seats during events. There are nearly 4,000 of these plastic seats in the upper and lower bowls and they are original to the Stadium. Fifteen years of use and exposure to the elements has caused the plastic hinges and seat bottoms to deteriorate. Given the large number of seats, Stadium staff have been replacing them in a piecemeal fashion, however, they are now failing at an alarming rate and a number of patrons have fallen through them during events.

The warranty on the seats has run out and CRDA has requested \$275,000 in bond funds for replacement of all the hinges and seat bottoms. The item is on the agenda for the December 11th Bond Commission meeting.

CT Convention Center

- CRDA will be issuing an RFP for a firm to conduct a new feasibility study for the Convention Center. Such study will compare assumptions made in the original pre-construction study with actual outcomes and outline a business plan into the future. Venue Committee members have been asked to assist with the evaluation of proposals received.

Dillon Stadium

- An update on Dillon is scheduled for later in this meeting by Mike Freimuth in the Executive Director’s Report

Regional & Economic Development Committee

Hartford Regional Market: A number of capital improvements are underway at the Regional Market. Work includes road repairs and paving, as well as the installation of water and electrical lines to certain buildings on the site.

Front Street: HB Nitkin reports that a new restaurant will be moving into the space recently vacated by Qdoba. El Pollo Guapo, a popular rotisserie-themed restaurant in Wethersfield, will open its second location on the corner Front Street and Constitution Way.

Showcase Cinema Site: On November 20th, the East Hartford Town Council has approved the purchase of the former Showcase Cinemas site on Silver Lane for \$3.3 million, Demolition and abatement of the site is expected to total more than \$1.0 million, however, completion of this work will make the site considerably more attractive to potential developers. The Town will utilize a \$12 million grant from the State to fund the purchase and the pre-development work.

Goodwin College Drainage Improvements: Plans for the three-phase project are nearly complete and an RFP for the first phase will go out shortly. CRDA is also finalizing a contract with Zuvic, Carr and Associates for the remaining design and construction administration work.

Silver Lane Road and Streetscape Improvements: CRDA has finalized a contract with Transystems for design of the improvements and staff will be meeting with the firm shortly to discuss next steps.

Great River Park: CRDA is currently negotiating an agreement with Riverfront Recapture to undertake the capital improvement work in the park.

The Borden: The 120-unit housing project in Wethersfield is currently under construction.

Bushnell South Garage: CRDA staff are reviewing proposals received on the design/build RFQ for the garage. A short list of respondents will be developed and teams will be asked to submit cost proposals.

Founders Plaza Garage: The RFP for a Development Planner/Garage Designer will be issued shortly.

Other Garages: The Front Street South Garage is fully occupied, while capital improvements are underway in the Convention Center garages. There remains a great deal of work to be done in the Church Street and some cracking issues are being addressed in the Science Center garage.

Executive Director Report

Open Connecticut - Mike Freimuth reported that the Open Connecticut Report due to the Comptroller is complete.

Arch Street/Front Street Report Amendment – Anthony Lazzaro presented the following information regarding giving a business Interruption Grant of \$100,000 to Arch Street Tavern due to the ongoing construction on Front Street making Arch's patio unusable.

Conditions:

- Phase IV of the Front Street Project (the former parking lot for the Arch Street Tavern) requires heavy construction in the immediate proximity of the Arch Street Tavern making its exterior patio

effectively unusable for the eighteen month construction period. Additionally, construction fencing and traffic barriers have been extended along Arch Street partially obstructing visitors to the Arch Street Tavern. These two conditions combine to give the appearance that the Tavern has been closed; thereby, further discouraging potential customers.

- ASE is in the process of applying for financial assistance from Department of Economic and Community Development through its Small Business Express program to make improvements to the building.

Business Interruption Grant Terms:

- Amount: One-time payment of \$100,000.
- The Grant may cover operating expenses such as:
 - (1) utilities
 - (2) insurance
 - (3) rent or mortgage
 - (4) payroll
 - (5) improvement costs
 - (6) The following motion was moved by David Jorgenson, seconded by Catherine Smith and approved.

David Robinson asked to make sure all waivers of liability will be included with the Grant.

The following motion was moved by Catherine Smith, seconded by Marcia Leclerc and approved.

“The CRDA Board of Directors hereby approves the Business Interruption Grant on the terms provided above. The Executive Director is authorized to execute any and all necessary documents related thereto.”

HFPG - Anthony Lazzaro gave a brief overview of the following Grant for Dillon Stadium regarding the Hartford Foundation for Public Giving investing \$1,200,000 for the purchase and installation of the “community field” at Dillon Stadium.

Conditions:

- The Hartford Foundation for Public Giving, by and through HFPG Impact, LLC, has agreed to invest \$1,200,000 for the purchase and installation of the “community field” at Dillon Stadium (the Investment Proceeds”), which shall be disbursed at closing to CRDA.
- The Investment Proceeds will be used, in coordination with public and private funds, to complete the renovation of Dillon Stadium.

Grant Terms:

- Grant amount: One-time payment of \$1,200,000.
- Covenants: The parties to the Stadium Use Agreement have agreed to certain customary affirmative and negative covenants for transactions of this nature.
- Recovery Period: Ten (10) years.
- Investment Forgiveness: Subject to compliance with the Covenants, the Investment shall be forgiven and become non-recoverable based on a ten (10) year amortization schedule.
- Assignment: In the event CRDA is no longer a party to the Stadium Use Agreement, its obligations and covenants will be assumed by the City of Hartford.

The following motion was moved by David Jorgenson, seconded by Catherine Smith and approved.

“The CRDA Board of Directors hereby approves the HFPG Grant Agreement on the Terms and Condition provided above. The Executive Director is authorized to execute any and all necessary documents related thereto.”

Dillon Stadium – CRDA has not signed the use agreement as items are still being ironed out through lawyers. Also, questions are still pending on the State Election Board and until that is resolved the document cannot be signed.

The construction continues on the Stadium as authorized per the license with the City.

State Contracting Review Board – a complaint was filed by losing bidders of the RFP process awarding Dillon Stadium. The Review Board dismissed the claim without prejudice.

Property Transfers – wrapping up deeds and agreements for Bushnell South as well as the transfer of the Regional Market.

Bushnell South Garage – bids are in, three or four bidders will be brought in for interviews. A design-build is expected to start in the spring.

Trinity Innovation HUB at 1 Constitution Plaza – Trinity College President Joanne Berger Sweeney gave a brief description of the project.

Trinity is designing a 13,000 SF innovation hub at 1 Constitution Plaza, and we are asking for \$2.5M in funds towards capital expenses. We are working with SLAM, which is locally based and designed the Upward Hartford space. The space is at the heart of Trinity’s presence in downtown Hartford and promises to contribute to the area’s emerging innovation ecosystem; workforce and economic development; creation and retention of talent, especially in technology and healthcare; as well as to foster critical cross-industry collaborations. More specifically, the Trinity space will house the College’s new long-term partnership with Infosys, as Trinity will be Infosys’s only liberal arts partner in the country. The Trinity-Infosys partnership will include a training program for new Infosys hires who are liberal arts graduates, serving between 100-500 Infosys employees annually. Trinity plans to devote about 5,000 SF to the partnership with Infosys, focused on various ways of bridging the liberal arts and the future of digital technology. Additionally, as part of the Innovation Places grant, the Med-Tech initiative led by Hartford HealthCare, Trinity, and UCONN will locate for two years a digital health accelerator in 4,000 SF of the space; this will bring up to 10 startups per year to the space, with startups being recruited who have an interest in remaining in the state. In the balance of the space, Trinity will begin supporting innovation and entrepreneurship programming for its students, with the goal of providing a larger pipeline of Trinity students who remain in the state after they graduate. Trinity’s innovation hub will also bring together prominent alumni and area experts from government, the non-profit sector, and the corporate arena to interact with college students and inspire a new learning environment whose impact reaches far into the community. Infosys has committed \$250K towards the space, and Trinity has invested significantly in its space at 10 Constitution Plaza, which is already running. That 6,500 SF space, which is located immediately across the Plaza and cost \$1.2M, houses Trinity’s unique Liberal Arts Action Lab, which works closely with dozens of community partners to solve real-world problems in partnership with Capital Community College; the Connecticut Data Collaborative has also made 10 Constitution Plaza its primary base. Trinity College plans to bring more partners into its downtown hub—to support, in new and creative ways, lifelong learning and innovation for the Greater Hartford area.

Adjourned 7:10pm

“The minutes of the December 6, 2018 CRDA Board Meeting were moved by Andy Bessette seconded by Dave Jorgensen and approved by Board Members at the January 10, 2019 CRDA Board Meeting.”