

**Capital Region Development Authority  
Board Meeting  
Connecticut Convention Center  
Meeting Room 11, 6<sup>th</sup> Floor  
Tuesday, July 17, 2012  
9:00 am**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Commissioner James Redeker; Pamela Reid; Mayor Pedro Segarra; Commissioner Catherine Smith

**CRDA Staff Present:** Jim Abromaitis; Dorine Channing; Kim Cooke; Jennifer Gaffey; Anthony Lazzaro; Joseph Savidge; Terryl Mitchell Smith

**OPM Staff Present:** Peg Bray; Kim Hart; Phil McLellan

Chairman Suzanne Hopgood called the Board meeting to order at 9:04am.

**Introductions; Board Member Oath**

General Counsel Anthony Lazzaro swore in all Board members.

Each Board Member introduced themselves along with a brief background.

Chairman Hopgood indicated that there would be no public comment period, it will however be included in future meetings. The Board will only address what is on the agenda in this meeting.

**Mission Statement; Review Legislation and Rules**

Chairman Hopgood read the legislated charge of the Authority as the mission. (1) to stimulate new investment within the capital region and provide support for multicultural destinations and the creation of a vibrant multi dimensional downtown; (2) to work with the Department of Economic and Community Development to attract, through a coordinated sales and marketing effort with the capital region's major sports, convention and exhibition venues, large conventions, tradeshow, exhibitions, conferences, consumer shows and events; (3) to encourage residential housing development; (4) to operate, maintain and market the convention center; (5) to stimulate family-oriented tourism, art, culture, history, education and entertainment through cooperation and coordination with the city and regional organizations; (6) to manage facilities through contractual agreement or other legal instrument; (7) to stimulate economic development in the capital region; (8) to work with such city or town to assist in the development and redevelopment efforts to stimulate the economy of the region and increase tourism; (9) upon request of the Secretary of the Office of Policy and Management, may enter into an agreement for funding to facilitate the relation of state offices within the capital city economic development district; (10) to develop and redevelop property within the town and city of Hartford; (11) to market and develop the capital city economic development district as a multicultural destination and create a vibrant, multi dimensional downtown.

Chairman Hopgood thanked the previous Board and staff of CCEDA, congratulating them on their success with regards to the Connecticut Convention Center, the Connecticut Science Center and Rentschler Field.

## **Reports: Staff; Financial; Pending Activity**

Joseph Savidge, Chief Financial Officer of CRDA, passed out a three page handout to review the FY2013 Financial/Budget. Mr. Savidge gave a Financial Overview of CRDA's assets, liabilities and revenue. He summarized the funding that CRDA gets from the State, and gave a brief budget summary.

Jim Abromaitis welcomed the CRDA Board members to the Convention Center. He introduced CRDA and OPM staff members. Mr. Abromaitis went on to explain what CRDA owns and does not own. CRDA does not own the land however CRDA does own the Convention Center and everything in it, the sidewalks surrounding all facilities. CRDA owns Front Street and Front Street Crossing and is responsible for snow removal and maintenance. Legal Counsel and the city are working on an MOU to cover all bases in terms of health and public safety. The MOU will be brought before the Board for approval once it is completed. The Connecticut Science Center has come to an agreement to resolve the Plaza leaks, the fix is scheduled to begin in September. CRDA also owns the Central Utility Plant (CUP) which is a complicated system and is the lifeblood to the Convention Center, The Marriott and the CT Science Center. CRDA's parking garages consist of the (1) Convention Center garage which includes the tower, (2) Science Center Garage, (3) Front Street North and (4) Front Street South (which will open when the theater opens in the Fall).

Jim also suggested to invite HB Nitkin, the Front Street developer, for a presentation to a future Board Meeting.

Board members were interested in CRDA's relationship with Rentschler Field. After a couple of years of attempts, now by virtue of the legislation passed, an allowance has been made to have the management of Rentschler Field transferred to CRDA, this will be done by MOU. Kim Hart, currently with OPM, will be moving to CRDA along with her salary as part of the budget that Joe Savidge referred to earlier.

Kim Hart indicated that she has prepared a briefing book for Board members. Ms. Hart indicated that with the exception of Debt Service (\$13M by 2020), Rentschler Field is self funded.

The smaller capital needs have been and continue to be paid for out of stadium revenues, however the stadium is now 10 years old and the costs of bigger ticket items will need to be addressed.

Chairman Hopgood indicated that Thom Deller and Commissioner Smith will be reporting on Housing that will be considered in the future, not only in the City but in the neighborhoods outside the city as well. A few potential housing projects mentioned that could be part of the three thousand unit goal in downtown include 77 Main Street, the old Channel 3 parcel and the old Sonesta Hotel and Times Building. Commissioner Smith spoke about affordable and market rate housing including PA12-189 which provides up to \$60M residential housing in the city.

Chairman Hopgood suggested that before the September meeting, Mayor Segarra from Hartford and Mayor Leclerc from East Hartford provide direction at how we look at housing in both of those communities. Chairman Hopgood suggested the summary from "Hartford's One City, One Plan" and the "Report Card to be passed out prior to the September meeting.

Secretary Ben Barnes suggested that CRDA is the appropriate place for the State to dedicate its resources to housing in Hartford . He further suggested that the CRDA Board will need to identify the collaborative role that it needs to play in directing the state housing investments in the downtown. Chairman Hopgood suggested the Housing Committee will identify this criteria.

### **Executive Session**

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board tabled the Executive Session agenda item."*

### **Search Committee**

Chairman Hopgood indicated that there is a need to identify a search committee for an Executive Director,

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board hereby authorizes the Search Committee to be formed, identifying the following Board members as part of the Search Committee: Chairman Suzanne Hopgood, Mayor Marcia LeClerc; Mayor Pedro Segarra; Andy Bessette and Secretary Ben Barnes."*

### **Housing Strategy**

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board tabled the Housing Strategy agenda item."*

### **Venues**

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board tabled the Venues agenda item."*

### **Committees and Assignments**

Nominated and elected were Andy Bessette as Vice Chair and Ben Barnes as Treasurer.

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board hereby authorizes the Housing Committee to be formed, identifying the following Board members as part of the Housing Committee: Thomas Deller; Mayor Pedro Segarra; Commissioner Catherine Smith; Mayor Marcia Leclerc and Pamela Reid."*

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board hereby authorizes the Venue Committee to be formed, identifying the following Board members as part of the Venue Committee: David Jorgensen; Andy Bessette; Catherine Smith and Floyd Green, in addition, David Panagore, COO of the City of Hartford was added to the committee."*

Setting up the Transportation Committee, the future Development Committee and the State Office Relocation Committee will be deferred to a future Board Meeting.

Secretary Barnes reminded the Board that all Board and Committee meetings have requirements regarding notification and FOI. Chairman Hopgood indicated that there will be an FOI presentation at a future meeting.

The following Board members were asked to be liaisons to the following neighborhood/merchants:

Andy Bessette	Metro Hartford Alliance IQilt
Thomas Deller	Merchants Association
Floyd Green	Business Improvement District Greater Hartford Arts Council
Catherine Smith	Business for Downtown Hartford Business Improvement District
David Jorgensen	Hartford 2000
Mayor Pedro Segarra	Hartford City Council
Pamela Reid	Hartford Consortium
Commissioner James Redeker	Greater Hartford Transit District Aetna Viaduct Commission
Mayor Marcia Leclerc	Town of East Hartford Riverfront Recapture
Legislature and CROG	Two remaining Board appointments

**Motion to adjourn 10:18am**

***“The minutes of the July 17, 2012 CRDA Board Meeting were approved by Board Members at the August 14, 2012 CRDA Board Meeting”.***

**Capital Region Development Authority  
Board Meeting  
Connecticut Convention Center  
CRDA Conference Room, 5<sup>th</sup> Floor  
Tuesday, August 14, 2012  
3:00pm**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Thomas Deller; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Commissioner James Redeker; Pamela Reid; Mayor Pedro Segarra; Michael Matteo

**Board Members Absent:** Andy Bessette; Commissioner Catherine Smith

**CRDA Staff Present:** Jim Abromaitis; Anthony Lazzaro; Joseph Savidge; Terry Mitchell Smith; Jennifer Gaffey

**OPM Staff Present:** Kim Hart

Prior to the business portion of the Board meeting, a tour of the CRDA District was hosted by CT Transit. General Manager David Lee, CT Transit, welcomed the Board and guests and gave a brief description of the "Star Shuttle" and its history. Mr. Deller and others supplied commentary on many of the points of interest along the way. Attendees were as follows: Board members, Secretary Ben Barnes; Thom Deller; Floyd Green; Chairman Suzanne Hopgood; David Jorgensen; Mayor Marcia Leclerc; Mayor Pedro Segarra; Michael Matteo; Commissioner James Redeker; Pamela Reid, Guests: Chief James Rovella; Bernadine Silvers; Lynn Ferrari; Julio Mendoza; Meagan Cowell; Cheryl Malerba; Tomas Nenortas; David Corigan; Christina Newman Scott, Staff: Jim Abromaitis; Anthony Lazzaro; Joseph Savidge; Terry Mitchell Smith; Kim Hart

Chairman Suzanne Hopgood called the business portion of the Board Meeting to order at 4:18pm.

Chairman Hopgood opened the meeting with comments regarding the tour. She also reminded Board Members to respond to Ms. Gaffey's "Doddle" meeting requests.

**Executive Session**

At 4:18 the Board unanimously voted to go into Executive Session to discuss legal matters.

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board is hereby authorized to go into Executive Session to discuss legal matters".*

The Board came out of Executive Session in order to add a discussion on contractual matters related to venues and in particular the XL Center.

The following motion was moved for adoption, seconded and approved unanimously.

*"The CRDA Board is hereby authorized to add a discussion on contractual negotiations related to venues and in particular the XL Center".*

The Board reconvened at 4:53

### **Committee Reports**

Housing - Committee Chair Mr. Deller reported on the August 10<sup>th</sup> meeting. Discussion ensued regarding proposed projects around the City and how dollars would flow to the projects. Mr. Deller indicated that he and Mr. Lazzaro would be meeting to discuss the discrepancy in the legislation. Mr. Deller asked that Nick Lundgren of DECD be included in any meeting requests as he will be a volunteer on the Housing Committee.

Venues - as no committee chair has been named, Chairman Hopgood opened the discussion reiterating how important it is for the entire Board to understand the legal (contractual) and financial conditions of the venues, especially the XL Center.

Transportation – The following motion was moved for adoption, seconded and approved unanimously.

*“The CRDA Board hereby authorizes the Transportation Committee to be formed, identifying Board Members as part of the Transportation Committee are Commissioner Redeker; Mr. Jorgensen and Secretary Barnes.”*

State Agency Relocation – The following motion was moved for adoption, seconded and approved unanimously.

*“The CRDA Board hereby authorizes the State Agency Relocation Committee to be formed, identifying Board Members as part of the Relocation Committee are Chair Pamela Reid; Mr. Deller; Mr. Bessette and Secretary Barnes.”*

Further Development - Establishment of a Further Development Committee was put on hold for the time being.

Executive Committee – The following motion was moved for adoption, seconded and approved.

*“After a discussion, the CRDA Board is hereby authorized to install Mayor Segarra as the fourth and final member of the Executive Committee.”*

### **Staff Reports**

Ms. Terry Mitchell Smith reported on all the activities she has been undertaking including Hartford Image meetings and chamber presentations, marketing the Adriaen’s Landing District, coordination with the Connecticut Convention Center sales team and the Connecticut Conventions and Sports Commission Bureau fka GHCVB.

In the interest of time, Mr. Abromaitis suggested to allow the Ethics and FOI presentations to go before the remaining staff reports.

Ethics – Peter Lewandowski of the office of State Ethics, presented an overview of the Connecticut Code of Ethics.

He then conducted a Q&A session.

Freedom of Information (FOI) – Attorney Scott Murphy presented highlights of the Connecticut Freedom of Information Act and answered questions from Board Members.

Due to time limitations, the Financial and Operations staff reports were not presented.

Motion to adjourn 6:56pm

***“The minutes of the August 14, 2012 CRDA Board Meeting were approved by Board Members at the Special Board Meeting of August 29, 2012”.***

**Capital Region Development Authority  
Special Board Meeting  
Connecticut Convention Center  
Board Room A, 4<sup>th</sup> Floor  
Wednesday, August 29, 2012  
9:00am**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; David Jorgensen; Mayor Marcia Leclerc; Commissioner James Redeker; Pamela Reid; Mayor Pedro Segarra; Commissioner Catherine Smith

**Board Members Absent:** Floyd Green; Michael Matteo

**CRDA Staff Present:** Anthony Lazzaro; Jennifer Gaffey

**Guests Present:** Shipman & Goodwin Attorneys Scott Murphy and Bill Rock; Department of Economic and Community Development (DECD) staff, Nick Lundgren, Ed LaChance and Connecticut Housing Finance Authority (CHFA) staff, Sheila Stone, Nancy O'Brien; Delbe Spath; OPM staff, Meagan Cowell

Chairman Suzanne Hopgood called the Board Meeting to order at 9:08am.

Chairman Hopgood opened the meeting and immediately requested a motion for the CRDA Board to go into Executive Session. Invitees: Scott Murphy

**Executive Session**

At 9:09 Mayor Segarra made the following motion, seconded by Pamela Reid and unanimously approved.

*"The CRDA Board hereby approves the request to go into Executive Session to discuss matters as outlined in the agenda (see below)."*

Discussion concerning the appointment, employment, performance, evaluation, health or dismissal of a public official or employee, including more particularly the following:

- (a) a report to the Board of the Personnel Search Committee previously formed to conduct search for the position of Executive Director;
- (b) interview by the Board of the Executive Director candidate recommended by the Personnel Search Committee (candidate invited to join this portion of Executive Session); and
- (c) discussion of possible appointment and terms of employment of new Executive Director and possible terms of separation of current Executive Director.

The Board came out of Executive Session at 10:35.

Thomas Deller made the following motion seconded by Andy Bessette and approved unanimously.



*“The CRDA Board hereby tables any discussion regarding Personnel as outlined in the Agenda”.*

**Minutes of August 14, 2012**

Thomas Deller made the following motion to approve the Minutes of the August 14, 2012 Board Meeting, seconded by Andy Besette and approved unanimously.

*“The CRDA Board hereby approves the Minutes of the August 14, 2012 Board Meeting”.*

**Housing Committee Recommendation**

Commissioner Catherine Smith introduced DECD staff members Nick Lundgren and Ed LaChance requesting they give an update to the Board regarding the 777 Main Street Project.

Mr. Lundgren and Mr. LaChance explained the project at length regarding the following points of interest: Project and proposal background, possible funding sources, type of housing: efficiencies, one and two bedroom units, percentage of affordable to market rate rental pricing

After a lengthy discussion, Thomas Deller made the following motion, seconded by Mayor Segarra and approved unanimously.

*“ The CRDA Board hereby set aside an amount not-to-exceed \$17.7 million for the 777 Main Street Project subject to further negotiations through DECD and CHFA, and with an action deadline of December 31, 2012.”*

Motion to adjourn 11:15am

**“The minutes of the August 29, 2012 Special Board Meeting were approved by Board Members at the September 20, 2012 CRDA Board Meeting.”**

**Capital Region Development Authority  
Board Meeting  
Connecticut Convention Center  
CRDA Board Room, 5<sup>th</sup> Floor  
Thursday, September 20, 2012  
4:45pm**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; David Jorgensen; Mayor Marcia Leclerc; Commissioner James Redeker; Pamela Reid; Mayor Pedro Segarra; Commissioner Catherine Smith; Floyd Green;

**On the phone for vote only:** Mayor Pedro Segarra; Commissioner Catherine Smith and Commissioner James Redeker

**Board Members Absent:** Michael Matteo

**CRDA Staff Present:** Anthony Lazzaro; Joe Savidge; Terryl Mitchell Smith; Jennifer Gaffey; Kim Hart

Prior to the business portion of the Board meeting, a tour of East Hartford was hosted by CT Transit and Mayor Marcia Leclerc. Attendees were as follows: Board members, Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Floyd Green; Mayor Marcia Leclerc; Pamela Reid, Guests: Meagan Cowell; Cheryl Malerba; John Choquette; Tim Bockus; Tim Coppage; Heather Summerer; Dan Matos; Todd Andrews; and Randal Davis.

**Guests Present:** Scott Murphy, Esq. (Shipman & Goodwin); Nick Lundgren (DECD), Paul Canning; Meagan Cowell; and Cheryl Malerba.

Chairman Suzanne Hopgood called the Board Meeting to order at 7:07pm.

**Minutes**

The minutes from the August 29, 2012 Board Meeting were moved for adoption and unanimously approved.

**Executive Session**

Chairman Hopgood requested a motion for the CRDA Board to go into Executive Session for the reasons provided below. The motion was moved by Thomas Deller, seconded by Pamela Reid, and unanimously approved by the Board. Attorney Murphy was invited to attend the Executive Session.

**Pursuant to CGS § 1-200(6)(A) for the discussion concerning the appointment, employment, performance, evaluation, health or dismissal of a public official or employee, including more particularly the following:**

(a) a report to the Board of the Personnel Search Committee previously formed to conduct a search for the position of Executive Director;

(b) discussion of possible appointment and terms of employment of new Executive Director and possible terms of separation of current Executive Director.

The Board came out of Executive Session at 7:30 indicating they would like to make three motions.

Chairman Hopgood requested the following motion:

**Motion #1: "The CRDA Board of Directors hereby terminates the employment of the existing Executive Director, Jim Abromaitis, as of September 28<sup>th</sup>, 2012."**

The motion was moved by Secretary Barnes, seconded by Thomas Deller and unanimously approved by the Board.

Andy Bessette made the following motion, seconded by Secretary Barnes and unanimously approved by the Board:

**Motion #2: "The CRDA Board of Directors hereby recognizes and thanks Jim Abromaitis for his years of great service at CCEDA. Jim brought the organization along significantly over the years and we want to make sure the record reflects this service."**

Prior to the third Motion, Commissioner Redeker; Commissioner Smith and Mayor Pedro Segarra were contacted by telephone to vote on the following motion made by Andy Bessette, seconded by Commissioner Smith and approved unanimously by the Board:

**Motion #3: "The CRDA Board of Directors hereby approves the employment of Michael Freimuth as Executive Director of CRDA per the terms discussed in Executive Session and provided in the Employment Agreement as drafted. Additionally, the Board hereby authorizes Chairman Hopgood to execute such Agreement effective 10/1/12."**

### **Audit Report**

Joe Savidge indicated that CRDA is required to file a report the first 90 days of every fiscal year. He further indicated that he had sent a the Annual Report, in a rather lengthy document, to the Board in an email last week. Joe offered to spend time with any Board member that would like to go through any aspect of the report individually including but not limited to internal controls, cash sweep, bonds, fixed assets or swaps. A large part of the Annual Report is the Audited Financial Statements as of June 30, 2012. Joe introduced Rob Howard, Partner with Grant Thornton. Rob handed out and went through the brief presentation. The Audit consisted of CRDA, parking facilities, those of which are managed by LAZ Ltd. and the CT Convention Center, managed by Waterford. The audit was conducted with General Accepted Accounting Standards and Government Auditing Standards. An unqualified clean opinion was given. Rob also indicated that the firm has an ethics hotline and if anyone in management or the Board feels that there is fraud or abuse, they are encouraged to use either the phone number or the email link. Ethics Hotline – 1.866.739.4134

or

EthicsPoint URL Link

[https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=15191](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=15191)

Chairman Hopgood indicated that she would like everyone in the organization to be aware that there is an outside resource available to them.

## Strategic Plan

Thomas Deller distributed a copy of the Hartford Resurgence Strategy. Mr. Deller reviewed the highlights of the presentation with the Board including Housing Downtown; Urban Revitalization; Productive Property Reuse and Neighborhood Stabilization & Strengthening. There was a lengthy discussion with the Board regarding how we can grow downtown and bring people back to downtown. It was agreed that we need to change the perception of the downtown and show that downtown Hartford is a good place to live and enjoy.

## Committee Reports

### Housing Committee Report given by Thomas Deller

- 777 Main Street, awaiting addition information, including a revised pro forma
- On the Plaza – awaiting additional information
- The Committee has received new inquiries regarding funding

### Venue Committee Report given by Andy Bessette

- The Committee met September 19<sup>th</sup> to review the draft RFP for Rentschler Field and XL Center, a redraft was circulated earlier today. The RFP will be circulated to the Board once it is complete. The RFP indicates, for ethics purposes, that anyone interested in bidding should not contact anyone on the Board.

### Relocation Committee report given by Pamela Reid

- Reached out to Hartford Consortium and CT Council of Independent Colleges
- asked if there is a list of available offices, Secretary Barnes said he was working on putting something together.

### Transportation Committee report given by Cheryl Malerba

- First Transportation Committee meeting, September 14, 2012 and the Committee came up with eight key areas that could present possibility statements:
  - 1) Development of District Transportation plan
  - 2) A long range highway plan
  - 3) Pedestrian matters
  - 4) Capital region – connectivity
  - 5) Capital Area - destination location
  - 6) Other modes of transportation besides highway
  - 7) Strategic partnership
  - 8) Data collection

## Liaison Reports

- David Jorgensen: Hartford 2000
- Suzanne Hopgood: iQuilt
- Floyd Green: Hartford Business Improvement District
- Thom Deller/Suzanne Hopgood: Upper Albany Merchant Association

### Miscellaneous

- Next Board Meeting will be October 16th, time moved back to 4:30pm
- Mayor Leclerc looking for CRDA Board volunteers to give presentation to East Hartford Town Council on October 30, 2012 @ 7:30pm. Tentative presenters are: Thomas Deller; Secretary Barnes; David Jorgensen; Pamela Reid. CRDA to notice meeting.

Motion to adjourn 8:26pm

***“The minutes of the September 20, 2012 CRDA Board Meeting were approved by Board Members at the October 16, 2012 CRDA Board Meeting”.***

**Capital Region Development Authority  
Board Meeting  
Connecticut Convention Center  
CRDA Board Room, 5<sup>th</sup> Floor  
Monday, October 1, 2012  
3:00pm**

**Board Members Present:** Chairman Suzanne Hopgood and Thomas Deller

**Board Members Present via telephone:** Secretary Ben Barnes; Andy Bessette; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Mayor Pedro Segarra; Pamela Reid; Commissioner Catherine Smith; Michael Matteo

**Board Members Absent:** Commissioner James Redeker

**CRDA Staff Present:** Michael Freimuth via telephone. Anthony Lazzaro; Joe Savidge; Terryl Mitchell Smith; Jennifer Gaffey; and Kim Hart

**Guests Present:** Scott Murphy, Esq. (Shipman & Goodwin)

Chairman Suzanne Hopgood called the Board Meeting to order at 3:06pm.

Mayor Segarra reported that he expects to meet with his legal counsel and prepare a letter of authorization regarding the RFP process and the proposed RFP for the management/operation of the XL Center prior to October 15, 2012.

The Board discussed the logistics and a possible timeline for the issuance of the RFP for the management of the XL Center and the Stadium at Rentschler Field. The Board agreed that CRDA would endeavor to issue the RFP on or about October 15, 2012. At the conclusion of the discussion, Pamela Reid made a motion to approve the issuance of said RFP as provided below. Such motion was seconded by Commissioner Catherine Smith and unanimously approved by the Board as follows:

***Motion: The CRDA Board of Directors hereby approves the issuance of an RFP for the management and/or operation of the XL Center and the Stadium at Rentschler Field subject to receipt of the appropriate authorization letters from the City of Hartford and the Office of Policy and Management. Such RFP may be revised with the concurrence of the Venue Committee Chairman (Andy Bessette) and the Executive Director (Michael Freimuth).***

Meeting adjourned at 3:13pm.

***“The minutes of the October 1, 2012 CRDA Board Meeting were approved by Board Members at the October 16, 2012 CRDA Board Meeting”.***

**Capital Region Development Authority  
Board Meeting  
Connecticut Convention Center  
CRDA Board Room, 5<sup>th</sup> Floor  
Thursday, October 16, 2012  
4:30pm**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; Floyd Green; Mayor Marcia Leclerc; Commissioner James Redeker; Pamela Reid; Commissioner Catherine Smith

**Board Members Absent:** Mayor Pedro Segarra; Michael Matteo; David Jorgensen

**CRDA Staff Present:** Michael Freimuth; Anthony Lazzaro; Joe Savidge; Terry Mitchell Smith; Jennifer Gaffey

Prior to the business portion of the Board meeting, a tour of CTfastrak was hosted by Commissioner Redeker and DOT Transit Administrator, Mike Sanders. Attendees were as follows: Board members, Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thom Deller; Floyd Green; Mayor Marcia Leclerc; Commissioner James Redeker; Pamela Reid, Guests: Meagan Cowell; Cheryl Malerba; Randal Davis; Nick Lundgren.

**Guests Present:** Scott Murphy, Esq. (Shipman & Goodwin); Nick Lundgren (DECD), Meagan Cowell (OPM); Tim Coppage (East Hartford Chamber of Commerce)

Chairman Suzanne Hopgood called the Board Meeting to order at 6:38pm.

### **Minutes**

The minutes from the September 20, 2012 Board Meeting were moved for adoption by Mayor Leclerc, seconded by Andy Bessette and approved unanimously.

The minutes from the October 1, 2012 Board Meeting were moved for adoption by Mayor Leclerc, seconded by Andy Bessette and approved unanimously.

### **Approval of 2013 Board Meeting Schedule**

Chairman Hopgood called for a motion to approve the Proposed 2013 Board Meeting schedule. The motion was moved for adoption by Thomas Deller, seconded by Andy Bessette and approved unanimously.

### **Committee Reports**

Housing Committee report was given by Thomas Deller. Mr. Deller indicated that the Housing Committee meets the first Friday of the month. The following items were discussed:

- 3 Constitution Plaza financial application
- ongoing discussions with the evolving 777 Main Street project
- City of Hartford and CHFA have an RFP out for a developer for Pearl Street property which includes Trumbull on the Park (City owns 101 Pearl Street and the State owns 111 Pearl Street). CHFA will be recommending a developer to their Board on October 25<sup>th</sup>. The CRDA Housing Committee will take it up at their next meeting on November 2<sup>nd</sup> and plan to

bring the recommendation to the CRDA Board on November 6<sup>th</sup>. CRDA Board will have to approve the recommended developer.

Chairman Hopgood asked for an Executive Committee meeting to be set up so that the Committee can discuss and bring recommendations to the Board with respect to how the \$60 million housing funds will go into a project and how it will come back out again. By-law work also needs to be addressed. These two agenda items will be discussed at the Executive Committee meeting and brought back to the Board for further discussion.

Commissioner Smith indicated that she would like to have a discussion with the Housing Committee to further define "market; affordable and low-income housing" so the Board has a good understanding of what each definition means.

Also discussed were: how to attract a younger workforce into the City to allow them to rent/own housing that is not too expensive; sensitivity regarding vacant street level retail; creating a vibrant City that has transportation solutions without having to own a car.

### **Venue Committee**

Andy Bessette reported on the October 1, 2012 Special Board Meeting that approved the issuance of the RFP for the Management and Operation of the XL Center and Rentschler Field. The RFP will be ready to issue next week. The Committee needed to wait for receipt of the appropriate letters from OPM (received) and the City of Hartford, which will be received by this evening. Mr. Bessette asked Mike Freimuth to update the Board with regards to the meeting he had with MSG. Mr. Freimuth indicated that MSG was eager to move forward as they like the marketplace. MSG indicated they would like to have the RFP behind them and move forward with the selected management team at the earliest possible date. Whoever is selected must have the ability to pay Licensing fee to the club in order to retain its location in Hartford; it must have the capacity to operate and market the building and needs to coordinate priority dates with MSG. MSG's lease is due to expire in 2013.

Secretary Barnes indicated that he has made an oral agreement with Bushnell Management, the company that currently manages the stadium, to extend the option date of their contract until March 2013.

### **Relocation Committee**

Pamela Trotman Reid gave a brief update regarding the Relocation Committee of which she is Chair. President Reid requested a meeting of the Relocation Committee be set up. Secretary Barnes agreed to join the meeting. President Reid is awaiting a list of state offices to be relocated to downtown Hartford from OPM.

President Reid has scheduled presentations with The Connecticut Council of Independent Colleges (CCIC) and the Hartford Consortium. She also had a discussion with Mayor of West Hartford and is looking forward to a discussion with President Herbst. A lot of the information regarding the University is in flux.



## Executive Director Report

Chairman Hopgood welcomed Mike Freimuth, the newly appointed Executive Director of Capital Region Development Authority. Mr. Freimuth gave a report regarding his first few days on the job. Mr. Freimuth indicated that he spent some time with staff and board members regarding the organization. He noted that there are Human Resource policies that should be brought to the Board in the future regarding compensation and insurance and could run parallel with other quasi-public agencies such as CI. Also, as Rentschler and the XL Center are brought on as assets of CRDA, the fixed asset reporting structure needs to be seriously upgraded, as CRDA is currently running all financial reporting with Quickbooks. Other important items to consider: CT Convention Center and the ability to have it break even or act as a loss leader for everything else in the City (ie. restaurants, hotels, etc.) the use of subsidies to bring in business and the justification for the use of State money; to get housing underway in 2013. He also updated the Board on marketing and the status of the Front Street Project.

## Liaison Reports

Pamela Reid indicating she met with the Wadsworth Atheneum, which brought forth a discussion regarding cultural entities and whether CRDA has a vehicle to bring them to the forefront. Other noted that the cultural piece does tie in with all that CRDA is working towards. Terryl Mitchell Smith noted that CRDA does sit on iQuilt Message Project and incorporates the Wadsworth into what is going on around the City and will continue to do so.

Chairman Hopgood gave a presentation to Hartford Young Professional Entrepreneurs (HYPE), a group of over 3,000 members. They were very engaged and asked for some Board Members to take part in a survey they were doing. They also offered to do spot surveys.

Mayor Leclerc reminded those volunteers who offered to attend a meeting in East Hartford on October 30<sup>th</sup> that she is still counting on their support.

Floyd Green indicated that it was a great weekend to be a resident of Hartford with all of the events going on, in and around Hartford ie. CT Whale; UConn Football; ING marathon; Women's Amistad and the street fair called Hartford Hodgepodge on Pratt Street for the next six Sunday mornings. Also mentioned were Nightfall in Elizabeth Park, Big Mo and CT Restaurant week.

Presentation by Mayor Segarra – Hartford Strategic Plan was tabled until the next Board Meeting.

Motion to adjourn 7:31pm

***“The minutes of the October 16, 2012 CRDA Board Meeting were approved by Board Members at the November 6, 2012 CRDA Board Meeting as amended”.***

**Capital Region Development Authority  
Board Meeting  
Connecticut Convention Center  
Board Room B, 4<sup>th</sup> Floor  
Tuesday, November 6, 2012  
6:00PM**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Mayor Pedro Segarra; Pamela Reid; Commissioner Catherine Smith

**Board Members Absent (Both Tour and Meeting):** Commissioner James Redeker; Michael Matteo

**CRDA Staff Present:** Michael Freimuth; Joe Savidge; Terryl Mitchell Smith; Jennifer Gaffey; Kim Hart (OPM)

Prior to the business portion of the Board meeting, a tour of the Connecticut Convention Center was hosted by Executive Director of CRDA, Michael Freimuth; Michael Costelli, General Manager of the Connecticut Convention Center, Len and Marc Wolman, both of Waterford Development. Attendees were as follows: Board members, Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Mayor Pedro Segarra; Pamela Reid; Commissioner Catherine Smith

**Guests Present:** Nick Lundgren (DECD); Dovie Fruchthandler (FBELimited); TJ Clynch (Civic Mind) and Frank Lord.

Chairman Suzanne Hopgood called the Board Meeting to order at 7:07pm.

### Minutes

The minutes from the October 16, 2012 Board Meeting were moved for adoption by Secretary Ben Barnes, seconded by Andy Bessette and approved unanimously as amended.

### Committee Reports

#### Executive Committee

Chairman Hopgood lead the discussion regard "Housing Policy". The Executive Committee held its first meeting on November 2, 2012 and the recommendation from the Committee is to use the 80% market rent/20% affordable rent as the model.

Michael Freimuth handed out a document named "Housing Policy-Executive Brief". Mr. Freimuth reviewed the document with the Board, breaking down policy matters and providing recommendations.

There was a lengthy discussion amongst Board Members regarding different aspects of the policy recommendations. Discussions involved whether 80%/20% was a fixed percentage or could this be negotiated if a deal presented itself. Also discussed was how to use the housing strategy to compliment other ongoing developments in the City such as iQuilt.

Chairman Hopgood called for a motion to approve the CRDA Housing Policy to be an 80% market rent/20% affordable rent mix. The motion was moved for adoption by Pam Reid, seconded by Secretary Barnes and approved unanimously.

The second recommendation by the Executive Committee was to set up a fund for smaller real estate projects that would not otherwise be considered due to their size. The fund was proposed to be in the neighborhood of \$5-7½ Million range. This fund would then be used to convert some of the smaller downtown properties into housing units.

After a lengthy discussion regarding process, oversight and governance, Chairman Hopgood asked for a motion for the Executive Director to pursue a small project fund and come back to the Board with recommendations. Mr. Freimuth indicated that he would look to the Chairman of the Housing Committee, Thomas Deller and the Housing Committee as a whole to help develop these recommendations. The motion was moved for adoption by David Jorgensen, seconded by Catherine Smith and approved unanimously.

An overall parking strategy in downtown Hartford was also suggested by the Executive Committee. A committee will be formed and Chairman Hopgood asked for recommendations of who should be on this committee by the next Board Meeting. It was suggested that reducing the required number of parking spaces per unit would substantially change the cost of housing units.

Mr. Deller indicated that the City will be having a public hearing in January or February 2012, addressing whether or not there will be a requirement to provide parking when an existing building is renovated. Also, next week the zoning requirements will be amended to state that no parking will be required for Downtown retail and restaurants.

Chairman Hopgood indicated that due to time restraints, the review of Bylaws did not happen at the first Executive Committee meeting. They will be addressed at the next meeting. Operational procedures, which are necessary for the Board to adopt, will also be reviewed at the next Executive Committee meeting. These items will be circulated to Board Members for review prior to the next Board Meeting.

### **Housing Committee**

November Housing Committee was cancelled and the next Committee meeting will be on November 30th.

### **Venue Committee**

Andy Bessette reviewed the RFP selection schedule reporting that five bids are likely with a shortlist decision by the end of the year.

### **Relocation Committee**

Secretary Barnes indicated to Pam Reid and the other Board Members that the State is not yet in a position to undertake discussions regarding the relocation of State employees. It is expected that a discussion will be forthcoming in the next two months.

## Liaison Reports

Floyd Green mentioned that in a presentation on November 6<sup>th</sup>, to the Business Improvement District, the group showed a lot of interest in the Relocation Committee and indicated that they would be interested in being used as consultants to that Committee. The Asylum Hill neighborhood area showed excitement about CRDA.

Mayor Leclerc will send an email when a new date is scheduled regarding the East Hartford meeting that was postponed due to the weather on October 30<sup>th</sup>.

Chairman Hopgood reported that she attended the iQuilt meeting and they continue to work on topics including marketing and funding etc. A handout was provided with numbers of guests who attended Envisionfest, including attracting over 2700 people to the Connecticut Science Center and 2200 rides at the Bushnell Park Carousel. A question was brought up regarding the vacant storefronts on Lewis Street, Thomas Deller indicated that he was under the impression that some of those buildings are in a development review to possibly be converted into housing.

## Executive Director Report

Michael Freimuth indicated that he asked Tony Roberto of Connecticut Innovations to participate in the RFP process for the XL Center, indicating further that he has been looking into a national consultant for guidance with the RFP process.

After an engineering analysis of the parking garages owned by CRDA, it was determined that there is a need to have repair and maintenance work done that will cost approximately \$4Million over the next five years. These renovations will be to the CT Convention Center and North Side garages.

Joe Savidge has held meetings with some individual Board Members giving each a financial overview. Going forward, a monthly report will be included as part of the monthly Board Meeting.

## Hartford Resurgence Strategy - Mayor Segarra's Vision & Priorities

Mayor Pedro Segarra provided a handout called "Hartford Resurgence Strategy". Mayor Segarra spoke about the Downtown housing and the vacancy rate of the properties that are highlighted in his presentation. Also included in his presentation are Neighborhood Housing, LSNI impact and abandoned property ; Neighborhood Commercial property and Downtown North.

## Miscellaneous

- Next Board Meeting will be at Rentschler Field, this meeting will include a tour of the stadium.
- December 14 is the last date CRDA has to express its intentions regarding projects seeking both CRDA and Champ funding.
- Pearl Street - CRDA has to review the CHFA/City recommendation and will need to vote on any transfer of ownership.
- An article to CRDA by Mike McGarry suggesting things he thinks CRDA should be doing was distributed.

Adjourned 8:29pm

*"The minutes of the November 6, 2012 CRDA Board Meeting were approved by Board Members at the December 4, 2012 CRDA Board Meeting".*

Capital Region Development Authority

## Housing Policy – Executive Brief

November 5, 2012

**Background:** CRDA has accepted the challenge of producing 2000 units of housing within the downtown Hartford area. To this effort, \$60 million in State bonding authority has been authorized and is available to allocate towards the renovation, conversion and new construction of additional housing stock. The City estimates that there are currently 1478 units downtown, of which 338 are classified as affordable (22.9%). Other than bond restrictions, the allocation of funds can be quite flexible creating a series of public policy questions for the CRDA Board. Concurrently, in the absence of any clarity and direction in CRDA public policy, developers and property owners have approached CRDA for assistance with expectations of grant funds and with varied housing proposals that range up to 60% affordable in structure. On a related track, the City of Hartford is soliciting proposals for a comprehensive housing study and needs analysis that will evaluate conditions, challenges, and opportunities in the City's housing markets, including downtown.

**Issues:** Over the past month, a variety of housing projects (most notably 777 Main Street and 3 Constitution Plaza) have been reviewed by CRDA staff and board members making up the Housing Subcommittee. The most difficult questions focus on the proper mix of housing ('market rate', 'workforce', 'affordable' and their respective definitions) and the nature of CRDA assistance (loan, near equity, grant) as well as the conditions/obligations associated with any CRDA assistance.

Understanding the marketplace context (rental and absorption rates, construction costs and operating projections, local taxation and role of commercial banking) is obviously critical to properly balancing/leveraging CRDA funds with the monies contributed by the private investor and lender as well as assistance that may be available from any local and state entities.

But, no two deals are likely to be the same and some fundamental policy issues are on the table.

- Will CRDA focus on 'market' deals with a targeted split of 80% market/20% workforce housing?
- What income threshold is CRDA's target ('workforce' at 80-120% AMI or 'affordable' which is generally defined as less than 80% AMI and in some deals, needs to be below 50% and 60% AMI)?
- Does student housing satisfy the affordable housing criteria? Senior housing?
- What is the expected time line to build out 2000 units? Is the current absorption rate sufficient to drive an 80/20 mix or should this be an overall goal (over 6 years? 10 years?) with more liberal mixing in earlier years to reflect marketplace?
- What is the proper subsidy per unit? (\$60M/2000=\$30k/unit=more appropriations)
- Should CRDA assistance be more generous in earlier deals, phasing down over time?
- What is the preferred method of CRDA investment (grant, loan, 2<sup>nd</sup> position, near equity)?
- Should CRDA reserve funds for a small project account or focus on large impact projects?
- What if any funding for retail/commercial elements of mixed use projects?
- Does CRDA prescribe any ownership vs. rental blend or defer to marketplace?
- Will there be a minimum demand on owner/developer equity in any deal?

- Is there to be an assumption for private permanent (not just construction) lending in the capital stack? Are taxable bond deals backing CHFA mortgage considered private lending?

**Other Policy Matters:** As CRDA establishes its housing framework, there are several other ongoing policy parameters that should be reviewed by the Housing Committee and eventually the full board including:

- How best to interface with the City's overall housing goals, including incorporating the construction of affordable housing units within the other neighborhoods.
- Are there housing products (and projects) on the periphery of the CRDA district that should be encouraged by CRDA?
- How does the overall public parking inventory in the downtown offer an opportunity to reduce the need and costs of parking for certain housing projects while optimizing the revenue potential from the public inventory of parking?
- What efforts to collateralize or insure private lending are available to marry to CRDA deals? Can CRDA utilize its funds for such backstop rather than invest its funds directly into the deal?
- What other public policy goals are to be ranked in CRDA decision making such as: green/energy standards, types and configuration of units, job generation, rehab vs. new construction.
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- Nov. 28 deadline for CHFA/DECD Champ 2 fund for pending projects that are also seeking CRDA funds (with 12/14/12 deadline for soft commitment of any CRDA funds).

**Recommendation:** Timing/scheduling concerns and developer interest are considerable at the moment and certain public policy 'calls' need to be pronounced to the marketplace. It is staff recommendation that:

- CRDA adopt an overall policy goal establishing the 80/20 market/affordable mix for large projects;
- CRDA create a small project fund, initially reserving \$5 - \$7.5 million of the \$60 million authorization, to be coordinated with other city and state resources to leverage private resources into the conversion of small (up to 20 units) downtown properties into housing/retail mixed use and conduct a RFP process to solicit such activity.

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Board Meeting  
Connecticut Convention Center  
Board Room B, 4<sup>th</sup> Floor  
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**Recommendation:** Timing/scheduling concerns and developer interest are considerable at the moment and certain public policy 'calls' need to be pronounced to the marketplace. It is staff recommendation that :

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**Capital Region Development Authority  
Board Meeting  
Rentschler Field - Stadium  
3rd Floor  
Tuesday, December 4, 2012  
6:00PM**

**Board Members Present:** Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Béssette; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Michael Matteo; Commissioner James Redeker; Pamela Trotman Reid; Commissioner Catherine Smith

**Board Members Absent:** Mayor Pedro Segarra; Thomas Deller

**CRDA Staff Present:** Michael Freimuth; Joe Savidge; Terryl Mitchell Smith; Jennifer Gaffey; Kim Hart (OPM)

Prior to the business portion of the Board meeting, a tour of Rentschler Field Stadium was hosted by Kim Hart, Venue Director, OPM. Attendees were as follows: Board members, Chairman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Michael Matteo; Commissioner James Redeker; Pamela Trotman Reid; Commissioner Catherine Smith

**Guests Present:** Nick Lundgren (DECD).

Chairman Suzanne Hopgood called the Board Meeting to order at 7:05pm.

**Stadium Financials**

Kim Hart gave a brief overview of the Stadium financials. FY11 audited financials for the Stadium were \$5.8M, expenses were \$5.9M however the loss is offset by revenue from cellular companies that pay monthly rent to have their cell towers located on site.

UCONN is obligated by their lease to have a certain number of additional events in addition to football games that are played at the stadium. UCONN does not meet this obligation, therefore a yearly penalty is paid by UCONN to the stadium.

There was a lengthy discussion regarding marketing, parking, ticket sales and capital expenses.

**Minutes**

The minutes from the November 6, 2012 Board Meeting were moved for adoption by Secretary Ben Barnes, seconded by Vice Chairman Bessette and approved unanimously.

**Election of CRDA Board Secretary**

Chairman Hopgood requested a motion to officially elect Mayor Pedro Segarra as Secretary of the Executive Committee. The following motion was made by Secretary Barnes, seconded by Vice-Chairman Bessette and approved unanimously. *"The CRDA approves Mayor Pedro Segarra as the Secretary of the CRDA Executive Committee"*.

**Committee Reports**

### *Executive Committee*

Chairman Hopgood called upon Attorney Anthony Lazzaro to highlight the changes of “the proposed Operating Procedures” and “By-Laws”. Attorney Lazzaro indicated that there were not a lot of substantive changes to the Procedures, most changes were due to the name change of the Authority. The following motion was made by Vice-Chairman Bessette, seconded by Commissioner Redeker and approved unanimously. *“The CRDA Board approves the Operating Procedures and requests they be moved for public comment.”*

Attorney Lazzaro indicated that the new By-Laws reflect the following changes: **Section 2.01 Powers – (c)** Board Member absentee policy “Any person absent from three consecutive Board meetings of the Authority or 50% of such meetings during any calendar year shall be deemed to have resigned from the Authority” ; **Section 2.07** Designation by Ex-Officio Members – Each may designate his deputy or any member of his staff to represent him at meetings of the Authority, or committees thereof, with full powers to act and vote on his behalf. Such designation, if any shall be made in writing and kept on file with the Authority. **Purchasing Policies and Procedures** – Purchases costing \$0-\$50,000 – Orders may be placed without proof of competitive bidding for purchases of goods, services or professional advisors costing less than \$50,000, however this will require notification to the Board.

A Board appointment remains vacant and the following is a description of this appointment. “The member appointed jointly by the speaker of the House of Representatives and the President Pro Tempore of the Senate shall serve a two year term from said appointment date”.

The following motion was made by Commissioner Smith, seconded by Mayor Leclerc and approved unanimously. *“The CRDA Board approves to amend the revised By-Laws as presented.”*

*Housing Committee* – no report

*Venue Committee* – Vice-Chairman Bessette asked Michael Freimuth to update the Board with regard to the ongoing process of the RFP. There will be a three part process that will begin with a Selection Committee who will make an initial assessment. The Selection Committee will then make a recommendation to the CRDA Venue Committee. The Venue Committee will present their findings to the full Board for final approval in February. Mr. Freimuth indicated a consultant may be hired to vet the proposals to assess market place assumptions of the proposals.

*Relocation Committee* – no report

*Transportation Committee* – Commissioner Redeker gave a report which included a discussion of a Transportation Strategy District – this would include looking at all opportunities including travel within the district or outside of the district. The Committee has asked the Capital Region Council of Governments, to put together a picture of what exists today based on their data base, which is census based.

Other discussion points:

- perhaps collecting transportation information from employers to see if there could be changes made to existing service patterns.
- iQuilt, what is happening regarding transportation investments in the city and how does it link some of the major investments in the city

- Hartford owned property in Farmington – CTfastrak connection from UCONN to and from Jackson Labs

### **Liaison Reports**

- President Pamela Trotman Reid gave a presentation accompanied by Terryl Mitchell Smith, to the Hartford Consortium – this was an information session; next week President Reed will be presenting to the CT Council of Independent Colleges.
- David Jorgensen reported that he will be presenting to Hartford 2000 at the Hartford Public Library along with Mike Freimuth and Suzanne Hopgood
- Floyd Green reported that he has been asked to present to the Asylum Hill Association –this has not yet been scheduled

### **Executive Director Report**

- Parking Task Force – Commissioner Redeker assisting – working to come up with a uniformity in pricing and communication to the general public. Potentially using parking to help with housing in the city.
- Staff still reviewing proposals at 777 Main, the former Sonesta, 3 Constitution proposal and at Front Street.
- 111 Pearl– transfer of ownership, CRDA action likely in January or February Board Meeting
- Looking to create Small Project Fund - 10% of housing fund initially to help seed this fund..
- 179 Allen Street - Massachusetts firm won bid at auction, contacted CRDA to discuss converting to housing – very brief conversation.

### **Staff Reports**

Terryl Mitchell Smith gave an overview of the Hartford Message Project presentation. The presentation is a Hartford Branding Initiative coordinated by Metro Hartford Alliance and the Hartford Business Improvement District. The branding initiative has not been finalized as of this date.

Joseph Savidge gave a brief Financial Summary Update for 1<sup>st</sup> Qtr. 2013. Total revenues were up \$200,000 from 1<sup>st</sup> Qtr. 2012, Total expenses are down \$400,000, tracking slightly ahead of budget in all areas.

### **New Business**

Hartford/Farmington site will be discussed at the January Board Meeting

### **Executive Session**

At 8:30pm Chairman Hopgood requested a motion to move into Executive Session.

The following motion was made by Vice-Chair Bessette, seconded by Secretary Barnes and approved unanimously.

*“The CRDA Board requests to move into Executive Session to discuss the following:*

- *Personnel-C.G.S. § 1-200(6)(A)*
- *Contract negotiations-C.G.S. § 1-200(6)(E); C.G.S. § 1-210(b)(1); and C.G.S. § 1-210(b)(5) Anthony Lazzaro and Nick Lundgren were asked to join Executive Session.”*

The Board came out of Executive Session at 9:00pm.

The following is a Resolution made by the Board and approved unanimously.

**CAPITAL REGION DEVELOPMENT AUTHORITY  
Board Resolution  
December 4, 2012**

**Whereas**, Section 32-602(b)(3) of the Connecticut General Statutes provides that the Authority shall have the power to (3) “[hire]... employees as may be necessary or desirable to carry out its purposes ... [and] to fix their compensation”;

**Whereas**, the Board of Directors has established and may from time-to-time modify reasonable compensation plans and employees benefits programs and policies as the Board of Directors determines necessary or appropriate;

**Whereas**, the Connecticut Housing Finance Authority (“CHFA”) has procured a group Life Insurance and Accidental Death & Dismemberment Insurance policy (“Insurance Benefits”) for its employees;

**Whereas**, CHFA has made this policy available to other Connecticut Quasi-Public Agencies for their respective employees;

**Whereas**, the Authority finds it desirable to provide such Insurance Benefits to its employees.

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

Agrees to purchase Personal Life Insurance and AD&D Insurance for its full-time employees on the terms provided below (collectively, the “Terms”):

1. The Group Policyholder – Connecticut Housing Finance Authority
2. For all full-time employees, employed a minimum of 30 hours per week
3. Life Insurance in the amount of Two times basic Annual Earnings, rounded to the next higher \$1,000, subject to a maximum of \$150,000.
4. AD&D Insurance in the amount of Two times Basic Annual Earning, rounded to the next higher \$1,000; subject to a maximum of \$150,000.

**And be it Further Resolved that:**

The Executive Director is hereby authorized to execute any and all documents related to the provision of such Insurance Benefits as presented.

Adjourned 9:02 pm.

*“The minutes of the December 4, 2012 CRDA Board Meeting were approved by Board Members at the January 30, 2013 CRDA Board Meeting”.*

**Capital Region Development Authority  
Board Meeting  
CRDA Board Room  
5<sup>th</sup> Floor  
Wednesday, January 30, 2013  
6:00pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; Floyd Green; David Jorgensen; Mayor Marcia Leclerc; Michael Matteo; Mayor Pedro Segarra; Commissioner James Redeker; Pamela Trotman Reid; Commissioner Catherine Smith

**CRDA Staff Present:** Michael Freimuth; Anthony Lazzaro; Terryl Mitchell Smith; Jennifer Gaffey; Kim Hart

Chairwoman Suzanne Hopgood called the Board Meeting to order at 6:10pm.

**Minutes**

The minutes from the December 4, 2012 Board Meeting were moved for adoption by Commissioner James Redeker, seconded by Vice Chairman Bessette and approved unanimously.

**Commissioner Designees**

Pursuant to subsection (b) of § 32-601 of the Connecticut General Statutes as amended by Public Act 12-147, §9(b), Chairwoman Hopgood introduced designees for the following Commissioners:

- Nick Lundgren for Commissioner Catherine Smith, DECD
- Cheryl Malerba for Commissioner James Redeker, DOT

**Committee Reports**

***Executive Committee***

Chairwoman Hopgood asked Attorney Anthony Lazzaro to address agenda item "Operating Procedures". Attorney Lazzaro indicated that the "Operating Procedures" were published for the required thirty day public comment period and no additional comments were made. Therefore a motion to ratify the procedures that were approved at the December Board Meeting is required.

The following motion was moved by Commissioner Catherine Smith, seconded by Thomas Deller and approved unanimously. *"The CRDA Board ratifies the Operating Procedures as approved at the December 4, 2012 Board Meeting."*

***Housing Committee*** – Thomas Deller updated the Board members regarding 777 Main Street. A commitment was made on 777 Main, documents were executed by Mr. Becker's developer. The project is waiting for HUD mortgage guarantee and city's tax abatement agreement. The Terms and Conditions of the CRDA funding for 777 Main were given to the Board. These are the same Terms and Conditions that were discussed in Executive Session at the December 4, 2012 Board Meeting.



After a lengthy discussion by Board members, the following motion was moved by Thomas Deller, seconded by Commissioner Smith and approved unanimously.

*"The CRDA Board approves the Terms and Conditions of the 777 Main Street CRDA funding component that was discussed in the December 4, 2012 Executive Session."*

Pearl Street – Michael Freimuth asked for a Board Resolution for the sale of the Trumbull on the Park Project. Attorney Lazzaro indicated that CRDA, with an MOU, has \$6M of Class B interest in the deal, CHFA has 95% Class A interest in the deal. The Resolution is to allow for the approval of the sale.

After a lengthy discussion, the following Resolution was moved by Thomas Deller and seconded by Mayor Pedro Segarra.

## **Capital Region Development Authority**

### **RESOLUTION REGARDING THE DISPOSITION OF TRUMBULL ON THE PARK – HARTFORD, CONNECTICUT**

**WHEREAS**, on September 19, 2002, the Board of Directors of the Capital Region Development Authority ("CRDA"), formerly known as the Capital City Economic Development Authority, approved investing \$6 million of Housing Funds in the Trumbull on the Park Project for the purposes of assisting in the development of one hundred (100) residential apartment units as part of a housing, retail, and parking project located on Trumbull and Lewis Streets in downtown Hartford (the "Project");

**WHEREAS**, pursuant to that certain memorandum of understanding between CRDA and the Connecticut Housing Finance Authority ("CHFA") dated February 27, 2003 (the "MOU"), the funds were invested in the Project on behalf of CRDA by an authorized subsidiary of CHFA, to wit: Trumbull Centre-CHFA, Inc. (the "Corporation"), through the acquisition of the Class B Membership Interest in Trumbull on the Park, LLC (the "Project Owner");

**WHEREAS**, the Corporation also owns more than ninety-five percent (95%) of the Class A Membership Interest in the Project Owner;

**WHEREAS**, the Corporation solicited proposals for the sale of the Project, along with a wholly-owned CHFA development known as 111 Pearl Street (the "Developments");

**WHEREAS**, the Corporation desires to transfer all of the Class A and Class B Membership Interests in the Project Owner held by it, including the Class B Membership Interest held on behalf of CRDA, along with 111 Pearl Street, to Lewis/Pearl Street Ventures, LLC or its designee (the "Purchaser") in accordance with the memorandum attached hereto and made a part hereof (the "Memorandum");

**WHEREAS**, pursuant to the MOU, the sale of the Project or the Class B Membership Interest in the Project Owner requires the prior written consent of CRDA, amongst others;

**WHEREAS**, such consent may not be withheld unless CRDA determines in good faith that it is reasonable to expect that the interests of CRDA would be materially and adversely affected;

**WHEREAS**, CRDA has determined that the interests of CRDA will not be materially and adversely affected by (i) the sale and transfer of the Project or (ii) sale and transfer of the Class B Membership Interest held by the Corporation in the Project Owner to the Purchaser, in either case for the purchase price of \$1.00; and

**NOW THEREFORE**, be it resolved by the Board of Directors of CRDA as follows:

1. CRDA consents to the sale of the Project and/or the Membership Interests held by the Corporation in the Project Owner, including those held on behalf of CRDA, for a purchase price of \$1.00, subject to such approvals as are required to be obtained from CHFA, the Corporation, Berkadia (holder of the HUD insured first mortgage), HUD (as insurer of the first mortgage), the Department of Economic and Community Development, the City of Hartford, Trumbull on the Park LLC and 111 Pearl Street Associates, LLC, subject to and in accordance with the terms of the Memorandum;
2. The terms and conditions to the sale of the Project may be modified or supplemented as determined by the Executive Director to be in the best interest of the Authority.
3. The Executive Director is authorized to execute any and all necessary documents related to the disposition of the Project and the transfer of the Class B Membership Interest held by the Corporation in the Project Owner to the Purchaser.

Other Projects being discussed:

- Sonesta -- The developer is examining perspective financing, more time needed.
- Housing Committee Meeting scheduled to discuss Allyn Street and 3 Constitution Plaza proposals
- Small Projects Program -- a few deals being discussed, nothing definitive as of this date.

### Venue Committee

Vice Chairman Andy Bessette updated Board members regarding the RFP process. The Screening Committee continues to work their way through the process of analyzing the proposals. Once a decision is made, a recommendation will be given to the Venue Committee, then subsequently the full Board. Mike Freimuth added that CRDA has contracted with Brailsford and Dunlavy, a consulting group that works with the management and operation of arenas throughout the country. They have been a great help advising the Screening Committee and keeping the committee focused on critical subject matter. Further discussion about the proposals will be deferred to Executive Session.

### Relocation

Michael Freimuth indicated that a draft MOU has been put together regarding the relocation of State offices into State owned buildings. CRDA will play a role as the facilitator in managing this process. The MOU will allow CRDA/OPM and The Department of Construction Services to work together as these State owned buildings are fit-out and State agencies are relocated. The

first building, 55 Farmington Avenue, has a pending closing date of March 2013, with an aggressive move in date of January 1, 2014.

After a discussion, the following motion was moved by Pamela Trotman Reid, seconded by Thomas Deller and approved. Secretary Barnes recused himself from the vote.

*"CRDA Board of Directors hereby authorizes the Executive Director to execute the proposed Memorandum of Understanding with the captioned State Parties for the purposes outlined therein. Such terms and conditions may be modified or supplemented as determined by the Executive Director to be in the best interest of the Authority." The MOU is attached to the minutes.*

### **Transportation Committee**

Commissioner Redeker indicated that the Transportation Committee has met several times and included in your Board package is a set of "Problem Statements" that have been developed. The Commissioner requested that the Problem Statements be reviewed by the Board in the next couple of weeks, any comments would be appreciated so when the Committee meets again they will have everyone's input. Thomas Deller asked, when talking about partnering with agencies to also refer to partnering with the City.

### **Liaison Reports**

Mayor Leclerc thanked Mike Freimuth and Floyd Green for attending and doing a fine presentation to the East Hartford Town Council.

Pamela Trotman Reid gave a report to the Hartford Consortium of Presidents. The CCIC which is the Independent Presidents across the state was cancelled due to weather, will be rescheduled.

Mike Freimuth will present to Capital Region Council of Governments (CRCOG) on February 27<sup>th</sup>. He also spoke at the Rising Star Breakfast, which was very well attended and well received. Mr. Freimuth and Dave Jorgensen presented to Hartford 2000. Upcoming events scheduled on Mr. Freimuth's calendar are the ULI and ICSC.

Thomas Deller met with the Local Merchants Association.

### **Executive Director Report**

- Mr. Freimuth announced a couple of changes at CRDA: Kim Hart moved to CRDA from OPM on December 28<sup>th</sup>. A CFO candidate has been chosen and Mike requested to discuss in Executive Session.
- Employee insurance formerly approved by the Board has been implemented.
- A second quarter review report was handed out with highlights indicating revenues are down however expenses are also down. Although the Convention Center is ahead of budget, the budget is down from last year due to bigger events not returning to the Convention Center this year.

- Mike has reviewed the original KPMG report and compared it to the original projections. Energy is the one discrepancy. This review will continue as we move forward. Andy Bessette asked if there is a report that compares Convention Centers in the region. Terry Mitchell Smith indicated that she will get him a copy of the latest report.
- The Central Utility Plant (CUP) Tour will be scheduled for the next Board meeting scheduled for March 21, 2013.

Other subjects: · A busway project is in the discussion stages with the Town of Newington.

- A prospective East Hartford project has also been discussed.
- CRDA is reviewing an expression of interest from UCONN to manage the stadium.
- The HB Nitkin Group, the developer of the Front Street Project, has expressed an idea for the historic Hartford Times Building owned by OPM. Nitkin has been asked to submit a development scenario with rough ideas as to how it can come together as a possible UCONN campus site.

### **Staff Reports**

No reporting from staff, however, Chairwoman Hopgood would like to use this time to remind Board Members that anyone planning to attend the lawyer sponsored holiday party will need to request an invoice to pay for their portion. Also, a Board Meeting to act on the Rentschler proposals will be scheduled in the next ten days, please let Jennifer know your availability. Board members requesting specific information or assistance from CRDA staff should go through Mike, Andy or Suzanne rather than approaching staff directly.

### **New Business**

Farmington Site –property on Fienemann Road: Thomas Deller indicated that the city is seeking a broker to help market this property. They are negotiating through the process and hopefully will have it available for development in the near future. The local community has control over Planning & Zoning, and they would like it used for office use. Mayor Segarra explained that this goes back to at least three years of persistent city council resolutions regarding the disposition of city properties that are not being used.

Commissioner Redeker indicated that in the next few weeks DOT will be announcing the reconfiguration of Interstate 84.

### **Executive Session**

Mayor Segarra moved to go into Executive Session, seconded by Commissioner Smith and approved unanimously. Chairwoman Hopgood requested that the XL/Rentschler Screening Committee stay for Executive Session. Screening Committee members include John Shemo, Antonio Roberto, Jared Kupiac, Anthony Lazzaro and Kim Hart. Executive Session began at 7:43pm

At 8:39 the Board came out of Executive Session and adjourned.

*“The minutes of the January 30, 2013 CRDA Board Meeting were approved by Board Members at the March 21, 2013 CRDA Board Meeting”.*

**MEMORANDUM OF UNDERSTANDING  
BY AND AMONGST  
THE STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT,  
DEPARTMENT OF ADMINISTRATIVE SERVICES,  
DEPARTMENT OF CONSTRUCTION SERVICES,  
AND  
THE CAPITAL REGION DEVELOPMENT AUTHORITY**

**NOW COMES** the Office of Policy and Management ("OPM"), the Department of Administrative Services ("DAS"), the Department of Construction Services ("DCS"), and the Capital Region Development Authority ("CRDA") to evidence their agreement as follows:

**WHEREAS**, CRDA has been formed pursuant to Chapter 588x of the General Statutes for the purpose, amongst other things, of facilitating the relocation of state offices within the Capital City Economic Development District;

**WHEREAS**, OPM finds it desirable that CRDA facilitate the relocation of certain state offices (the "Project") in conjunction with DAS and DCS, and in accordance with all applicable statutes and regulations;

**NOW, THEREFORE**, in consideration of the mutual benefits and detriments described herein, OPM, DAS, DCS, and CRDA agree as follows:

1. OPM and DCS shall provide the particulars of the Project to CRDA for implementation.
2. CRDA, DAS & OPM shall negotiate and mutually agree to a project budget and fee schedule. Such project budget and fee schedule shall include but not be limited to, items such as the scope of work to be performed; cost estimates for such scope of work, costs associated with CRDA personnel, CRDA fees, office supplies, equipment, computers, telephones and other essential elements necessary to complete such tasks.
3. DCS agrees to make its employee, Ira Henowitz, available to CRDA for purposes of assisting CRDA in all matters relating to the Project. DCS shall be responsible for compensating Mr. Henowitz at his existing pay and benefits.
4. OPM agrees to make its employee, Phil McLellan, available to CRDA for purposes of assisting CRDA in all matters relating to the Project. OPM shall be responsible for compensating Mr. McLellan at his existing pay and benefits.

5. The parties to this MOU, or their designees, shall meet on a regular basis to review the status and progress of the Project. The parties shall attempt to act by mutual agreement of all of its members; however, in the event of a stalemate, the Secretary of OPM shall, in consultation with Commissioner of DAS, make all final determinations.

IN WITNESS WHEREOF, the parties executed this MOU as of the date set forth below

Dated: February \_\_\_\_\_, 2013

CAPITAL REGION  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Michael W. Freimuth  
Executive Director

DEPARTMENT OF CONSTRUCTION SERVICES

By: \_\_\_\_\_

DEPARTMENT OF ADMINISTRATIVE SERVICES

By: \_\_\_\_\_

OFFICE OF POLICY AND MANAGEMENT

By: \_\_\_\_\_  
Benjamin Barnes  
Secretary

**Capital Region Development Authority  
Special Board Meeting  
Connecticut Convention Center  
Meeting Room 11, 6<sup>th</sup> Floor  
Thursday, February 7, 2013  
4:00pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Bessette; Thomas Deller; David Jorgensen; ; Mayor Pedro Segarra; Commissioner James Redeker; Pamela Trotman Reid; Commissioner Catherine Smith, Meagan Cowell. **Board Members Present by conference phone:** Floyd Green; Mayor Marcia Leclerc

**CRDA Staff Present:** Michael Freimuth; Anthony Lazzaro; Joseph Geremia, Terry Mitchell Smith; Jennifer Gaffey; Kim Hart

**Guests present by conference phone:** Bobby Goldwater, Jason Thompson, Brailsford & Dunlavey

Chairwoman Suzanne Hopgood called the Board Meeting to order at 4:02pm.

**Introduction of CRDA's Chief Financial Officer**

Executive Director of CRDA, Michael Freimuth, introduced CRDA's newest staff member and Chief Financial Officer, Joseph Geremia to the Board.

**Office Relocation Program**

As discussed in the January 30, 2013 Board Meeting, CRDA is playing a role as the facilitator in managing the office relocation of State agencies. Therefore, Michael Freimuth indicated it is necessary for CRDA to hire a position called Director of Design and Building Services. The Board will need to approve the position

The following motion was moved by Thomas Deller, seconded by Commissioner Redeker and approved unanimously. *"The CRDA Board approves the position of Director of Design and Building Services for the Office Relocation Program."*

**Report of Venue Committee**

Vice Chairman Andy Bessette gave an overview of the activities of the Venue Committee. The RFP being discussed is for the Management of the XL Center and Rentschler Field. The Screening Committee was an operating committee consisting of individuals from MetroHartford Alliance, CI, OPM, the City of Hartford, CRDA and consultants from consulting firm Brailsford and Dunlavey. There were no Board members on the Screening Committee.

The Recommendation consisted of four elements. 1.) clear financial advantage 2.) clear operational opportunity 3.) address capital needs 4.) leveraging of economy of scale.

Mike Freimuth explained the recommendation process to the Board. The Screening Committee was made up of the following members: Kim Hart, OPM; Tony Roberto, CI; Jared Kupiac representing the City; John Shemo representing the Metro Hartford Alliance; and Michael Freimuth, CRDA. In addition were the consultants from Brailsford and Dunlavey.

The Screening Committee was charged with the task of evaluating the proposals on ten specific categories. Due to differences in the way the proposals were presented, once the initial scoring was complete, CRDA asked for a final and best offer from the two leading contenders, AEG and Global Spectrum.

The two best and final offers were focused more thoroughly on four criteria:

- Operating Pro Forma for 5 and 10 year periods
- Capital Investment, both direct from bidder and generated via NOI
- Compensation formula, including base fees, incentives, venue sharing
- AHL commitment (at the time of Board Meeting, this was still being negotiated)

Other factors were also taken into consideration. The Screening Committee recommended choosing Global Spectrum to the Venue Committee. The Venue Committee is recommending that the CRDA Board approve their decision to contract with Global Spectrum.

*The attached memo from Michael Freimuth to the Board of Directors dated February 7, 2013 documents in more detail information regarding the process and, basis for the recommendation.*

#### **Action on Venue Committee Recommendation**

After a discussion by the Board, a "Motion Regarding that certain request for proposals for Management of the XL Center and the Stadium at Rentschler Field issued October 24, 2012 (the "RFP")" was moved by Mayor Segarra, seconded by Commissioner Smith and unanimously approved.

"The CRDA Board of Directors hereby approves Global Spectrum as the RFP's preferred proposer, subject to Global Spectrum securing an AHL affiliate in a form acceptable to the Authority by March 1, 2013.

The Board hereby authorizes the Executive Director to begin negotiations with Global Spectrum on a management agreement(s) with terms and conditions consistent with its "final and Best Offer". Such terms and conditions may be modified or supplemented as determined by the Executive Director to be in the best interest of the Authority; however, any resulting agreement(s) must be ratified by Board."

Adjourned at 4:44pm.

*"The minutes of the February 7, 2013 CRDA Board Meeting were approved by Board Members at the March 21, 2013 CRDA Board Meeting".*



TO: Board of Directors  
Capital Region Development Authority

FROM: Michael W. Freimuth  
Executive Director

DATE: February 7, 2013

RE: XL Center/Rentschler Field Management  
Decision Process  
Recommendation

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Based on analysis completed by the technical screening committee, consultant advisors and review by the Venue Committee, It is recommended that CRDA retain **Global Spectrum** to manage both the XL Center and Rentschler Field.

All three submittals were thorough and challenging. Each presented different approaches to the buildings and a variety of options to CRDA. The most critical items evaluated were:

1. **AHL Presence**: The league and the current team indicated that they want to stay in the Hartford market and will work with either of the CRDA finalists – AEG or Global.
2. **Capital Investment** in the buildings, particularly the XL Center is critical. Global presented the largest corporate investment and capital reserve within the financial proposals (a NPV of \$8.3Million). The capacity of such an amount can drive bonding in excess of \$20 million in building improvements.
3. **Economies** for joint operation of both Rentschler and XL Center were significant, effectively requiring a decision to select one operating entity rather than two. As a consequence, Rentschler annual operational economies of over \$300,000 better than *current* operations can be achieved, directly benefiting UConn and the building.

#### Initial Review

The Venue and Screening Committee agreed on ten specific categories to evaluate the proposals.

- Maintain an AHL presence
- Capital Investment strategy and funding
- Growth in events/attendance
- Revenues to the State/CRDA
- Community engagement
- Industry best practices
- Staff Capacity
- Conflicts/Competition Issues
- Rentschler Field programming
- Risk Taking for events and investment

The proposals were scored on the above criteria following a review of the Initial submittals, responses to the follow up Q&A and presentations made by the bidders on January 23-4. They ranked as follows:

Bidder	Composite Score	Mean Score
Global Spectrum	177	25.3
AEG Facilities	143	20.4
Bushnell Management	100	14.3

Resulting from these scores, the Proposers were short-listed and a Final and Best Offer (FBO) was solicited from the two top scorers.

Who's who:

The RFP was written to secure an operator with qualifications, resources and experience to position the XL Center and the Stadium as high-quality, well managed and attractive venues, engage the community, drive demand and increase the number of desirable events and higher attendance. The RFP sought creative proposals that addressed the longer term issues of the XL Center's renovation, redevelopment or replacement and offered the means to finance capital improvements to both venues.

The proposals were submitted by:

AEG: Current operator of XL Center and active in over 100 arenas across 5 continents. One of largest investors in arenas and stadiums, second largest concert promoter and owner of NHL and AHL hockey teams. AEG has associated affiliations with 12 firms specializing in event production and/or management focused on driving value in its real estate holdings.

Global-Spectrum: One of the world's largest private venue management companies. Acquired by Comcast Spectacor in 2000, it has venues in US, Europe, Asia and Middle East. Global is the owner of an NHL team and formerly had an AHL hockey team. There are concession, ticketing and marketing companies in the Comcast structure as well as a considerable cable system network.

Bushnell Management Services, LLC: The current operator of Rentschler Field, it is wholly owned by Horace Bushnell Memorial Hall Corporation (a nonprofit) and has proposed creating a relationship with CRSEG, a group of local investors to invest in a hockey team and real estate opportunities and to make investments in the XL Center.

## Second Round of proposals

Once the Initial scoring was completed, a Final and Best Offer deadline was extended to AEG and Global and was focused more thoroughly on four criteria:

- Operating Pro Forma for 5 and 10 year periods
- Capital Investment, both direct from bidder and generated via NOI
- Compensation formula, including base fees, incentives, revenue sharing
- AHL commitment

An evaluation of the FBOs was conducted on February 6 and 7, 2013 by the Screening Committee; CRDA staff; Brallsford & Dunlavey, venue consultants; and the Venue Committee.

Global Spectrum presented a 10 year pro forma; AEG presented a 5 year with their option to renew for another five years. For the XL Center, the revenue projections were similar but expenses differed based on assumptions. A review found the assumptions within the Global proposal more conservative and therefore had a larger margin for error. Based on the XL pro formas from both AEG and Global, Global produced a greater return to CRDA/State.

Global increased their initial capital investment to \$2.75 million from their \$1.6 million offer for the XL Center. AEG maintained its initial \$1.5 million offer. Global's XL pro forma also offset \$1 million annually and specifically for capital investment before determining net operating income and taking any bonus incentive fees. AEG would contribute back some funds to capital needs, after fees, an amount that reached \$200,000 annually by year 5.

For XL, Global's fee was calculated on a base fee plus 10% of first \$1 million in NOI after capital contribution and 20% on a NOI amount over \$1 million. First full year Global fees could reach \$721,000. AEG fees were calculated at 50% on NOI over \$400,000 and below \$1.4 million and 25% on NOI over \$1.4 million. First full year AEG fees are estimated at \$846,000.

For Rentschler, Global's fees dropped from their initial offer to a new value of \$125,000 for the first year of operation while AEG fees are projected at \$371,000. By year three, Global's fees increased to \$133,000 while AEG's increase to \$560,000. Current fees at Rentschler exceed \$400,000.

In some years, Global's NOI (re: value to CRDA) at the stadium are projected lower than AEG; however Global's forecast has more conservative assumptions (eg: 6 UConn games rather than 7). The difference lies in a projection of concert events. AEG does offer a guarantee of one concert per year and would forfeit its base management fee (\$150,000) in any year that it failed to do so. Given the Stadium's experience and our understanding of the concert industry however, annual concerts if achievable would provide far more than \$150,000 to State in the way of Stadium revenues as well as admission taxes and state sales tax receipts. The representation of one concert impacts the AEG projection and the penalty for not achieving the concert is less than the potential upside factored into the spreadsheets. Global is more reserved in their concert forecasts.

### UConn:

While not a formal bidder to the RFP, UConn expressed an interest in operating Rentschler Field and responded to a CRDA inquiry as to how such an arrangement could work. This complicated the review of the three responses to the RFP which were premised in part on the economies and operational advantages that could be gained by a combined management of both venues.

UConn made a compelling case for the management of the Stadium due to their ongoing experience with similar athletic facilities on campus, the presence of staff familiar with collegiate sports, and most critically, UConn is responsible to close any shortfall between revenues and operating expenses at the Stadium today in accordance with their current lease. UConn also suggested the sale of sponsorships to assist in a capital program, but such possibility exists now and would continue under any new operating arrangement.

CRDA and OPM staff review concluded that (1) there were cost economies in a combined venue operation that UConn was not willing or able to offset; (2) even with fees and incentives, the proposed private management option produced more net revenue to the bottom line than UConn's proposed pro forma; (3) that such revenues were important to the likely capital demand at the building in the near term; (4) the private incentives to initiate additional events other than UConn's football games were greater for any private management group than they would be for UConn; and (5) the larger macro outlook of cross marketing the buildings was more likely to happen and to have success with a single operator managing both XL and the Stadium than it would be for two separate entities with different ticketing, promotion and operating systems.

Further, upon final assessment, the combination of lower operating expenses than currently experienced, a lower base fee, and smaller incentive structure, the operation of Rentschler should be as much as \$300,000 less than the current cost structure, providing a direct benefit to UConn's expenses or being available for a capital reserve increase.

### Capital Investment Program:

The XL Center in particular, and in the near term, the Stadium will need capital improvements. The proposals to invest in XL and the Stadium were initially disappointing from all three bidders and fell short of meeting CRDA's suggested target for annual investment in building equipment and systems.

For XL, there is a need to invest a minimum of \$16 million in the building over the next ten years just to sustain its operating systems. An investment of roughly \$30 million would be necessary to add some upgrades and a thorough re-construction of the building exceeds \$100 million.

Those investments that generate revenue (new concessions) and better event experience (ticketing systems, cross marketing, mid level suites) are the focus of the three bidders. Systems such as elevators, escalators, bathrooms, HVAC, ice systems and other engineering demands are far more expensive and increasingly demanding and would have to be addressed by CRDA thru allocation of projected NOI or special bonding requests.

As indicated above, the modified proposals within the FBOs would monetize approximately \$20 million (within current interest rates and terms,) in capital upgrades from Global, and could drive approximately \$9 million from AEG.

Global's initial capital focus would be for inclusion of loge boxes in the lower bowl, additional signage and video capacity, VIP lounge in west exhibition hall, additional selling stands, expansion of concourse into vacant mall areas and upgrades to food concessions.

AEG proposes similar improvements to the lower bowl for new suites, concession upgrades, video and signage improvements.

#### Hockey:

Critical to any selection has been the status of an AHL hockey team in the XL Center. The team makes up 38+ dates and generates in excess of 140,000 attendees. The current lease expires at the end of the ongoing hockey season and an extension or a replacement team should be determined by May, prior to the AHL League meetings.

Each respondent understands this requirement and has specifically been notified that any contract to manage the XL Center would be contingent on securing an AHL team for the building without missing the upcoming season.

In correspondence to CRDA from the AHL on February 5, 2013, the league expressed its commitment to the Hartford market and their intent to work closely to retain the current AHL tenant or a new franchise for the XL Center. The league office noted that the lease framework under which the Baldwin Group operated the franchise for the NY Rangers was 'not sustainable' for an AHL team and was one of the 'most onerous in (the) 30 team league'. The AHL represented that they were comfortable with either AEG or Global as operators.

Neither AEG nor Global produced a hard commitment from either MSG or another AHL franchise. Territorial rights to the Hartford market are controlled by MSG and the AHL will not support another franchise to be in the Hartford market without MSG first surrendering the territory. Should this happen, another AHL team seems likely due to the market demographics and the AHL's intent to maintain a presence in it.

Further, as is the case with the AHL, MSG also indicated to CRDA staff and its consultants that they were comfortable with either AEG or Global but did not want to select one over the other, indicating that it could work with both. The RFP included a general outline of MSG's business points, something all bidders were tuned to and acknowledged.

Both AEG and Global have strong connection to the NHL and AHL, each owning or have owned or operated teams in each league and serving on their boards. Global is a component of Comcast which owns Verses, the NHL network.

AEG also provided correspondence (confidential) from another AHL team interested in the Hartford market should the Rangers/MSG opt for another venue and should AEG secure operating rights. A

second possible AHL franchise contacted CRDA as well on behalf of AEG. An alternative AHL team is likely to have a lease structure closer to the league norm and likely less costly to the XL Center.

Other Factors

*Comcast/Global*

Comcast, via NBC Sports has been making major investment in Connecticut and will broadcast Hockey East, a league that UConn will join in 2014; leading to increased exposure for the XL Center and for UConn.

Comcast offered Run of Spot (ROS) cross channel marketing of XL and Stadium events on its cable networks and special marketing packages to Comcast subscribers.

Comcast has already made investments through sponsorship at XL and the Stadium.

*AEG*

AEG previously managed/operated Rentschler Field but was replaced with Bushnell Management by the State in 2010, primarily due to their failure to book major events in the building.

AEG offered real estate planning services, valued up to \$150,000 to assist with master planning the area around XL for future development.

AEG is for sale and such sale may limit risk taking and raises questions about long-term management team. AEG represented in their FBO that they were receptive to a provision in any management contract given CRDA the right to terminate the agreement if in CRDA's reasonable opinion, the new owner does not meet certain conditions such as financial wherewithal or ability to fulfill contract terms.

AEG offered up to \$2 million in at risk funding for the underwriting of events.

*Bushnell*

Bushnell Management was hesitant to identify its likely operating manager. While local, there is a question as to their capacity to manage/operate these two large venues plus their theatre complex.

Other Factors:

The capacity of the operating firm to provide a Letter of Credit, high level of liability insurance or other security instruments is a threshold issue.

The tenuous nature of the Big East Conference can significantly impact projections for both the Stadium and the XL Center.

Performance criteria were specifically requested from each respondent and will be used to establish a matrix to evaluate the manager and will outline grounds to terminate the contract should it become necessary. This will be established for both venues.

Competitive and conflicting issues between the operators and various vendors exist including (1) whether or not AEG Live prevents Live Nation events or the inverse, Live Nation avoids AEG facilities to the detriment of XL; (2) whether other Comcast facilities compete for same talent in the region.

Chronology:

A Request for Proposals (RFP) was issued on October 24, 2012 with a final response date of December 17, 2012.

A screening committee made up of technical staff representing CRDA; OPM, as 'owner' of Rentschler; the City of Hartford, as owner of the XL Center; Metro Hartford Alliance, as a business representative; and Connecticut Innovations (CI), as manager of the XL Center was joined by CRDA counsel and a consultant firm specializing in venue operations. In consultation with the Venue Committee of the CRDA Board, the committees reviewed the material, interviewed the bidders and issued follow up inquiries over a two month process as outlined below.

October 24, 2012	RFP Issued
November 2, 2012	Letters of Interest (5) to file response to RFP received
November 14, 2012	Pre Bid Information meeting and tour
December 3, 2012	Screening committee organized
December 12, 14, 2012	CRDA and OPM staff meet with UConn per existing lease
December 17, 2012	3 Bids Received plus letter of Interest from UConn for Rentschler
December 17-Feb 6 2013	Ongoing staff analysis and exchange with bidders
December 27, 2012	Screening Committee meeting following read thru of bids
December 28, 2012	CRDA Q&A to UConn re: Rentschler
January 4, 2013	CRDA contracts with Brallsford and Dunlavey to review bids
January 16, 2013	Venue Committee /Screening Committee meet to review evaluations
January 17, 2013	Q&A to three bidders following up on Initial proposals
January 23-4, 2013	Interviews with 3 bidders
January 25, 2013	Initial bid scoring
January 28, 2013	UConn response to 12/28 Inquiry from CRDA
January 30, 2013	CRDA Board of Directors executive session to review bids
February 1, 2013	Final and Best Offers solicited from two bidders
February 6, 2013	Final and Best offers received from AEG and Global-Spectrum
February 6, 2013	Screening and Venue Committees review F&BO
February 7, 2013	CRDA Board Consideration

Appendix A

*Initial Scoring*

	BMS	Global	AEG
Secure AHL	7	17	18
Capital/NV Strategy	7	19	16
Growth in Events	7	21	14
Revenues to CRDA/State	9	21	12
Community Engagement	21	11	10
Industry Practices	7	20	15
Staff	7	20	15
Conflicts/Competitive	11	16	15
Rentschler Program	17	17	8
Risk Taking	7	15	20
Totals	100	177	143
	14.3	25.3	20.4



Appendix B

*"Side by Side" Summary*

	Global	AEG
<b>XL Center</b>		
Initial Corporate Capital Investment	\$2.75M	\$1.5M
First Full Year Revenue to CRDA	\$1.9M	\$1.13M
Capital Reserve/Contribution Annual	\$1M	\$200,000*
Capital Value (NPV, 4% 10 yr.)	\$8.3M	\$1.7M
Capital Capacity of deal (discounted)	\$20M	\$9M
Annual Fees to Manager	\$721,000	\$846,000
<b>Rentschler Field</b>		
First Full Year Revenue to CRDA	\$542,000	\$507,000
Annual Fees to Manager	\$125,000	\$371,000

\* by yr. 5

**MOTION REGARDING THAT CERTAIN REQUEST FOR PROPOSALS  
FOR MANAGEMENT OF THE XL CENTER AND THE STADIUM AT  
RENTSCHLER FIELD ISSUED OCTOBER 24, 2012 (the "RFP")**

The CRDA Board of Directors hereby approves Global Spectrum as the RFP's preferred proposer, subject to Global Spectrum securing an AHL affiliate in a form acceptable to the Authority by March 1, 2013.

The Board hereby authorizes the Executive Director to begin negotiations with Global Spectrum on a management agreement(s) with terms and conditions consistent with its "Final and Best Offer". Such terms and conditions may be modified or supplemented as determined by the Executive Director to be in the best interest of the Authority; however, any resulting agreement(s) must be ratified by Board.

**Capital Region Development Authority  
Board Meeting  
CT Convention Center, 5<sup>th</sup> Floor  
Thursday, April 25, 2013  
6:00pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Thomas Deller; Floyd Green; Pamela Reid; Mayor Pedro Segarra; Commissioner Catherine Smith; **Present By Conference Phone:** David Jorgensen

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

Prior to the business portion of the Board meeting, several Board members attended a tour of the Central Utility Plant (CUP).

Chairwoman Suzanne Hopgood called the Board Meeting to order at 6:54pm.

**Minutes**

The minutes from the March 21, 2013 Board Meeting were approved unanimously.

**Introduction of Director of Construction Services**

Michael Freimuth introduced Robert (Bob) Saint, newly hired Director of Construction Services. Bob has been hired to lead the Office of Relocation for the Capital Region Development Authority under the purview of the State of Connecticut. He has many years of experience including but not limited to being the former Project Manager for Waterford Development on the Adriaen's Landing Project.

**Liaison Reports**

Chairwoman Hopgood reported that iQuilt has added Front Street to their overall plan.

**Mayor Segarra Report**

Mayor Segarra indicated he submitted a balanced budget to the City Council and that there will not be a mill rate increase. The Mayor met with IBM as part of the Smarter Cities Initiative looking for ways to be more efficient in their operations. The Mayor is trying to encourage the City Council to take an active role along with his Administration, to provide and help craft solutions to make sure structural changes are done.

Governor, Commissioner Smith and Mayor announced Brownfield funding for remediation for Capewell which may be used as housing or mixed use.

Town Houses are being built on Popieluszko Court. Site clean-up is needed prior to Phase II construction, which will consist of four more townhouses.

The City is working with Travelers and Aetna to bring back a cycling event that hasn't been in Hartford since 1983. Hartford will see the return of USA Gymnastics, woman's basketball and there is even talk of bringing soccer to the area.

Thomas Deller reported that a partnership between Utile, Inc., Gibbs Retail and one other vendor (name was not available) contract was signed for a series of analysis including design and retail marketing for Downtown North. The City is looking at a June/July timeframe to go out for RFI to solicit development opportunities for the 25 acres that are owned by the City. Mr. Deller further reported on 370 Capital Avenue indicating that Hartford renewed the site plan approval for an additional three years so the developer has additional time to put funding together.

Other areas of interest: Hartford withdrew as a competitor of the UCONN Project; Five firms have submitted proposals to be broker for the Farmington site, these proposals are currently being reviewed; Tiger Grant moving forward; Mayor Segarra will likely testify at hearings at the House of Representatives in which the Administration has submitted a favorable recommendation to make Coltsville a National Park.

DECD Commissioner Catherine Smith offered support from her agency.

### Committee Reports

#### *Executive Committee*

CRDA budgets are due July 1, 2013. Mr. Freimuth asked the Executive Committee for three meeting dates in the month of May to review and approve these nine budgets. Once approved by the Executive Committee, budgets will be brought to the full Board for adoption.

#### *Housing Committee*

Thomas Deller gave a brief review of the adjustment to 201 Ann Street and the contribution to 283-91 Asylum (see below).

### Housing Committee Report

#### Background:

201 Ann: The full CRDA board approved a package of assistance to 201 Ann Street at its March meeting that provided a \$3.5 million construction loan that would be reduced upon permanent bank financing to no more than \$750,000 second mortgage. A further assessment of construction costs, the possibility of additional two units and the need to build a larger contingency has led to a recommendation to increase the construction note to \$3.8 million to be bought down to the same final CRDA contribution of \$750,000 second mortgage upon permanent financing and equity contribution.

283-91 Asylum: The Housing Committee has reviewed and approved a construction/permanent loan for the conversion of 283-91 Asylum Street into 16 units at market rate. The recommended level of CRDA funding is \$575,000 that will be bought down to \$518,000 upon receipt of historic credits and permanent financing.

Recommendation:

To approve the adjustment to 201 Ann and to approve the contribution to 283-91 Asylum.

201 Ann St

Owner: Universal Enterprises LLC, Brooklyn NY (Yisroel Rabinowitz)  
Project Cost: \$4.4 (\$3.8 M construction, \$600K acquisition)  
CRDA: \$3.8M construction note at 3.5% to bought down to no more than \$750,000 second Mortgage at ½% interest amortized over 20 year term.  
Bank: 75% LTV mortgage within 24 months  
Construction: 12-18 months  
Stabilization: 6 months from c/o  
Units: up to 22 market rate

283-91 Asylum St

Owner: DSJ45 LLC (David Squillante)  
Project Cost: \$1.75 million  
CRDA: \$575,000 construction note reduced to \$518,000 permanent second mortgage at 1.5% for 20 year term  
Private: \$1.2 million (including historic credits)  
Construction: 12-18 months  
Stabilization: 3-6 months from c/o  
Units: 16 market rate

The following motion was moved by Thomas Deller, seconded by Mayor Pedro Segarra and after a lengthy discussion, approved unanimously.

*“Authorizing the Executive Director to extend formal term sheets to the applicants with the understanding that substantial changes to these terms will be subject to further review by the CRDA Board, evidence of private financing, construction bids consistent with budgets, State Bond Commission approval and such fiduciary items as deem appropriate by the Executive Director..”*

Mr. Freimuth referred to the Pipeline Report (*attached*) indicating that CRDA housing funds are committed to the first four projects listed.

*Venue Committee*

Andy Bessette indicated the following contracts were vetted and approved by the Venue Committee, the next step is the full Board will act on the following three contracts:

- 1) XL Center Term Sheet
- 2) MOU Rentschler
- 3) Global Management Agreement

Michael Freimuth introduced Bill Rock and Scott Murphy from Shipman and Goodwin. CRDA contracted with Shipman and Goodwin to secure the Lease Agreement with the City for the XL Center and the Global-Spectrum Management Agreement. Tony Lazzaro has been crafting the OPM agreement.

The first contract occurs in two parts: 1) transfer the existing lease for the XL property from Connecticut Innovations (CI) to CRDA which will absorb what is left of their agreement (CI's Board of Directors has already approved this action); and 2) enter into a lease agreement with the City for a 10 year period for the XL Center. (City Council approved on Monday night). Bill Rock offered a summary of what the agreement contained and what it means for CRDA.

After a lengthy discussion, the following motion was moved by Andy Bessette and seconded by Mayor Pedro Segarra and approved unanimously by the Board.

*"The CRDA Board of Directors hereby authorizes the Executive Director (1) to accept the XL Center from Connecticut Innovations, Incorporated through an assignment and assumption of lease and (2) to execute an amended and restated lease agreement and all manner of other related documents embodying the terms and conditions outlined in the Term Sheet attached hereto."*

The second contract is a Memorandum of Understanding (MOU) between OPM and CRDA, legally authorizing the transfer of Rentschler Stadium from OPM to CRDA. This MOU is in the nature of an inter-agency agreement relating to the custody, control and management of a state asset pursuant to the authority granted in the authorizing legislation.

After a discussion the following motion was moved by Andy Bessette and seconded by Commissioner Catherine Smith with Ben Barnes abstaining. The motion was otherwise approved unanimously by the remaining members of the Board.

*"The CRDA Board of Directors hereby authorizes the Executive Director to execute such MOU in substantially the same form as attached hereto."*

The final contract is the Global Management Agreement which deals with the management and operation of the Facilities, including marketing, booking, event management, building management, security, and similar operational matters.

Mike Freimuth further explained that this is a very different agreement than the current agreement with AEG. There will be a variety of subsequent agreements that will need approval from the Board in the coming months, these policies will include, but are not limited to, determining the type of shows, underwriting, marketing, hiring, agreements with UCONN, etc. The Board will be actively engaged, especially in the first year. Scott Murphy offered a summary of what the agreement contains by referencing the Executive Summary (attached).

After a lengthy discussion the following motion was moved by Andy Bessette and seconded by Secretary Ben Barnes and approved unanimously by the Board.

*"The CRDA Board of Directors hereby authorizes the Executive Director to execute such Management Agreement in substantially the same form as attached hereto."*

Chairwoman Hopgood asked Frank Russo, Senior Vice President of Global Spectrum if there was anything he would like to add to the discussion. Frank thanked the Board and indicated that he is looking forward to working with all of CRDA. Frank also introduced his team, Tim Murphy, Regional VP and Chris Lawrence GM of the XL Center. Mike Freimuth thanked Global Spectrum for being fair and he also thanked Tony Lazzaro for his hard work and long hours helping to move this process forward. Suzanne Hopgood and Andy Bessette thanked Bill

Rock, Scott Murphy, Anthony Lazzaro, Mike Freimuth, Kim Hart and the Venue Committee for managing this process.

#### *Relocation Committee*

Mike Freimuth gave a brief update regarding 55 Farmington Avenue. A pre-construction contract with Morganti will need to be ratified in the next week. The goal is to have State Agencies located at 55 Farmington within the next year. The second phase of the relocation will be more complex, consisting of more extensive construction to move State Agencies.

#### *Transportation Committee*

The Transportation Committee met, however no action was taken.

#### **Executive Director Report**

Michael Freimuth reported that he met with Joe Marfuggi, Executive Director of Riverfront Recapture. Riverfront Recapture is looking for support from CRDA Board to reestablish a \$5M allocation that was swept during prior budget negotiations. They would like to pursue a study to design the continuation of the pedestrian walkway to the southern loop. Other projects that Riverfront is looking for CRDA to support are, a National Endowment of Arts Grant that would light the facades of the Bulkeley Bridge and the Town of East Hartford DEEP Grant that would make improvements to the Great River Park.

The CRDA Board will supply a letter of support for the efforts of Riverfront Recapture to secure funds for the proposed South project.

Mr. Freimuth informed the Board that work with historic tax credits has been stalled nationally and Four of CRDA's projects are caught in this category: 777 Main Street; Sonesta; Allyn Street and Capewell. The projects will be impacted until lawyers can put together an audit proof legal structure that protects the credit investors.

The Front Street Development Agreement for Housing should be completed in the next 7-10 days. Capital Grille will open this fall and Infinity Music Theatre is scheduled to open early Spring 2014.

#### **Financial**

CRDA Chief Financial Officer Joseph Geremia indicated at the next Board meeting, full 3<sup>rd</sup> Qtr. Financial Statements will be distributed. Today he is reporting YTD Operating Statistics through Mar, 2013 for the Convention Center and Parking. The Convention Center Utilization is at 70%, recorded attendance is 237,900 and revenue is \$7.020M. Parking Utilization remains consistent at 51%; total Revenue is \$4.614M.

Budget Committee meetings will need to be scheduled. Nine Budgets for FYE 2014 require approval before July 1, 2013.

The Financial Management System solutions are nearly complete. The Fixed Asset System has been implemented, first payroll from CORE CT will be distributed next week and the Fund Accounting System is scheduled to be completed in June.

Audit kick-off meeting has occurred and the Field work is scheduled for the first and second week in May.

Chairwoman Hopgood thanked Mr. Geremia for all of his hard work.

### Marketing

Mr. Freimuth reported that a marketing piece was included in the Board Package. This marketing material includes an update of the Hartford Message Project and the Hartford "Has It" logo kick-off.

Floyd Green noted that USA Gymnastics Championships will be held in Hartford, August 15 – 18. This is a special year for USA Gymnastics, previously known as Visa Championship. Along with celebrating fifty years as a league, Bela and Martha Karolyi will also be celebrating, fifty years of coaching and their 50<sup>th</sup> Golden wedding anniversary.

At 8:36pm, the Board adjourned.

*"The minutes of the April 25, 2013 CRDA Board Meeting were approved by Board Members at the June 4, 2013 Special CRDA Board Meeting".*



## EXECUTIVE SUMMARY

of

### CIVIC CENTER AND STADIUM MANAGEMENT AGREEMENT

This Executive Summary has been prepared for the convenience of the Board of Directors of the Capital Region Development Authority. This summary is necessarily a selective and condensed rendering of only certain significant provisions of the Management Agreement (draft dated April 16, 2013). Accordingly, this Executive Summary is qualified in its entirety by reference to the Management Agreement itself.

#### A. INTRODUCTION

1. Parties. The Management Agreement (the "Management Agreement") relating to the management of the Civic Center and the Stadium (the "Facilities") is between Global Spectrum L.P., a subsidiary of Comcast Spectacor (the "Manager") and the Capital Region Development Authority (the "Owner").
2. Background. The Management Agreement gives effect to the provisions of the Memorandum of Understanding dated March 22, 2013, which granted Global Spectrum exclusive rights with respect to the management of the Facilities for a period of ten (10) years. The Management Agreement is otherwise based generally on agreement forms commonly employed for management services at comparable publicly-owned and privately-managed Facilities.
3. Scope. The Management Agreement deals with management and operation of the Facilities, including marketing, bookings, event management, building management, security, and similar operational matters. It assumes that certain services such as Parking, Marketing, Ticketing and Food & Beverage service, including related catering and concession activities, will be provided pursuant to separate Agreements.

**B. ENGAGEMENT AND GENERAL RESPONSIBILITIES (ARTICLE II)**

1. Owner's Objectives. Manager acknowledges that CRDA's objectives with respect to the Facilities include: (i) operation, management and promotion of the Facilities as premier venues for major college athletic events, including UConn football and soccer at the Stadium and UConn men's and women's basketball and hockey at the Civic Center, as well as conference and NCAA tournament events; (ii) attraction to the Facilities of a variety of suitable events, including an increasing number of higher attendance events, so as to maximize utilization and attendance and resulting economic impact and employment opportunities; (iii) providing a high quality fan experience and a high level of customer service; (iv) maintaining a strong and cooperative relationship with UConn's Division of Athletics regarding use of the Stadium and the Civic Center for UConn athletic events; (v) maintaining AHL hockey at the Arena and helping to position Hartford for the possible future return of NHL hockey to the City; (vi) engaging and involving the community, including local vendors and driving demand for facility utilization; (vii) mitigation of financial risks to CRDA; (viii) efficient and cost-effective operation and management so as to maximize the profitability of events; and (ix) implementation of clear and comprehensive financial accounting procedures and strong accounting controls (together, the "CRDA's Objectives").
2. Industry Standard. Manager shall provide and perform the Management Services in a prompt, diligent and professional manner consistent with the Industry Standard and the scope and quality of services described in the Proposal, and in compliance with Applicable Laws, subject, however, to the limitations of the Operating Budget and the other terms and conditions of this Agreement. Manager shall manage and operate the Managed Facilities so as to maximize Gross Revenues and, given the level of activity at the Managed Facilities, minimize Operating Expenses, and otherwise so as to conform, to the greatest practicable extent, to the Operating Budget except to the extent of variances favorable to CRDA.
3. Corporate Services. In connection with Facility Operations, Manager shall make available, or cause Manager's Affiliates to make available, to CRDA and the Managed Facilities the benefit of the corporate expertise, corporate resources and corporate relationships described in the Proposal under the headings "Corporate Services" or "Value-Added Services and Benefits", including the following:
  - (a) access to programs, policies, procedures and manuals developed at the corporate level and made available at the Facilities;
  - (b) creation and use of an "in-house" advertising agency to benefit tenants;
  - (c) the benefit of cooperative purchasing relationships;
  - (d) corporate advertising and sponsorship databases, relationships and support;

- (e) facility performance analytic tools and industry comparisons;
- (f) corporate relationships with regional and national promoters, including Live Nation;
- (g) the corporate relationship between New Era Tickets and Paciolan as provider of ticketing services to UConn;
- (h) marketing to Comcast subscribers and marketing of advertising and promotional benefits available through Comcast/NBC;
- (i) expanded involvement of Comcast at the Managed Facilities; and
- (j) with respect to the proposed development of a "Hartford Live" venue as described conceptually in the Proposal, (i) assistance in assessing the feasibility of and the development of a concept plan for such a venue, including possible use of portions of the Civic Center and/or adjacent areas or facilities on either a permanent or event-specific basis with the objective of expanding entertainment options and economic impact generally and increasing Civic Center revenues specifically; and (ii) if based on such assessment the parties reasonably agree that such a venue is feasible or otherwise desirable, development of and submission to CRDA no later than February 1, 2014, of a plan for the development and operation of such a venue, including the proposed location, size, principal features, hours of operation, ownership structure, financing sources and preliminary revenue and expense projections. The parties recognize that such plan may contemplate development of such venue within the Civic Center at CRDA's expense, with revenues generated therefrom being included in Civic Center Gross Revenues, and/or may contemplate a proposal by Manager for investment by Manager, its Affiliates or investment partners in the development of such venue consistent with the undertaking with respect thereto expressed in the Proposal, but subject to the results of the feasibility assessment, market conditions and other reasonable business considerations;

(all of the foregoing being referred to herein as "Corporate Services"). Corporate Services shall be provided in consideration of the Fixed Management Fee and the costs thereof shall not be Operating Expenses.

3. Engagement of Certain Affiliates of Manager.

- (a) The parties agree that the following Affiliates of Manager shall be engaged to provide the following services at or for the Managed Facilities during the Term: (1) Ovation Food Services shall be engaged to provide food and beverage services, (2) Net Era Tickets shall be engaged to provide ticketing services, and (3) Front Row Marketing Services shall be engaged to market the Commercial Rights. CRDA shall have the right to approve such agreements prior to their execution; provided, however, that

CRDA specifically agrees that the terms of such agreements shall each be for ten (10) years, commencing July 1, 2013 and ending on June 30, 2023 (subject to the early termination provisions of such agreements and except that the agreement with New Era Tickets as it relates to the Stadium will commence August 1, 2013, and end June 30, 2023, and for the period July 1, 2013 to July 31, 2013 the current ticketing contract with Ticketmaster for the Stadium will be assigned by the Current Manager to Manager), and that the fees payable for services provided under such agreements shall be as follows:

- (i) Ovations Food Services:
  - (A) base fees of One Hundred Fifty Thousand Dollars (\$150,000) at the Civic Center and Fifty Thousand Dollars (\$50,000) at the Stadium, subject in each case to annual adjustment by reference to changes in the CPI (but not to fall below the initial base fee amounts);
  - (B) incentive fees at the Civic Center of eight percent (8%) of Net Concession Revenues above a benchmark to be mutually agreed to by CRDA and Manager, and at the Stadium twelve percent (12%) of Concession Revenues in excess of One Million Dollars (\$1,000,000) per year (capped at the Stadium base fee).
- (ii) Front Row Marketing Services: at both the Civic Center and the Stadium, ten percent (10%) of gross revenues (including the fair market value of any trade if approved in advance by CRDA) from the sale of Commercial Rights (excluding any revenues from the renewal or extension of the current naming rights deal with XL Insurance at the Civic Center); and
- (iii) New Era Tickets: no separate management fees (but, for the sake of clarity, New Era Tickets shall receive the per ticket fees set forth in Manager's Proposal).

Each of Ovations Food Services, New Era Tickets and Front Row Marketing Services shall be intended third party beneficiaries of the rights described in this Section 2.04 relating to such entity.

C. MANAGER'S PLANS AND POLICIES (ARTICLE III)

Manager shall develop and recommend to CRDA for its approval the following plans and policies:

1. a facility management and operations plan;
2. a parking plan;
3. a booking policy;
4. a marketing plan;
5. a staffing plan;
6. an accounting and systems control plan;
7. a set of rules and regulations governing the use of the Facilities by Licensees;
8. a security plan; and
9. a community involvement and engagement plan with respect to the Facilities and Facility Operations substantially consistent with the Proposal and including, at a minimum, the following elements: promotional tie-ins with local advertisers and sponsors; cross-promotions with local merchants; discount ticket packages to local restaurants and efforts to make arrangements for restaurant discounts for ticketholders; outreach to the local business community with respect to upcoming events activity and encouragement of day-of-event promotions; coordination with local parking lot operators to increase foot traffic for nearby businesses; internship programs and "career days"; support of local charities; tickets and tours for inner-city school children; and arrangements to include and feature local products and vendors.

D. MANAGER'S RESPONSIBILITIES DURING MANAGEMENT TERM (ARTICLE IV)

1. Management Services Generally. During the Management Term, Manager will provide all administrative and operational services necessary for the operation of the Facilities, including budget development and the implementation of the plans, policies and procedures provided in Section C above.

E. MANAGER'S CAPITAL INVESTMENT (ARTICLE VI)

1. Manager shall contribute One Million Dollars (\$1,000,000) to CRDA to be applied to fund capital improvements at the Civic Center which are either revenue generating improvements or other improvements intended to drive additional attendance and indirectly increase revenues.

2. The parties acknowledge that the C&C Agreement shall require Ovations Food Services to contribute One Million Dollars (\$1,000,000) to CRDA to be applied to upgrades and/or additions to catering and concessions preparation and service areas, systems and equipment, including service wares.

3. The parties acknowledge that the Ticketing Agreement shall require New Era Tickets to contribute Seven Hundred Fifty Thousand Dollars (\$750,000) to CRDA for capital improvements at the Civic Center not limited to revenue generating or catering and concessions improvements.

**F. TERM (ARTICLE X)**

1. Management Term. The Management Term begins on July 1, 2013 and ends on the Scheduled Termination Date, unless earlier terminated pursuant to the Management Agreement. The Scheduled Termination Date is the tenth (10th) anniversary of the Opening Date.
2. Default Under Development Agreement. CRDA shall have the right to terminate the Management Agreement upon sixty (60) days' written notice to Manager if in two (2) out of any three (3) consecutive Contract Years, excluding for purposes of this analysis the results in the first (1<sup>st</sup>) Contract Year, Manager fails to achieve at least ninety percent (90%) of the Civic Center Net Operating Income projected in the Civic Center Operating Budget for such Contract Years; provided; however, CRDA shall not be entitled to terminate this Agreement under this provision if such failure is due, in whole or in part, to an Uncontrollable Circumstance, or otherwise results from all or a substantial portion of the Civic Center being rendered unusable (whether due to damage or destruction to the Civic Center, temporary or prolonged closing of the Civic Center, or otherwise) for the purposes contemplated under this Agreement.

**G. MANAGER'S COMPENSATION (ARTICLE XI)**

1. During Management Term. For services during the Management Term, the Manager will be paid a Base Management Fee and an Incentive Management Fee.
2. Stadium Fixed Management Fee. The Stadium Fixed Management Fee for the first Contract Year is \$100,000. For each Contract Year after the First Contract Year the Base Management Fee is increased based on increases in the Consumer Price Index.
3. Stadium Incentive Management Fee.  
The Incentive Fee for Manager's services at the Stadium ("Stadium Incentive Fee") shall be equal to twenty-five percent (25%) of rent, ticket surcharge, parking, concessions and broadcast revenues in excess of a mutually agreed benchmark based on the same revenue categories as are included in the definition of Stadium Event Gross Revenues (the "Stadium Event Gross Revenue Benchmark").

4. Civic Center Fixed Management Fee. The Civic Center Fixed Management Fee for the first Contract Year is \$360,000. For each Contract Year after the First Contract Year the Fixed Management Fee is increased based on increases in the Consumer Price Index.
5. Civic Center Incentive Management Fee. The Civic Center Incentive Management Fee for Manager's services at the Center shall be equal to (i) ten percent (10%) of Civic Center Net Operating Income from One Million Dollars (\$1,000,000) to Two Million Dollars (\$2,000,000) each Contract Year, plus (ii) twenty percent (20%) of Civic Center Net Operating Income in excess of Two Million Dollars (\$2,000,000) each Contract Year. For the sake of clarity, Manager shall not earn any Incentive Fee on the first (1<sup>st</sup>) One Million Dollars (\$1,000,000) (as such figure may be pro-rated pursuant to Section 11.02(d) below) of Civic Center Net Operating Income in any Contract Year.

#### H. EMPLOYEES (ARTICLE XII)

1. Employees Generally. Manager will have the authority to hire, terminate and discipline any and all personnel working at the Facilities. Facility employees are not considered employees of Owner or the State.
2. Job Preferences. Manager agrees to make reasonable efforts to hire or cause to be hired available and qualified residents of the Town of East Hartford and the City of Hartford and available and qualified members of minorities, as defined in Section 32-9n of the General Statutes, for operations jobs at the Managed Facilities at all levels of operation activity.
3. Recruitment Practices. In furtherance of its responsibilities under Section 12.04, Manager shall employ industry standard job advertising and recruitment practices in an effort to attract qualified residents of the Town of East Hartford and the City of Hartford and minorities as applicants for all jobs related to the operation of the Managed Facilities, and otherwise to comply with all Applicable Laws relating to hiring, wages and benefits, and employment practices in connection with the operation of the Managed Facilities, including taking affirmative action to provide equal opportunity for employment without regard to race, creed, color, age, national origin, ancestry or gender.

I. **COMPLIANCE WITH LAWS; STATE CONTRACTING REQUIREMENTS**  
**(ARTICLE XVI)**

1. Applicable Laws. Manager will comply with all Applicable Laws, including Title III of the ADA. Manager will require compliance of its contractors and subcontractors as well.
2. Public Building. The Facilities will be operated as public buildings.
3. State Contracting Requirements. Manager will comply with the additional State contracting requirements provided in Exhibit A to the Management Agreement.
4. Set-Asides. Manager will comply with the terms of Section 32-9e of the General Statutes relating to set-asides for small contractors and minority business enterprises.
5. Contract Compliance. Manager will comply with the terms of (a) the Implementing Legislation, (b) the additional state contracting requirements per Exhibit A, and (c) contractor and employee set-asides and preferences with respect to the awarding and administration of contracts and subcontracts.



CRDA Housing Pipeline

Project	# Units	TDC	CRDA 'Ask'	CRDA \$/Unit	% Split	Structure	CRDA Bd. Approval	Bond Commission
777 Main	286	\$78.8M	\$17.7M	\$61.8K	80/20	\$7.5M equity \$10.2M 2nd mortgage	1/30/2013	3/13/2013
201 Ann	20	\$4M	\$750K	\$50K	100	initial constr. note \$3.5M convert to 2nd mortgage at \$750,000	3/21/2013	
179 Allyn	63	\$14.7M	\$6.5M	\$103K	100	\$3.25M equity, \$3.25M 2nd Loan	3/21/2013	
Front Street	115	\$35.7M	\$13.5M	\$117.4K	100	DECD grant, not part of \$60M	n/a	12/12/2007
Sonesta	193	\$25M	\$4M	\$20K	85/15	Champ vs. CRDA		
3 Constitution	195	\$50.7M	\$15M	\$76.9K	80/20	equity/loan		
283-291 Asylum	16	\$1.7M	\$575K	\$36K	100	2nd mortgage small project candidate		
370 Asylum	65	\$22.4M	\$5.8M	\$82.8K	20/80	inverted split		
36 Lewis	8	\$1.5M	\$3 - 600K	\$75K	100	small project candidate		
101 Pearl	121	\$27M	\$8M	\$66K	TBD	no less than 80/20		
111 Pearl	91	\$21M	\$6M	\$66K	TBD	no less than 80/20 pending brownfield grant		
Capewell	96	\$22.2M	\$6.590M	\$68.6K	100	condo strategy being accessed		
Summary	1269	304.5M	\$71.52M <sup>1</sup>	\$20 - \$118K	82/18 <sup>2</sup>	1076/153		

8-Apr-13

<sup>1</sup> does not include DECD \$13.5M Front Street  
<sup>2</sup> split impacted by 370 Asylum



*Capital Region  
Development Authority*

100 Columbus Boulevard  
Suite 500  
Hartford, CT 06103-2819  
Tel (860) 527-0100  
Fax (860) 527-0133  
[www.crdact.net](http://www.crdact.net)

**TO:** CRDA Board

**Cc:** CRDA Staff

**FROM:** Michael W. Freimuth, Executive Director

**DATE:** April 30, 2013

**SUBJECT: CRDA May and June 2013 Board Meetings Combined into one meeting**

Based on the discussion at last night's Board Meeting, the best date for the combined May/June Board meeting seemed to be Tuesday, June 11, 2013 at 6PM. This combined meeting date of June 11<sup>th</sup> would supersede the scheduled May 16<sup>th</sup> and June 20<sup>th</sup> meetings.

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## Cancellation

CRDA Board Meeting scheduled for June 11, 2013  
has been cancelled.

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**Capital Region Development Authority  
Board Meeting  
CT Convention Center  
Board Room A, 4<sup>th</sup> Floor  
Tuesday, June 4, 2013  
9:00am**

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Bessette; Floyd Green; Mayor Pedro Segarra; Mayor Marcia LeClerc; Nick Lundgren; Cheryl Malerba **Present By Conference Phone:** David Jorgensen

**CRDA Staff Present:** Michael Freimuth; Jennifer Gaffey; Joseph Geremia; Kim Hart; Anthony Lazzaro; Terryl Mitchell Smith. Antonio Roberto, representing CI.

Guests: Representing Waterford Group: Michael Costelli; Mark Wolman; Rob Winchester; Michelle Hughes; Daryl Gross; Bryan Fox. Representing Global Spectrum: Chris Lawrence, Tim Murphy (Phone); Ken Wajda (phone).

Chairwoman Suzanne Hopgood called the Board Meeting to order at 9:06am.

### Minutes

The minutes from the April 25, 2013 Board Meeting were moved for adoption, seconded and approved unanimously as amended.

### Housing Committee

CRDA Executive Director Michael Freimuth reported on a Housing deal that was discussed at the May 13<sup>th</sup> Housing Committee Meeting. The plan is to convert the former Sonesta Hotel into 193 residential units. Details of the deal are explained in the Committee Report below.

## Housing Committee Report

### Committee Activity:

The Housing Subcommittee met on May 13, 2013 and reviewed several deals including a proposal for the conversion of office space to 26 market rate units at 99 Pratt Street; the renovation of 101 and 111 Pearl Street into 201 units under two differing scenarios for units split between affordable and market; and considered a proposal to convert the former Capewell building into 67 condominium units.

The Committee considered and took action to recommend assistance to the 5 Constitution Plaza/Sonesta project as well.

### Sonesta:

Plans to convert the former Sonesta Hotel into 193 residential units (32 affordable) have been idle as financing has had to be secured. As the deal succeeded in obtaining offers of private financing, the federal historic tax credit market became unsettled due to a court ruling which impacted the willingness and ability of syndicators to provide the credit equity as well as the price of such credits. But for this recent twist, the deal would have likely closed and begun construction. CRDA can play a role by bridging the advance of such historic credits and close the current construction financing gap as the credit market sorts itself out, thereby facilitating the start of work.

**Source of Funds:**

Construction Loan/Mortgage	\$11,027,136
DECD Loan	4,000,000
Federal Tax Credit Equity	4,100,000
State Tax Credit Equity	3,230,000
Developers Equity	<u>1,609,695</u>
Total	23,966,830

CRDA Assistance:

Providing a bridge loan of \$2,050,000 for the construction period to cash flow the construction will allow the project to proceed. The loan will carry an interest rate of 3.5% and will be collateralized by the building and will be paid off within 36 months as stabilization is achieved and federal and state historic credit proceeds materialize.

The following motion was moved by Floyd Green, seconded by Mayor Pedro Segarra. After a discussion, the motion was approved unanimously.

*“The CRDA board hereby approves the use of CRDA housing funds to assist the 5 Constitution Plaza project and the Executive Director is authorized to extend a formal term sheet to 5CP, LLC (the developers of the Sonesta Hotel/5 Constitution Plaza) offering a bridge loan to facilitate construction in the amount of \$2,050,000 at 3.5% to be repaid no later than 36 months, subject to evidence of all other financing being in such terms as acceptable to CRDA Executive Director and its counsel, State Bond Commission approval, and such fiduciary items as deemed appropriate by the Executive Director.”*

**Venue Budgets**

*Connecticut Convention Center Budget*

Michael Costelli, General Manager of the Connecticut Convention Center presented the CTCC Budget for FYE 2014. Mr. Costelli offered details regarding the State Funding Allocation which includes the Building Operations Agreement and the Destination Marketing Agreement (CT Convention Center took over subsidy program in 2011 formerly under the control of GHCVB). The Operating Income consists of Rent; Event Services Income; Other Income consisting of Sponsorships & Food and Beverage (F&B) Income. Operating Expenses include Salaries and Wages; Taxes & Benefits; Operations; Security; Administration & Expenses; Finance and Sales & Marketing. Fixed Charges consists of Facility Maintenance; Utilities; CUP Utilities; Insurance; Management Fee; Incentive Fee and Other Fixed Expenses of which are based on legal fees as well as CRDA provided numbers.

The following motion was moved by Andy Bessette, seconded by Mayor Pedro Segarra. After a lengthy discussion, the motion was approved unanimously.

“The CRDA Board of Directors approves the Connecticut Convention Center Budget for FYE 2014 as presented, subject to available funds.”

*XL Center*

Chris Lawrence, General Manager of XL Center and Rentschler Field presented the XL Center proposed budget. The proposed budgets were presented both as a 12 month operating budget and a 10 month operating budget with a two month transition. Prior to voting on the XL Center Budget, a lengthy discussion occurred regarding events that will occur during the two month transition timeframe, specifically USA Gymnastics. Board Members requested a meeting with

AEG, Global Spectrum, CRDA, Board members and Steve Penney from USA Gymnastics to discuss the transition.

The following motion was moved by Mayor Segarra seconded by Andy Bessette. After a lengthy discussion, the motion was approved unanimously.

“The CRDA Board of Directors approves both scenarios of the XL Center Budget for FYE 2014 as presented, pending refinement of our future conversation, subject to available funds.”

#### *Rentschler Field*

Chris Lawrence and Kim Hart, CRDA Venue Director, reported on the FY 2014 Rentschler Field Budget. July 1<sup>st</sup> is the target date for Global Spectrum to take over Rentschler Field. Two major components of success at Rentschler Field are concessions and parking. Ovations Food Service is currently working on rebranding the concessions stands. Parking meetings with LAZ have been continually taking place to ensure ample parking availability.

Due to its age, a new scoreboard is a necessity. Currently there is a \$3.1M capital request for improvements to Rentschler Field, however this requires legislative and Bond Commission action. An RFP went out for a new scoreboard and each company has included a lease to own option so a new scoreboard can be leased until the capital request is fulfilled.

The scoreboard project will include new ribbon boards, which will provide additional advertising revenue for the University.

The following motion was moved by Andy Bessette seconded by David Jorgensen. After a lengthy discussion, the motion was approved unanimously.

“The CRDA Board of Directors approves the Rentschler Field Budget for FYE 2014 as presented, subject to available funds.”

#### *Other CRDA Budgets*

Approval of the six FYE 2014 budgets approved by the Executive Committee on May 30, 2013 required Board action. The following motion was moved by Andy Bessette and seconded by Floyd Green. After a lengthy discussion, the motion was approved unanimously.

“The CRDA Board of Directors approves the six FYE 2014 budgets as amended and approved by the Executive Committee on May 30, 2013, subject to available funds, known as: Parking Facilities; Central Utility Plan, bond Indenture/Trustee, Front Street District Maintenance, Subsidy Program and CRDA Office.”

#### *Front Street Amendment*

Anthony Lazzaro gave a brief overview of the Term Sheet below regarding the Proposed Amendment to the Development Agreement.



## TERM SHEET

### (Front Street District – Proposed Amendment to the Development Agreement)

#### Introduction

The current Development Agreement (a/k/a that certain Second Amended and Restated Development Agreement amongst HBN Front Street District, Inc., CCEDA and OPM dated June 19, 2008) provides for the development of the Front Street District to occur in two elements, Phase I and Phase II. As you are aware, the construction of Phase I is now complete.

This proposed amendment to the Development Agreement allows for Phase II to be bifurcated resulting in a smaller Phase II\* and a complementary Phase III.

Based upon the current absorption rate for entertainment, restaurant, and retail space (“E/R/R Space”), the parties do not believe there is enough demand to develop concurrently the E/R/R Space for Phase II\* and Phase III. There is concurrence, however, that there is sufficient demand for a limited amount of E/R/R Space and a lesser number of residential units.

#### Proposal

The following items constitute the significant proposed changes to the existing Development Agreement:

- Bifurcating the current Phase II into a new Phase II\* and a complementary Phase III;
- Reducing the minimum residential development commitment from 200 units to 115 units, which must be satisfied in Phase II\*;
- The proposed Amendment maintains the overall E/R/R minimum development commitment at 100,000 square feet. The Phase I commitment of 60,000 S.F. has already been satisfied. The remaining commitment of 40,000 S.F. would be bifurcated into a Phase II\* commitment of 7,500 S.F. and a Phase III commitment of 32,500 S.F.

#### Current Minimum Development

	Phase I	Phase II	Overall Project
Minimum E/R/R	60,000 S.F.	40,000 S.F.	100,000 S.F.
Minimum Residential	N/A	200 Units	200 Units

#### Proposed Minimum Development

	Phase I	Phase II	Phase III*	Overall Project
Min. E/R/R	60,000 S.F.	7,500 S.F.	32,500 S.F.	100,000 S.F.
Min. Residential	N/A	115 units	See Below**	115**

\* HBN shall be entitled to develop Phase III subject to timetables provided by the amended Agreement.

\*\* Although HBN would not be required to develop additional housing units for Phase III, nothing in the amended Development Agreement will prevent the construction of such units.

The following motion was moved by Andy Bessette seconded by Floyd Green and approved unanimously.

“The CRDA Board approves the amendments to the Second Amended and restated Development Agreement amongst HSN Front Street District, CCEDA and OPM dated June 19, 2008 as approved by the Executive Committee on May 24, 2013 in accordance with the attached Term Sheet.”

### **Mayor Segarra Report**

Mayor Segarra announced that the City voted on a budget.

He also announced Hartford City Hall will be recruiting three new positions, Information Services; COO and a Human Resources Director. Juan Figueroa was named the Mayor’s new Chief of Staff. Mr. Figueroa was a former State Representative and well experienced attorney, he also lead several national organizations. He will be a Special Assistant to the Mayor for approximately six weeks while he transitions into the position of Chief of Staff. Introductions to the Board and business community will be made during this transition period.

The City is holding down its crime numbers with homicide having a 35%+ drop.

### **Executive Director Report**

Executive Director Michael Freimuth reported that the State Auditor and CRDA’s outside Auditor have both been in-house. Joe Geremia and staff have been responding to their requests for information.

Mr. Freimuth provided an update on the CRDA housing initiatives. CRDA will start to receive revenue via interest payments on notes of repayment of construction loans. Also, mortgages will start to be paid back to CRDA. CRDA will need to set up an administrative system to manage the tracking and servicing of these agreements. Discussions of different options with other State and quasi agencies are ongoing. Bringing a servicing accountant on to manage this process may be the answer.

CRDA has been asked by two of the three teams to attend their presentations to UCONN and Tony Lazzaro will be attending. The properties are Front Street and the Tishman Properties.

The City agreed to sell the Morgan Street Garage so the relocation team will resume working on this project.

Bids for work on 55 Farmington will be going out by July.

### **Executive Session**

The following motion was moved by Andy Bessette seconded by Floyd Green and approved unanimously.

“The CRDA Board of Directors moves to go into Executive Session.”

The following action was taken by the Board when they came out of Executive Session.

“To recognize the extraordinary efforts and unexpected time demands in connection with Mike’s transition into his CRDA role, the CRDA Board unanimously approves a onetime

adjustment for two weeks additional vacation time for Executive Director, Michael Freimuth and that it be time that can be banked.”

At 11:20am, the Board adjourned

*“The minutes of the June 4, 2013 CRDA Board Meeting were approved, as amended, by Board Members at the July 18, 2013 CRDA Board Meeting”.*

**Capital Region Development Authority  
Board Meeting  
Conference Call  
Tuesday, June 13, 2013  
9:00am**

**Board Members Present** Andy Bessette, **Board members present by Conference Phone:** Chairwoman Suzanne Hopgood; Thomas Deller; Floyd Green; David Jorgensen; Nick Lundgren; Cheryl Malerba; Pamela Reid

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

Chairwoman Suzanne Hopgood called the Board Meeting to order at 9:03am.

**AEG/Global Transition Agreement**

Michael Freimuth gave a brief summary. At the CRDA Board Meeting on June 4, 2013, the Board discussed Global Spectrum taking over the XL Center on July 1, 2013 and what affect it would have on events scheduled during the transition. The Board recommended CRDA meet with USA Gymnastics; Global Spectrum and AEG prior to endorsing the AEG's early termination agreement.

Andy Bessette followed up with an overview of the subsequent June 11, 2013 Venue Committee Meeting with USA Gymnastics; Global Spectrum and AEG. USA Gymnastics and AEG have had a long, successful relationship. Mr. Bessette further noted that Steve Penny of USA Gymnastics is comfortable with Global Spectrum, having worked with them in Philadelphia at the Olympic Trials.

Mr. Bessette reported that USA Gymnastics has their own operations staff who handles much of the event. Both AEG and Global Spectrum indicated they will do whatever they can to make the event successful.

The Board reviewed and discussed the proposed terms of the Early Termination Agreement as outlined below:

Termination	The Sublease shall terminate on June 30, 2013 ("Termination Date") as if that date had been originally fixed in the Sublease as the expiration of the term, subject to and conditioned upon the provisions of the Termination, Assignment and Release Agreement (defined below).
Continued Performance	Each of the parties will continue to perform their respective obligations and receive their respective benefits under the terms and conditions of the Sublease through the Termination Date. CI, as statutory successor to CDA, will pay the CDA Contribution in the amount of \$1,050,000 shown as payable on July 1, 2013 (the "Final CDA Contribution") on June 30, 2013 as a condition of the effectiveness of the Termination, Assignment and Release Agreement.

Additional Consulting Services	AEG will continue to provide certain mutually agreed upon consulting services ("Consulting Services") through August 20, 2013 in accordance with the terms and conditions of a consulting agreement to be negotiated by the parties ("Consulting Agreement").
CRDA Termination Payment	In consideration of the early termination of the Sublease as described herein as well as the Consulting Services, CRDA shall pay to AEG an amount of up to \$500,000 (the "CRDA Termination Payment") subject to and based on the achievement of certain agreed performance standards to be specified in the Termination, Assignment and Release Agreement, such payment to be made in two equal installments, the first on or before July 31, 2013 and the second on or before August 30, 2013.
AEG Payment	In consideration of the release of AEG from any remaining financial obligations under the Sublease, including without limitation any amounts due under Section 6.04 of the Sublease, AEG shall pay to CI the amount of \$500,000 ("AEG Payment"), such release to be subject to the exceptions set forth under "Release" below.
DOJ Settlement Agreement	In addition to the foregoing AEG Payment, AEG agrees to pay for all costs and expenses associated with, and to oversee, the renovations and improvements made to that certain men's bathroom located on the Church Street concourse of the arena (outside Section 118/119), that certain women's bathroom located on the main concourse of the arena (outside Section 102/103) as well as the arena press box, as provided in that certain Settlement Agreement currently pending Department of Justice approval, by and between CI, AEG and the Department of Justice.
Assignment	The successor manager shall assume all the agreements, subleases, licenses and other contracts associated with the operation of the building and permitted by the Sublease as more specifically itemized by AEG.
Conditions Precedent	The effectiveness of the Termination, Assignment and Release Agreement is conditioned upon: (i) Tenant delivering full possession of the Facilities on or before the Termination Date in good condition and repair, normal wear and tear excepted and in the condition required for surrender under the City Lease (see section 9.02 thereof), without any material mechanical, electrical, plumbing or structural defects that would create a safety hazard for the public at the premises, as determined by a mutually agreeable engineering company; (ii) confirmation by the City that there are no outstanding City Lease Obligations as of the Termination Date; (iii) AEG's payment to CI of the AEG Payment; (iv) CRDA's payment to AEG of the CRDA Termination Payment; (v) CI's payment to AEG of the Final CDA Contribution in the amount of \$1,050,000, without setoff or reduction; (vi) release by CI of the Acceptable Letter of Credit; (vii) the parties' execution of the Consulting Agreement.
Release	Upon satisfaction of the foregoing conditions precedent, CI, CRDA, and the successor manager shall release, discharge and waive any and all claims against each other arising or in any way connected with the Sublease and AEG's possession of the Facilities through the date of the Termination, Assignment and Release Agreement, except CI shall not waive any claims for indemnification for which AEG would have otherwise had an obligation to indemnify under Section 10.1 with respect to the period between July 1, 2007 and July 1, 2013.

Definitive Documents	AEG and CI will work together to execute a definitive termination, assignment and release agreement (“Termination, Assignment and Release Agreement”) satisfactory to each party incorporating such terms mutually agreed by the parties, including representations, warranties, indemnities. It is understood that this term sheet does not constitute a binding offer or commitment with respect to the proposed transaction or create any legal obligation whatsoever on the part of AEG or CI or any of its directors, officers, employees, agents or affiliates. A binding commitment would result only from the execution of the Termination, Assignment and Release Agreement.
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The following motion regarding the early termination agreement between AEG and the Capital Region Development Authority was moved by Andy Bessette, seconded by Floyd Green and approved unanimously.

“The CRDA Board of Directors hereby authorizes the Executive Director to execute an Early Termination Agreement in substantially the same form as the terms and conditions outlined in the Term Sheet attached hereto.”

The Board adjourned at 9:21am.

***“The minutes of the June 13, 2013 CRDA Board Meeting were unanimously approved by Board Members at the July 18, 2013 CRDA Board Meeting”.***