

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, September 17, 2015
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Joanne Berger-Sweeney (left 6:30pm); Thom Deller; Evonne Klein; Michael Matteo; Scott Jackson; David Jorgensen; Cheryl Malerba; Catherine Smith

Absent: Andy Bessette; Mayor Marcia Leclerc; Mayor Pedro Segarra

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

Chairwoman Hopgood welcomed and introduced new CRDA Board member, Joanne Berger-Sweeney, 22nd President of Trinity College.

Call to Order & Minutes

The Board Meeting was called to order at 6:02pm.

The minutes from the June 18, 2015 Board Meeting were moved by Evonne Klein, seconded by David Jorgensen and unanimously approved.

Promise Zone Presentation

Thea Montanez, Director of the North Hartford Promise Zone, gave an overview of the Promise Zone and the benefits to North Hartford being chosen as a designee.

Ms. Montanez explained that in President Obama's 2013 State of the Union address, he announced that he would designate 20 **Promise Zones** nationwide: urban, rural, and tribal communities where the Administration would partner with local leaders to create jobs, increase economic activity, improve educational opportunities, and reduce violent crime.

With the support of State and local leadership, businesses and participating federal agencies, in April 2015, North Hartford was chosen as a second round designee for the Promise Zone.

Audit and Annual Report

Joseph Geremia introduced the CRDA outside Auditing Firm, Mahoney Sabol & Company and their partners Jennifer Hawkins and Michael VanDeventer and Senior Auditor Samantha Thomas. Ms. Hawkins gave a brief overview of the audit function indicating that auditing the authority as a whole on a consolidated basis includes the Convention Center, parking facilities and the XL Center. In addition to that, when auditing the individual entities that comprise the consolidated statement, they also issue a standalone statement for the Convention Center, parking facilities and XL. Mahoney Sabol also audits the stadium at Rentschler Field however this entity is not consolidated within CRDA.

Mahoney Sabol's audit has been performed in accordance with (AICPA) American Institute of Certified Public Accountants, and also has to follow Government Auditing Standards issued by the U.S. Government Accountability office. The audit report issued by Mahoney Sabol for CRDA is an unmodified or "clean" opinion. There are no issues. The auditors have found that CRDA's financial statements are free from misstatement in a reasonable manner.

Another report on compliance over internal controls is also issued. This report is not an opinion. In the course of the audit work, the auditors take the time to understand the internal controls at CRDA as well as the underlying entities. Applicable laws and government regulations are considered when conducting the audit. This report did not find any instances of non-compliance and no material weaknesses. Ms. Hawkins indicated that this is considered the best level of reporting that you can get for this report.

Joseph Geremia gave a brief overview of the Annual Report indicating that the audited financial statements are included in the Annual Report.

The following motion was moved by Catherine Smith, seconded by Evonne Klein and approved.

"The CRDA Board of Directors hereby approves the CRDA Annual Report for FY-2014-2015, as presented."

Housing Committee

Michael Freimuth reported that "Housing" information can be categorized as: (1) leased apartments (2) status in construction process (3) the Pipeline.

The four apartment buildings that are currently rented/leased, 201 Ann is at 76%; 179 Allyn is at 100%, 777 Main (rental & outstanding leases) 65% and Spectra (Sonesta) at 43%. Other statistical information includes: of the 352 rented apartments, 84% are leased by tenants below the age of 40; 94% of tenants are single and 85% are new to the City of Hartford.

Projects in construction: Lewis St. 40% completed; Elm Street 70%; Capewell 20%; Hartford Office Supply Building, has not yet closed. Constitution Plaza is still being worked out. Front Street Apartments will begin lease-up on October 15.

Pipeline projects: A couple of new projects in downtown north, there are also discussions ongoing regarding the Goodwin Hotel and at The Radisson Hotel.

Venue Committee

Tennis Foundation of Connecticut

Sarah Willcox Layedra, Executive Director and Dana Cialfi, Deputy Director of the Tennis Foundation of Connecticut gave a brief presentation of the success of the 2015 Connecticut Open.

After a brief video, Sarah Layedra reported that:

- Non-profit status continues to pay dividends;
- Attendance was up again, affirming that the changes made upon CRDA's involvement with the tournament are delivering positive results;
- Sponsorship continues to grow, especially with UTC's renewal substantially strengthening

- the tournament for the next few years;
- The Player field & Legends event was solid and drove increased media coverage and ticket Sales;
- Off-court activities, food, created festival-like atmosphere

Preliminary numbers show that attendance increased 10% from the previous year with Tournament ticket revenues increasing roughly 16% from 2014. Multiple session packages were a large revenue driver with package sales increasing 36%; military appreciation efforts also provided discounted or free tickets to service members.

The Legends night was the highest attended session with individual ticket sales increasing nearly 600% from 2014; Retail and Parking Sales increased over 2014, and Food and Beverage sales were up 47% over 2014, with beer sales also up 40%.

Sponsorship – 50 sponsors are headquartered in CT; UTC renewing their sponsorship through 2017 was exceptionally important. Other sponsors include Smilow Center, Free Spin Bike Challenge; Bank of America #TroopThanks and KIND – sample KIND bars were distributed that promoted random acts of Kindness in adults and kids all week.

Non Profit - 50/50 Project – First year of charitable fundraising program where non-profit organizations can sell tickets to the tournament and receive 50% of net profits of tickets sold. A wide range of charitable organizations from all over the state of Connecticut signed up to sell tickets, including the American Red Cross, Hartford Chorale, New Haven Symphony, University of Connecticut Alumni Foundation and many others.

Dana Cialfi reported that the Tennis Foundation hired a marketing firm, Mason, resulting in a brand guide which included an overall positioning statement and elements of differentiation.

Some of what Mason was able to deliver was new and creative, “off-the-sports pages” press coverage and a high impact media program. Media highlights include:

- Featured 50+ media partners across five core media disciplines
- Achieved \$377,077 in media value against a total spend of \$159,086, +137%
- Rolling delivery of 53MM+ Impressions across the state of Connecticut
- 516 TV Commercials on NBC Connecticut (our primary TV sponsor)
 - This is 140% over plan delivery of 369 Commercials
- 1,143 of Radio Commercials on Connoisseur (primary Radio sponsor)
 - This is a 326% over the plan of 350 commercials and mentions
- Total 8.1M Digital Impressions vs. 8.3M Planned
- 86 Print Insertions Secured – 95% trade and/or value added
- A minimum of 29.4M Outdoor Exposures across Highway Digital Bulletins and thru Metro North Video Network – Stop Tips

XL Center Repairs

Bob Saint reported that in the next few weeks, repairs to the exterior would be complete. He also reported that the steam main pressure reducing control valves were replaced and put in service in time to begin the process of ice making.

XL Center – Arena Study

Kim Hart gave a brief report regarding the XL Center. CRDA received a concept plan from SCI Architects and it is currently with the construction cost estimator reviewing the \$250 million estimate to bring the building into the 21st Century.

CRDA is also working with SCI to develop a schedule regarding how the building can be kept open for appropriate sports seasons while getting the work done as quickly as possible. Once funding is in place, dates can be coordinated with the pending schedule.

Rentschler Field

Based on the first 2 events, Rentschler Field is tracking below budget and attendance is below forecast. Per capita has increased slightly.

Other Venue items

Bond Commission requests are to wrap up work at Rentschler Field and XL Center. It also includes getting work started at Tennis Center for next year.

UConn lease - Anthony Lazzaro brought the Board up to date on the three year lease with Global Spectrum and UConn. UConn has agreed to the terms and the lease should be finalized next week.

David Jorgensen informed the Board of information he learned of regarding the possibility of a Spring NFL minor league that is being discussed. David suggested utilizing Rentschler Field should such an idea become a reality. More information on the topic will be discussed as additional information is made available.

The CT Fastrak trial run to UConn football games was successful.

Church Street Garage

Joseph Geremia stated that the CRDA, along with Republic Parking, has been researching ways to integrate the Church Street Garage into XL events. First, the Hartford police department would need to help monitor 4 lights that lead to highway access; and second, we are exploring the possibility of utilizing a system called ParkWhiz, which would give the consumer an opportunity to purchase a discounted parking ticket online while purchasing their event ticket online.

The idea is to give certainty on parking, knowing where to park for a discounted rate. This will be assessed after a trial run at the Wolfpack game on October 10.

From a revenue standpoint, the Church Street Garage is currently fifty thousand dollars below budget. However, it is meeting CRDA's expectations with expenses. The staff is determining the "seasonality" of the garage and this will help in future budgeting. A complete fiscal picture will be available once a full Fiscal Year is completed.

Finance

Joseph Geremia reported the following Financial Update for September 2015:

Fiscal Year 2015 Audit and Annual Report

CRDA audit completed
Annual Report completed and ready for filing upon approval
Rentschler Field audit in final stage

Fiscal Year 2016 Operating Statistics

CT Convention Center – July/August 2015

- August stats: 19 event days held YTD with YTD attendance at 35,500
- August financials: Total revenue favorable by 30% with food & beverage revenue favorable by 36% compared to budget

CRDA Parking Facilities – July/August 2015

- August stats: Utilization favorable to budget at 64%
 - Monthly rate customers even with prior year at 5,000 YTD
 - Transient customers favorable to prior year by 6,000 at 60,000 YTD
- August financials: Transient revenue and monthly rate customer revenue even with budget

XL Center - July/August 2015

- August stats: 4 event days held YTD with YTD attendance at 12,000
 - July financials: Event revenue favorable by 23% with expenses even compared to budget
- Church Street Garage operation transition occurring

Rentschler Field - July/August 2015

- August stats: 20 event days held YTD with YTD attendance at 21,000
- July financials: Event revenue unfavorable by 29% with expenses favorable by 29% compared to budget

CT Open – 2015 Tournament

- Attendance at 51,946 vs 2014 tournament at 47,140 – 10% increase
- Ticket sales of \$713,000 – 16% increase over 2014 tournament

Residential Housing Initiatives – \$60M, Disbursed \$30.9M

Executive Director's Report

Ethics Policy – Anthony Lazzaro gave a copy of the Ethics Policy to new CRDA Board Member, Joanne Berger-Sweeney and also reminded the Board to be cognizant of the State's Ethics Policy.

Legislative Session- \$50M was allocated to be distributed through various projects broken down \$30M Downtown Housing/\$20M Citywide projects.

Regulatory requirements – CRDA is subject to “Labor Peace” which is an agreement between a union and employer under which one or both sides agree to waive certain rights under federal law with regard to union organizing and related activity.

CRDA is required to follow Minority and Small Business Goals and procedures as of January 1, 2016.

Other Construction issues

Church Street garage Emergency repairs in stairwells underway and exterior painting has begun.
450 Columbus tenant fit-out has begun, occupancy targeted for next year
Farmington Avenue is having chiller replacement work done
Newington is on hold until EPA gives us some kind of direction on the latest clean-up task
UConn Campus demolition is ongoing and additional asbestos was discovered.
CUP – the CT Science Center approached CRDA in conjunction with the Treasurer, OPM and Bond Counsel to discuss the options available to the Science Center regarding their annual CUP facilities charges and how it relates to their recent bond commission allocation.
CRDA Board Meeting schedule – The 2016 Board Meeting Schedule was distributed.

Executive Session

The following motion was moved by Catherine Smith, seconded by Evonne Klein and approved.

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

Michael Freimuth asked Anthony Lazzaro to stay for the litigation piece and Joseph Geremia to be available for the personnel matter.

Executive Session ended at 8:05pm.
The CRDA Board Meeting adjourned at 8:05pm.

“The minutes of the September 17, 2015 CRDA Board Meeting were moved by Andy Bessette seconded by Evonne Klein and unanimously approved by Board Members at the October 15, 2015 CRDA Board Meeting.”

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Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Joanne Berger-Sweeney; Commissioner Evonne Klein; Mayor Marcia Leclerc; Michael Matteo (phone); Scott Jackson (phone); David Jorgensen; Commissioner Jim Redeker; Tim Sullivan

Absent: Mayor Pedro Segarra; Thomas Deller

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

Guests: Jeff Armstrong, SCIA (via phone)

Call to Order & Minutes

The Board Meeting was called to order at 6:05pm.

The minutes from the September 17, 2015 Board Meeting were moved by Andy Bessette, seconded by Evonne Klein and unanimously approved.

Housing Committee

Michael Freimuth reported on two projects vetted by the Housing Committee on October 9, 2015. With the approval of the CRDA Board, the Radisson Hotel and the 105-7 Wyllys Street projects, described below, will be prepared to be sent to the State Bond Commission.

Project:	Radisson Hotel
Type:	Conversion of 200 hotel rooms into 96 residential units (88 1BR, 8 2BR) Floors 10-18 in phases over 12-15 months. Retention and upgrade of 188 rooms
Developer:	Brean Capital, LLC Carlison Group - Inner Circle
Capital Stack:	\$12.5M First note, 4.25%, int only .562M additional equity \$6.5M CRDA 2nd Note ('up to')
Total Dev. Cost:	\$19.562M
CRDA Terms:	Up to \$6.5M construction note 5.75% interest only 2 yr term (allow for construction/stabilization) repaid via refinance of larger first note CRDA \$/unit = \$67,000

Other Issues: All Market units at \$2.25/sf w/avg. 625 sf.
parking included in rent
units to share amenities of hotel
Increased NOI increases value with 6.5 cap to \$20M+
Commitments to CCTC into future

The following motion was moved by Andy Bessette, seconded by Evonne Klein and unanimously approved.

“The CRDA Board hereby approves the use of CRDA housing funds to assist the developer, Brean Capital, LLC (or such acceptable single purpose entity) to convert existing hotel rooms into 96 residential apartments at the Radisson Hotel. 50 Morgan Street, Hartford 06103 and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$6.5 million in assistance in the form of a construction loan at 5.75% 'interest only' terms for a period of two years subject to (1) evidence that all other sources of financing are secured in such terms as acceptable to CRDA and its counsel; (2) State Bond Commission approval if necessary and (3) such fiduciary terms deemed appropriate by the Executive Director. In lieu of requesting additional funds from the State Bond Commission for this project, the Executive Director may, at his sole discretion, utilize funds received by CRDA as repayment of borrower obligations from previous housing transactions.”

Project: 105-7 Wyllys Street

Type: New Construction 46 units (18 studio, 24 1BR, 4 2BR)
54 parking spaces on 2 decks below 4 story building
CSS/CON neighborhood project near Capewell development
2 yr construction period

Developer: Providian Builders/Joe Citano

Capital Stack: \$4.5 M Bank note in first position; 4%, 30 yr
3.5M CRDA note in 2nd
3.08M City of Hartford Note, cash flow 20 yr w/forgiveness provision
1M Developer equity (incl land value of \$300k)

Total Dev.Cost: \$12.08M

CRDA Terms: 1%, 20 yr construction to permanent mortgage in 2nd position
CRDA \$/unit = \$76,000

Other Issues: All Market Units (\$1.60/sf - \$2.03/sf)
2Br w/1000sf; 1BR w/700sf; studios w/540sf
Parking included in rent
Bank financing still pending
Living Wage provision by city

The following motion was moved by Andy Bessette, seconded by Jim Redeker and unanimously approved.

“The CRDA Board hereby approves the use of CRDA housing funds to assist the developer, Providian Builders (or such acceptable single purpose entity) to construct 46 new units of

housing at 105-7 Wyllys Street, Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$3.5 million in assistance at 1% interest for 20 years as a loan in no less than a second position lien subject to (1) evidence that all other sources of financing are secured in such terms as acceptable to CRDA and its counsel; (2) state bond commission approval; and (3) such fiduciary terms deemed appropriate by the Executive Director.”

Responding to a question from Mayor Leclerc, Michael Freimuth reported that new construction costs are too expensive at 3CP and therefore we are having trouble making the finances work.

Mayor’s Report

East Hartford’s Mayor Marcia Leclerc reported on the following in East Hartford:

- “Let’s Go CT” kick-off with Governor Malloy and Commissioner Redeker which includes the next expansion of Fastrack East.
- Burnside Avenue, Rte. 44, road diet which will have a significant impact in town.
- Concluded a Main Street Study which will include lighting, benches, bike racks, barrels, improvements to sidewalks.
- Wrapping up Willowbrook Study which is an impediment to Silver Lane area that is blighted or underutilized, in various stages of foreclosure or for sale. Have reached out to all owners and working on opportunities to acquire foreclosed property.
- Continue to work with the Horizon Group, for outlets at the Rentschler Field property which would be a significant improvement to East Hartford that currently has little, if any, retail or restaurants.
- When the State allows the REMI to be performed, there will be a better understanding of the gap of financing that is needed to move that project forward.
- Completed a five thousand light change over of high pressure sodium to LED lighting which will save a significant amount of money.
- House on the Silver Lane adjoining Rentschler property is coming down and the fence is being moved to the road.

Venue Committee

Tennis Foundation of Connecticut (TFC)

Michael Freimuth reported that the Venue Committee reviewed the Tennis Foundation of Connecticut’s financials from the tournament and has acknowledged that it is trending in the positive direction. Therefore, the Venue Committee is comfortable to allow the tournament to proceed in 2016.

Joe Geremia reported that the Tennis Foundation of Connecticut player field may be as good or better next year. Attendance for the two legends events, as well as the military appreciation exceeded expectations. UTC sponsorship goes up a quarter million next year.

XL - Presentation on Transformation Strategy

Jeff Armstrong and Bob Saint gave a slide presentation of the Concept Design for the Transformed Multi-Use Spectator Arena. The interim report highlighted elements of the designs that are being presented. A lengthy discussion ensued regarding renovation costs; revenue streams; major tenant events, games, etc.

Issues needing resolution include: financing; control of the land; St. Joseph's current lease; land assembly; and getting ready for construction phasing over 2 years.

XL Center (con't)

Premier Sports Management Group (PSMG) acquired a franchise in the MASL (Major Arena Soccer League). PSMG has an unrelated agreement with the City of Hartford for outdoor league at Dillon Stadium. A simple deal to use the XL Arena which included paying XL, 10 days in advance to rent the building with fifth preference for dates was structured with the new team, Hartford, F.C.

Chris Lawrence explained that PSMG approached XL over 2 years ago to try to bring international opportunities over to Rentschler and they had spoken about renovating Dillon Stadium back then. PSMG also helped with marketing efforts with some of the international games that were held at Rentschler in the past. Although Chris Lawrence spoke with the league to structure the lease agreement at XL, the agreement had not yet been signed.

Mike Freimuth and Chris Lawrence explained that the league is learning about the finance troubles regarding the City and Dillon Stadium at the same time we are. PSMG is having conference calls trying to figure out how to finance the team if they move forward.

If the league does not go forward, we don't have to do anything. If the league permits the team to move forward, then is it worth it financially to proceed? Another issue is to make certain that the Dillon money that currently is being questioned at City Hall, is not being used to meet expenses at XL for the indoor team.

Rentschler Field

Kim Hart reported on the following operational topics

- Field electric 99% complete
- Working on contract for concrete repairs
- Working on field wall leak repair
- Parking lot lighting is done
- The recently acquired house on Silver Lane is in demolition

Anthony Lazzaro reported that CRDA executed an amended MOU with OPM that will give CRDA more authority to administer certain funds at Renschler Field. It will allow CRDA to be involved in the work that is being done in the parking lots and possibly some of the coordination necessary for the Horizon deal.

CTCC

Joseph Geremia reported that three projects are underway at CTCC.

- Carpet and furniture refresh is currently going on now through December.
- An awning will be installed outside the Exhibit Hall level (between Marriott and CTCC)
- A permanent box office will be installed in the lobby that will include a renovated indoor connection to the hotel.

Finance

Joseph Geremia reported on the following financial information regarding Fiscal Year 2016 Operating Statistics:

October 2015

CT Convention Center – August/September 2015

- September stats: 36 event days held YTD with YTD attendance at 44,800
- August financials: Total revenue favorable by 30% with food & beverage revenue favorable by 36% compared to budget. Net Income \$115,000 favorable to budget

CRDA Parking Facilities – August/September 2015

- September stats: Utilization favorable to budget at 63%
Monthly rate customers even with prior year at 7,500 YTD
Transient customers favorable to prior year by 5,000 at 84,000 YTD
- August financials: Transient revenue and monthly rate customer revenue even with budget
Net Income \$119,000 favorable to budget

XL Center - August/September 2015

- September stats: 8 event days held YTD with YTD attendance at 22,900
- August financials: Event revenue favorable by 20% with expenses even compared to budget
Net Income \$54,000 unfavorable to budget
Church Street Garage
Linking activity with Hartford Wolfpack and XL Center incentives
Monthly rate customers at 4,400 YTD
Transient customers at 32,700 YTD

Rentschler Field - August/September 2015

- September stats: 31 event days held YTD with YTD attendance at 83,400
Includes 3 UCONN football games
- August financials: Event revenue unfavorable by 26% with expenses favorable by 11% compared to budget
Net Income \$93,000 unfavorable to budget

Residential Housing Initiatives – \$60M, Disbursed \$33.7M

Executive Directors Report

Establish Neighborhood sub-committee

Michael Freimuth asked for a motion to create a neighborhood sub-committee tasked with screening new “citywide” requests for projects and assessing them. The funds for these projects will come from the new allocation from the legislature. The following Board members are recommended to form the Sub-Committee:

Chairwoman Suzanne Hopgood
Mayor of Hartford
Mayor of East Hartford
Joanne Berger-Sweeney
David Jorgensen

The following motion was moved by Andy Bessette, seconded by Dave Jorgensen and unanimously approved.

"The CRDA Board hereby approves the establishment of a Neighborhood Sub-Committee."

*CT Convention
Center Parking*

Facilities- Anthony Lazzaro reported that the CRDA has a \$5M improvement project for work to be done over a five year period. The funding source has been identified through the operations budget.

*Church Street
Renovations -*

Bob Saint reported that the work has begun as CRDA has taken on a portion of the Harford Parking Authority's painting contract for the building. Also necessary: traffic coatings, expansion joint replacement and a much more aggressive signage program. If there is enough money after we make the necessary repairs to the stairs, then the entrance from the garage into the bridge heading into the XL will be improved.

*CT Science
Center CUP -*

The CT Science Center will try to get on DECD's Bond Commission submission to authorize \$2.5M to be put into a trustee account to aid the CT Science Center principal and interest portion of their CUP obligation.

*UConn/XL
Agreement -*

CRDA/UConn working on last minute changes to a 30 Event/20 year LOI that will take effect once newly renovated XL Center is complete. Rentschler Agreement, along with the current three year XL Agreement, should be formally adopted at the October UConn Board of Trustee Meeting.

*UConn Htfd.
Campus -*

Site work continues, environmental clean-up is ongoing.

Newington -

The National Welding site is still under construction. EPA has just instructed how to go about remediating the last bit of soils. Mike Freimuth mentioned discussing parking/bus stop to which Commissioner Redeker responded that if clean-up can be done, we may want to think about a shorter term use of milling and paving which give an immediate solution before winter for parking that would last a long time. A meeting between DOT/CRDA/DECD/Newington is necessary.

*450 Columbus
Boulevard -*

South Tower scheduled move in June 2016. North Tower scheduled for 2017. This will move 2200 State employees down town.

Miscellaneous

Mayor Leclerc indicated that since there has been a great deal of development and change in Hartford in the past couple of years, perhaps we should give thought to start tracking restaurants activity; venue events, etc. to see what kind of progress. When public finance questions are being asked regarding the use of State fund for projects, these questions will be able to be answered with facts that CRDA has compiled over the years. Members concurred and staff will begin to prepare.

The CRDA Board Meeting adjourned at 8:16pm.

“The minutes of the October 15, 2015 CRDA Board Meeting were moved by Evonne Klein seconded by David Jorgensen and unanimously approved by Board Members at the November 19, 2015 CRDA Board Meeting.”

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
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Thursday, November 19, 2015
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Joanne Berger-Sweeney; Commissioner Evonne Klein; Mayor Marcia Leclerc; Michael Matteo; Scott Jackson (phone); David Jorgensen; Commissioner Jim Redeker; Commissioner Catherine Smith (6:39 arrival)

Absent: Mayor Pedro Segarra

Vacancies: The Board has 3 vacancies due to the vacancies created by the departure of Floyd Green and Thomas Deller.

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

Guests: Jennifer Tran (CRDA Intern);

Call to Order & Minutes

The Board Meeting was called to order at 6:05pm.

The minutes from the October 15, 2015 Board Meeting were moved by Evonne Klein, seconded by David Jorgensen and unanimously approved.

Mayor's Report

East Hartford Mayor Marcia Leclerc reported of the following:

- The Library opened to great success and will serve the residents of the Town of East Hartford. Mayor Leclerc thanked Governor Malloy for helping to fund the project.
- More solar projects are being planned in the town.
- Discussions continue regarding a casino and an outlet retail center in town.

Housing Committee

Michael Freimuth reported on the following:

- Five projects are currently in active lease-up, with two more scheduled by year end.
- The Front Street Apts. have nine units leased meeting the first month's target.
- Construction projects are moving along (Capewell and Hartford Office Supply).
- CRDA has requested a technical amendment from the next Bond Commission to reallocate funds for the Radisson deal, which is ready to go. The funds that would be used are \$2.1M from the Capewell project and \$4.5M from the 3 Constitution project as well as unused funds totaling \$125,000 from the Lewis Street project.
- CRDA received full repayment of \$2,184,135.72 from its bridge loan to the Sonesta project.

Venue Committee

Andy Bessette reported on the following regarding the various Venue items

XL

- The short term lease, covering the next three years, has been signed by UCONN and Global and is now awaiting the office of the Attorney General's approval.
- CRDA and UCONN are working on a long term Letter of Intent (LOI) regarding the XL Center.
- CRDA continues to review the SCI Architects estimate for the XL Center of \$230M, which does not include soft costs or the additional space needed. The additional space is owned by Northland and has been identified. An appraiser is currently working on assessing the value of the space in anticipation of a meeting with Northland. Plans have been shared with Northland and a meeting has been scheduled.
- CRDA anticipates approaching the General Assembly in early 2016 to request funds to acquire the Northland space and for development of the construction design documents.
- MASL has severed all ties with premier sports to bring indoor soccer to the XL Center, this on the heels of the problems with Dillon Stadium.
- UCONN hockey game attendance is down 1,100 people per game from last year. (average attendance is 3,400 this year vs. 4,500 last year).

Rentschler Field

- Venue Committee members met with officials from the Minor League Football and discussed the possibility of bringing a team to the stadium next Spring (2016). The league seems very interested and they are currently reviewing the costs to play in the building.

CTCC

- Improvement to the Convention Center motor lobby will begin in approximately 6-8 weeks. A permanent box office with a new reception area and a new link to the hotel have been designed. The planned renovations will coincide with the improvements that are being made to the Marriott.
- New carpets are being installed throughout the Convention Center.

Finance

Joseph Geremia reported the following Financial update for November 2015.

Also reviewed were:

- Balance sheets {September 30, 2015 and June, 2015}
- Statements of Revenues, Expenses and Changes in Net Position {September 30, 2015 and September 30, 2014}

Fiscal Year 2016 Financial Statements for the Quarter Ending 9/30/2015

Balance Sheet

- Current restricted cash decrease reflects use of bond funds for Residential housing initiatives off-set with a decreased liability in accrued expenses
- Current unrestricted cash decrease reflects timing differences between funding and expenses at the CTCC and the XL Center

Statement of Revenues, Expenses and Changes in Net Position

- Combined facilities income and expenses
- Development costs reflects TFC support
- Interest expense decrease reflects start of fiscal year without swap interest payments

Fiscal Year 2016 Operating Statistics

CT Convention Center – September/October 2015

- October stats: 61 event days held YTD with YTD attendance at 65,800
- Qtr. 1 financials: Total revenue even with budget with food & beverage revenue favorable by 34% compared to budget; Net Income \$43,000 unfavorable to budget
- After first fiscal quarter of activity, total year projection even with budget

CRDA Parking Facilities – September/October 2015

- October stats: Utilization favorable to budget at 64%
 - Monthly rate customers even with prior year at 10,000 YTD
 - Transient customers even with prior year at 119,300 YTD
- Qtr. 1 financials: Monthly rate customer revenue and event revenue even with budget
 - Transient revenue favorable by 14% compared to budget
 - Net Income \$160,000 favorable to budget
 - After first fiscal quarter of activity, total year projection approx. \$100,000 favorable to budget

Rentschler Field - September/October 2015

- October stats: 51 event days held YTD with YTD attendance at 126,800, Includes 5 of 6 UCONN football games
- Qtr. 1 financials: Event revenue unfavorable by 8% with expenses favorable by 6% compared to budget
 - Net Income \$62,000 unfavorable to budget
 - After first fiscal quarter of activity, total year projection approx. \$143,000 unfavorable to budget

XL Center - September/October 2015

- October stats: 20 event days held YTD with YTD attendance at 65,600
- Qtr. 1 financials: Event revenue unfavorable by 44% compared to budget due to F&B expenses
 - F&B 1st Qtr. fixed expenses to be off-set by 2nd and 3rd Qtr. event sales volume
 - Expenses (other than F&B) even compared to budget
 - Net Income \$37,000 unfavorable to budget
 - After first fiscal quarter of activity, total year projection even with budget

Church Street Garage

- Linking activity with Hartford Wolfpack and XL Center incentives & advertising
 - Monthly rate customers at 5,900 YTD, unfavorable to budget by 350 per month
 - Transient customers at 52,500 YTD
- Qtr. 1 financials: Monthly rate customer revenue and transient revenue even with budget
 - Event revenue unfavorable by \$73,000 compared to budget due to budget event seasonality, After first fiscal quarter of activity, total year projection even with budget

Fiscal Year 2016 Budget

State budget effects:

- Hiring Freeze
- Spending restrictions – contractual services
- 5% reduction option - \$393,218

Residential Housing Initiatives – \$60M, Disbursed \$35.3M

Neighborhood Committee

Michael Freimuth reported on the following regarding the Neighborhood Committee:

The Neighborhood Committee has been created and tasked with screening new “citywide” requests for projects. This Sub-Committee of the CRDA Board will assess and prioritize projects that will be referred to CRDA by the City. The funds for these projects will come from the new allocation from the legislature. The Committee will begin to meet in the First Quarter of 2016.

Projects that may be taken up by the Neighborhood Committee include:

- Neighborhood based retail strips along Albany Avenue, perhaps small business lending.
- Major investments at Bowles Park housing projects.
- Plaza Mayor, combined retail/residential, to be tied in with Hartford Hospital at the intersection of Park and Main. Forty units plus commercial space is being considered.
- Major gateway along Washington Street, incorporating Trinity, Hartford Hospital and the Learning Corridor.

- The conversion of 85 Sigourney Street into student housing.
- Harford College for Women, Asylum and Elizabeth, proposed subdividing large homes into individual lots, tearing down some of the mid-century homes and build student housing.
- Renovating the Swift Factory, which is in the Promise Zone.
- Possibly work with the Department of Agriculture to find new space for a new regional market.

Executive Directors Report

Michael Freimuth gave an update on the following projects:

777 Main Street - final TCO expected. One outstanding issue regarding damage to glass that will likely be resolved between contractors. Retail currently has a coffee shop, barber shop, yoga studio and a small store. There are ongoing discussions with a large store, and with two restaurants.

Front Street Lofts – TCO has been issued and its first units are occupied.

Elm Street – 85% complete, 2-3 weeks until completion

Lewis Street – 80% complete.

Capewell – 25% complete. Targeted for 2016 occupancy.

Capital Avenue – Environmental remediation is ongoing. Exterior masonry work underway. Targeted for late 2016 occupancy.

UCONN Downtown Campus – Aggressive construction schedule for Fall 2017.

XL Center –\$35M program is essentially complete. Some of the tasks are currently on hold due to not receiving the last of the Bond Commission funds.

Church Street Garage – quite a bit of structural deficiency – one stairwell is currently closed and being replaced. Repairs underway.

450 Columbus Boulevard – occupancy is scheduled for next year – some state offices will begin to migrate into building.

55 Farmington – Chiller & boiler work ongoing.

Morgan Street – will be transferred to DAS in 2017.

Newington – changes within the new Town placed the project on hold.

Bushnell – CRDA has had multiple meetings with the Bushnell to position the real estate being freed up by the State for redevelopment. It was suggested that they connect with the National Development Council to help structure the project and determine the market. The Bushnell will keep CRDA apprised as they move forward.

Wadsworth Atheneum Parking Rate

The Wadsworth Atheneum approached CRDA regarding offering discounted parking for museum guests for either the Front Street North and/or South Garage. After a meeting to discuss the proposed discounted rate, CRDA offered a \$3.00 promotional rate for thirteen months due to ongoing construction in the Front Street area.

The proposed promotional parking rate terms and conditions for the Wadsworth Atheneum Museum of Art are as follows:

Wadsworth Atheneum

- The Wadsworth shall advertise and promote the Front Street North Garage and Front Street South Garage for museum guests.
- Visitors and guests of the Wadsworth shall be charged a promotional daily rate of **Three Dollars (\$3)**.
- Duration – The promotional rate shall be for the period beginning on or about December 1, 2015 and ending December 31, 2016.

Connecticut Convention Center

- During the promotional period, Wadsworth shall offer a discounted daily admission fee of **Five Dollars (\$5)** per person for guests and visitors to the Connecticut Convention Center.

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

“The CRDA Board of Directors hereby approves the proposed promotional rate for the Wadsworth Atheneum on the terms and conditions presented above.”

Marketing Report – The Marketing Report was distributed which included Property value Stats that are meant to help track CRDA’s impact.

Executive Session

The following motion was moved by Evonne Klein, seconded by Andy Bessette and approved.

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

The CRDA Board Meeting adjourned at 7:30pm.

“The minutes of the November 19, 2015 CRDA Board Meeting were moved by Andy Bessette seconded by Cheryl Malerba and unanimously approved by Board Members at the January 14, 2016 CRDA Board Meeting.”

**Capital Region Development Authority
Board Meeting
Infinity Music Hall
Front Street
Hartford, CT 06103
Thursday, January 14, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Joanne Berger-Sweeney; Mayor Luke Bronin; Sean Fitzpatrick; Scott Jackson; David Jorgensen; Commissioner Evonne Klein; Mayor Marcia Leclerc; Nick Lundgren; Cheryl Malerba; Commissioner Catherine Smith

Absent: Michael Matteo

CRDA Staff Present: Michael Freimuth; Joseph Geremia; Kim Hart; Anthony Lazzaro; Jennifer Gaffey; Robert Saint; Terryl Mitchell Smith, Ira Henowitz (DAS-Construction Services, Office Relocation)

Guests: Governor Dannel Malloy; Sarah Willcox Layedra, Executive Director; Dana Cialfi, Deputy Director of the Tennis Foundation of Connecticut and Anne Worcester, Tournament Director.

Call to Order & Minutes

The Board Meeting was called to order at 6:02pm.

The minutes from the November 19, 2015 Board Meeting were moved by Andy Bessette, seconded by Cheryl Malerba and unanimously approved.

Prior to the commencement of the CRDA Board meeting, Deputy Director Anthony Lazzaro swore in new Board members Mayor Luke Bronin and Sean Fitzpatrick. Chairwoman Hopgood welcomed both Board Members. Chairwoman Hopgood also indicated that Mayor Bronin has an additional appointment to the Board that is currently vacant.

The following motion was moved by Andy Bessette, seconded by Scott Jackson and approved.

“The CRDA Board of Directors hereby appoints its Secretary, Hartford Mayor Luke Bronin, to the Executive Committee.”

Due to the changes on the CRDA Board, Chairwoman Hopgood requested that CRDA Staff introduce themselves to Board Members.

Mayor’s Report

Hartford Mayor Luke Bronin introduced the City of Hartford’s appointment to the CRDA Board, Sean Fitzpatrick, Director of Development Services. Mayor Bronin expressed his gratitude to CRDA for the development that CRDA has accomplished thus far and he is looking forward to being a part of the Board moving forward.

Mayor Bronin indicated that he hopes to have a resolution to the Baseball Stadium construction fund shortfall soon.

The Mayor spoke briefly about the areas of the City that he sees as opportunities for redevelopment including but not limited to Albany Avenue; Capital Avenue and Buckingham; Park and Main and Woodland Street.

East Hartford Mayor Marcia Leclerc reported:

- The Governor announced another Area Revitalization Grant and also an EPA Brownfield Grant. The EPA Grant will be used for programs and studies along the Silver Lane corridor that have been identified as areas of critical redevelopment. The Willowbrook study has been completed, the study revealed that the flood map could be further reduced and thereby create more development area. Those maps have been submitted to FEMA and the town is awaiting their response.
- Pratt & Whitney is completing foundation work for the \$90M construction of a new engineering building.
- Working on a project for Rentshler Field, the Horizon Group continues to be in the planning process. Rentschler Field and Pratt & Whitney are working towards establishing a developer for some other build outs in that area.
- The Town is in final stages for a project that is finishing up design and development for Brewer Street, will go to construction in 2018.
- The Bridge to Bridge design enhancement project is halfway complete.
- Town is setting up funding for purchase/demolition of identified properties..
- East Hartford received another DEEP grant to be used to pay for demolition of an old senior housing project that abuts a large development on Burnside Avenue.
- Making a concerted effort to ensure bodegas are properly licensed and complying with laws.

Governor Malloy visit

Governor Malloy joined the meeting and was added to the agenda. The Governor indicated that he is happy with the work CRDA is accomplishing. He further indicated that he continues to look for ways to partner with the communities that we serve. The collaboration on housing has been very important and in the long run will be game changing. He expressed that there are some big challenges with the XL Center.

Governor Malloy conveyed that he can't imagine Hartford without an XL Center, or an equivalent thereof. He expressed that CRDA has done the early work of competitive data regarding either a rebuilt or a brand new center. If the architects and consultants can accomplish what they are saying for the amount that they are estimating and agreements with parties involved can be reached, then it would make sense to move forward.

Housing Committee

Michael Freimuth reported on the following:

- Radisson – a conversion of the top floors to housing. Is expected to close shortly.
- CRDA received repayment of \$3.2M for 201 Ann Street and the Sonesta repaid its bridge loan of \$2.05M. CRDA will use those funds for housing deals.
- Occupancy rates - reporting better than originally planned.
- 370 Asylum – scheduled to go to Bond Commission in Feb/Mar.
- Lewis Street - received its Certificate of Occupancy.
- HB Nitkin reporting a good deal of interest in Front Street retail space.
- 777 Main Street - small grocery store moving into Asylum side of 777 Main St.; possible retail store moving into ground level.

Venue Committee

Andy Bessette introduced Sarah Layedra. Sarah reported the following with regard to the Tennis Foundation of Connecticut (TFC) Audit and 2015 P&L.

Tennis

Audit

- Sarah reported that Marcum completed the audit of the Tennis Foundation of Connecticut's (TFC) financials for year ending 9-30-15. The auditors conducted a standard audit as well as a state single audit on the bonding money received through DECD since it exceeded \$300,000 in FY 2015. An updated 2016 Budget was distributed.
- The TFC received a clean/unqualified opinion on the audit, with two technical findings in the single audit related to compliance with reporting. TFC received a verbal waiver/extension on these two reporting requirements however DECD does not issue formal waivers. One of the reporting requirements is that TFC submit the audited financials to DECD by December 31 and they were not submitted until January 6. The second requirement is for semi-annual project reports that will be submitted by the end January.

2015 P&L

- \$562,568 short in revenue
 - \$614,134 in sponsorship
- Expenses were \$125,782 less than budgeted (\$100K in CRDA Fee & TFC Reserve)
- Net loss = \$418,693
 - CRDA = \$150K contribution
 - TFC = \$268K from reserve

Chairwoman called on Joseph Geremia. Mr. Geremia stated that CRDA Management has reviewed the TFC budget with the TFC Management and their Board and recommends approval by this Board.

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

“The CRDA Board of Directors hereby approves the FYE 2016 CRDA Office Budget adjustments as presented, subject to available funds.”

Andy Bessette reported on the following Venue details:

XL Center

Security Upgrades

- CRDA is requesting the balance of the \$35m approved for XL renovation from the State Bond Commission. A portion of this \$1.5m will be used for security upgrades, including replacement of outdated and broken security cameras. CRDA is working with a nationally-known security consultant on a two-phased approach – with certain security upgrades done now and a more comprehensive security program included in the reconstruction project.
- Additional law enforcement personnel have been added and new pat down and bag check procedures have been implemented following the events in Paris in mid-November. These steps, however, have significantly increased event costs and slowed access into the building, prompting complaints from some patrons.

Sean Fitzpatrick suggested the availability of federal money to possibly help with security upgrades. Mike Freimuth requested Kim Hart to further investigate this idea.

Long-Term Project

- A number of meetings have been held with Northland related to acquisition of all or part of their building to allow for reconstruction of the XL Center. An analysis of the various acquisition options, as well cost analyses of each, are being conducted by both parties.
- CRDA still anticipates requesting funds in early 2016 for the acquisition of the Northland space and for development of construction design documents.
- A Letter of Intent has been signed with UConn for a long-term presence in a reconstructed XL Center should such a facility be built.

Wolfpack and UConn Team Updates

- Teams are not performing to budget and we hope to see attendance and revenue numbers increase as they move into the second half of their seasons. Lower than expected attendance (particularly for UConn Hockey) and higher security costs have significantly impacted the facility's budget. The postponement of a Janet Jackson concert until next fiscal year will also impact the budget.

Pratt & Whitney Stadium

- CRDA is requesting \$800k from the State Bond Commission for the authorized clearing of a 10-acre wooded parcel acquired as part of the UTC/Pratt naming rights deal. Such area is needed as the lots previously leased from UTC for overflow parking are being torn up as part of the outlet mall construction at Rentschler Field.

Connecticut Convention Center (CTCC)

- The last round of CTCC capital improvements will continue in the Spring. These improvements will include an easier link between the Marriott lobby and the lobby of the Convention Center. The other upgrade will be a ticket/visitor introduction area in the lobby of the CT Convention Center.
- The Convention Center Management contract will expire in June 2016. Chairwoman Hopgood suggested that the Executive Committee discuss their options at the next Executive Committee meeting in February.

Finance

Joseph Geremia reported the following Financial update for January 2016.

Fiscal Year 2016 Operating Statistics

- CT Convention Center – November/December 2015
 - December stats: 87 event days held YTD with YTD attendance at 94,900
 - November financials: Food & beverage revenue favorable by 8% compared to budget
Event-related expenses down favorably to decreased event revenue
Net Income \$140,000 favorable to budget
- CRDA Parking Facilities – November/December 2015
 - December stats: Utilization favorable to budget at 64%
Monthly rate customers even with prior year at 15,000 YTD
Transient customers even with prior year at 180,000 YTD
 - November financials: Transient revenue favorable by 12% compared to budget
Payroll & Utility expenses favorable to budget
Net Income \$250,000 favorable to budget
- XL Center - November/December 2015
 - December stats: 53 event days held YTD with YTD attendance at 210,100
 - November financials: Event revenue unfavorable by 26% with expenses even compared to budget
Hockey operations unfavorable to budget by \$200,000
Net Income \$600,000 unfavorable to budget
Projected to be \$100,000 unfavorable to budget for Fiscal Year
 - Church Street Garage
Linking activity with Hartford Wolfpack and XL Center incentives
Monthly rate customers at 8,800 YTD
Transient customers at 81,100 YTD
- Rentschler Field - November/December 2015
 - December stats: 55 event days held YTD with YTD attendance at 143,500
 - November financials: Event revenue unfavorable by 12% with expenses favorable by 7% compared to budget
Net Income even with budget
- Residential Housing Initiatives – Contracted Loans: \$43.1M
Disbursed: \$37.6M

Fiscal Year 2016 Budget

- State budget effects:
 - Hiring Freeze
 - Spending restrictions – contractual services
 - 6% rescission - \$471,861
 - CRDA Office: \$346,861, TFC: \$50,000, Subsidy program: \$50,000, Front St. District: \$25,000
 - CRDA Office detail – Capital: \$75,000, Legal fees: \$50,000, Payroll/Benefits: \$75,000
 - Expense reductions/Income sources: \$146,861

After a discussion regarding the budget adjustment, the following motion was moved by Andy Besette, seconded by David Jorgensen and approved.

“The CRDA Board of Directors approves the FYE 2016 CRDA Office Budget adjustments as presented, subject to available funds.”

Executive Director Report

Michael Freimuth reported on the following items:

- Expanding CRDA boundaries to incorporate E. Hartford - Mike Freimuth explained that the legislation that was brought up in last year’s legislative session will be once again brought up in the 2016 legislative session.

Mayor Leclerc asked that CRDA Board Members support the expansion of the CRDA Boundaries into E. Hartford. Mayor Leclerc further explained that E. Hartford will be asking for some professional services, including support for a housing project along the riverfront on E. Hartford side that will serve as an alternative housing option for people that want to live along the riverfront and be near downtown Hartford. Mayor Leclerc asked for Mayor Bronin’s personal support and to also support it through his legislative body to which Mayor Bronin responded that he is supportive of the expansion.

Mayor Bronin asked Mayor Leclerc to consider exploring the possibility of revenue sharing, not so much between cities but with regional assets. Mayor Bronin asked this to be put on the table for future discussion.

Kim Hart distributed a copy of the proposed boundaries map.

- Metropolitan District Commission (MDC) tax – Mike Freimuth explained that the MDC is significantly taxing all the CRDA projects that have converted from commercial to residential. The MDC is charging a “hook-up” charge, when nothing is being hooked-up. The “hook-up” fee is \$1,655 per unit which equates to \$1.6M to date. Developers are requesting additional funds to cover this expense, after the project has closed. Mayor Bronin suggested that CRDA meet with MDC prior to taking any position or action.

Other project updates:

- 450 Columbus – tenant fit-out has begun. Occupancy scheduled for later this year.
- Morgan Street Garage - complete
- 55 Farmington - complete
- XL Center – Complete with the exception of some security matters and drainage and pumping systems that are waiting for the last allocation.
- Church Street Garage – completed some repairs; painting, replacing stairwells. Assembling a capital improvement program that will be presented at a later date.
- 777 Main – Housing is complete, contractor dispute still ongoing.
- Newington – in talks with CDOT regarding a possible parking lot.
- Capewell – project is half complete
- UCONN – demo & environmental cleanup is done, excavation stage is underway

The following motion was moved by Cheryl Malerba, seconded by Andy Bessette and approved.

“The CRDA Board of Directors hereby moves to go into Executive Session for discussion of litigation and contract negotiations.”

No action was taken due to Executive Session. The CRDA Board Meeting adjourned at 8:10pm.

“The minutes of the January 14, 2016 CRDA Board Meeting were moved by Andy Bessette seconded by Catherine Smith and unanimously approved by Board Members at the February 18, 2016 CRDA Board Meeting.”

**Capital Region Development Authority
Board Meeting
CT Convention Center
100 Columbus Blvd, Suite 500
Hartford, CT 06103
Thursday, February 18, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Ben Barnes; Andy Bessette; Mayor Luke Bronin; Garrett Eucalitto; Sean Fitzpatrick; David Jorgensen; Mayor Marcia Leclerc; Cheryl Malerba; Michael Matteo; Commissioner Catherine Smith

Absent: Joanne Berger-Sweeney; Commissioner Evonne Klein

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

Call to Order & Minutes

The Board Meeting was called to order at 6:00pm.

The minutes from the January 19, 2016 Board Meeting were moved by Sean Fitzpatrick, seconded by Catherine Smith and unanimously approved.

Chairwoman Hopgood asked for a motion to add Sean Fitzpatrick to the CRDA Housing Committee as well as designating him as Chairman of the Housing Committee.

The following motion was moved by Mayor Bronin, seconded by Andy Bessette and approved.

“The CRDA Board of Directors hereby appoints Sean Fitzpatrick to the CRDA Housing Committee as well as designating Mr. Fitzpatrick to the role of Chairman.”

Chairwoman Hopgood asked for a motion to add Kiley Gosselin, to the CRDA Housing Committee as a non-voting member.

The following motion was moved by Sean Fitzpatrick, seconded by Catherine Smith and approved.

“The CRDA Board of Directors hereby appoints Kiley Gosselin, Development Services Deputy, City of Hartford, as a non-voting member of the CRDA Housing Committee.”

Prior to the commencement of the CRDA Board meeting, Deputy Director Anthony Lazzaro swore in new Board member Garrett Eucalitto, Board Designee for Office of Policy and Management (OPM) Secretary Ben Barnes. Mr. Eucalitto is an Undersecretary at OPM.

Mayor’s Report

Hartford Mayor Luke Bronin reported:

- The city is working with CRDA to restructure the project at 370 Asylum. One of the obstacles includes back taxes, however we may be close to a solution.

- Mayor Bronin and Sean Fitzpatrick will tour neighborhoods, in particular they will be exploring, Albany Ave; N. Main and Terry Square and Park and Main.
- The city is interested in the vacant lots that will tie Park & Main neighborhood to the revitalization of the State Office Building.
- Developers that have contacted Mayor Bronin have been referred to Mike Freimuth/CRDA.
- Chairwoman Hopgood indicated that Helen Nitkin will be contacting Mayor Bronin to schedule a meeting with Mayor Bronin, Sean Fitzpatrick and Michael Freimuth to discuss the possibility of future development projects
- Chairwoman Hopgood mentioned that Front Street Loft apartments include primarily empty nesters and a family. Mayor Bronin expressed that he is not surprised by this news, as he has heard that empty nesters are looking for more living space.

East Hartford Mayor Marcia Leclerc reported:

- East Hartford has had the most significant increase in Grand List in over a decade, keeping mil rate at 45.8.
- Working to revamp zoning especially with regard to pavement, we are looking at parking in a very strategic way.

Housing Committee

Chairwoman Hopgood reported that the Housing Committee met on February 5 and reviewed the CRDA portfolio and took action regarding two projects and made recommendations on a third development, see below.

40 Elm Street

Funded by CRDA, state historic credits and Hartford Community Loan Fund, this \$ 1.2 million, six unit historic rehab is now in lease up with four units rented. However, it ran over budget by approximately \$33,000; resulting primarily from unanticipated structural repairs and related necessary code adjustments. Negotiations are underway and expected to reduce this overrun. The developer has requested a supplemental loan from CRDA of up to \$20,000 per the same terms and conditions of the initial CRDA note of \$322,650, 3%, 30 yrs. These funds are available in the CRDA housing pool due to repayment on earlier CRDA housing notes. The Housing Committee approved such additional terms.

The following motion was moved by Andy Bessette, seconded by Sean Fitzpatrick and approved.

“The CRDA Board of Directors approves the awarding of a supplemental loan to Daniel Peabody, developer of 40 Elm Street in an amount up to \$20,000, as determined by the Executive Director and at the same interest rate and term length as has been provided in the initial award.”

105-7 Wyllys

This 46 unit new construction project was approved by CRDA on October 15, 2015. The funding sources are as follows: \$4 Million private loan, \$3.5M 20 yr 1% CRDA loan, \$3,082,000 from the City of Hartford and \$1.56M in land and equity totaling \$12.08 million. Since the CRDA approval, the application of new bank regulatory rules (Basel III) have required more equity to

leverage the bank loan, changing its terms and conditions. We have been working to restructure the deal to meet the new equity rules and stretching the initial CRDA loan from 20 years to 30 years frees up sufficient cash flow to meet the needs of the project and its debt service capacity. The Housing Committee approved extending the initial amortization period from 20 years to 30 years.

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

“The CRDA Board of Directors approves the extension of the initial amortization time as approved by the Housing Committee for the 105-7 Wyllys Street project with an interest rate adjustment from 1%/20 years to 1% years 2-10 and 2.5% years 11-30 with a one year deferral following the issuance of the certificate of occupancy with all other conditions and understandings of the initial award remaining the same.”

370 Asylum

Sponsored by Community Solutions Inc. and developed with the RBH Group of Newark, NJ, this project was approved for \$3.6M of CRDA funds on June 18, 2015. However, the conversion of 370 Asylum into 60 units for a \$20.3 million estimated total development costs has struggled through the complicated multi-agency underwriting process (CHFA, DOH, CRDA, City, DECD and private funding through Prudential). During this time, taxes, accruing with interest and penalties have outrun the project underwriting resulting in the need to re-construct some of the financing. The Housing Committee discussed increasing the loan award to \$4M with an adjustment to the amortization period and interest rate to mitigate the impact of an increased debt service.

After more detail was communicated by Michael Freimuth regarding this project, the following motion was moved by Andy Bessette, seconded by Sean Fitzpatrick and approved.

“The CRDA Board of Directors approves the adjustment of its initial award from \$3.6M to \$4M and authorizes the Executive Director to extend the amortization term from 20 years to 30 years if necessary based on final underwriting from all public agencies with all other conditions and understandings of the initial approval of June 18, 2015 remaining the same.”

Mike Freimuth reported that occupancy numbers have been updated and are reflected on the Pipeline report. Pending a couple of details the Radisson project is nearly ready to close. The 105-7 Wyllys and 370 Asylum projects will have to go to State Bond Commission.

Venue Committee

Andy Bessette reported on the following regarding the Venue Committee discussions:

XL Center

- Long Term Reconstruction Project – In light of the current state budget situation, the Governor is deferring the decision to put new funds into the capital budget for the XL or its long term transformation at this time. He has, however, given CRDA the discretion to use bond funds previously authorized for the agency for (1) land acquisition, (2) design work and (3) capital improvements that would serve the current building as well as be retained in any future improved building (e.g., ice repair).

- Northland – Discussions are continuing with Northland regarding acquisition of all or part of the Trumbull block. There are essentially three options available to us: (1) purchase of the atrium, (2) purchase of the atrium and those small slivers of the building needed for reconstruction and (3) purchase of the whole Trumbull block (the more expensive, but cleaner option in terms of construction and operation). Under each of these, Northland would retain their garage, however, CRDA would look to acquire approximately 40 spaces to allow for expansion of the arena concourse. Cost estimates for the project are currently being developed.
- AAC Tournament – The XL Center will once again host the AAC Men’s Basketball tournament in March 2017. The working group who organized the 2015 tournament - including representatives of CRDA, Global, the City of Hartford, State DOT and local business groups - is expected to reconvene shortly. The St. Patrick’s Day Parade and the cheerleading convention at CTCC will again be challenges to organizing the event. An announcement regarding the tournament is expected to be made soon.
- Security Upgrades – The balance of the \$35 million for XL renovations was approved by the State Bond Commission on January 29th. Most of this \$1.5 million will be used for much-needed security upgrades at the XL Center.

Rentschler Field – New Roadwork and Parking Lot

- CRDA is working with UTC’s developer on construction of a new roadway that will service both the Stadium and the proposed outlet mall at Rentschler Field. \$7 million in State bond funds secured by OPM are being utilized for the project.
- The Bond Commission has also approved \$775,000 for construction of a new parking lot on 10 acres recently acquired by the State as part of the Pratt & Whitney naming rights deal. The lot, which will provide an additional 1,000 parking spaces, should be completed in time for the 2016 football season.
- Global has just confirmed that the U.S. Women’s National soccer team will be playing Columbia on April 6th at the Stadium. (Tickets go on sale Friday, 2/19)

Tennis Center – Capital Improvements

- The Bond Commission has also approved \$1.2 million for interior renovations and utility upgrades at the CT Tennis Center. Work will include construction of new offices, renovation of the media center and players’ lounge and electrical, water and sewer upgrades.

Finance

CRDA CFO, Joseph Geremia reported the following Financial update for February 2016.

- Director and Officer Insurance has been renewed for FY16-FY17.
- CRDA Finance Committee will meet to review all FY17 CRDA Budgets. Scheduled meeting dates will be forwarded, all Board Members are invited to attend.

- Reviewed the Balance Sheets for Fiscal Year 2016 Financial Statements for the Six Months Ending 12/31/2015 and FY16 operating Statistics.

Balance Sheet

- Current restricted cash increase reflects use of bond funds for Residential housing initiatives off-set with a decreased liability in accrued expenses
- Current unrestricted cash increase reflects timing differences between funding and expenses at the CTCC and the XL Center

Statement of Revenues, Expenses and Changes in Net Position

- Combined facilities income and expenses referenced below
- Development costs reflects TFC support
- Interest expense decrease reflects start of fiscal year without swap interest payments
-

Fiscal Year 2016 Operating Statistics

CT Convention Center – December 2015/January 2016

January stats: 109 event days held YTD with YTD attendance at 138,100
 Qtr. 2 financials: Total revenue even with budget.
 Expense savings in utilities, maintenance, and event staffing
 Net Income \$136,000 favorable to budget
 After second fiscal quarter of activity, total year projection even with budget

CRDA Parking Facilities – December 2015/January 2016

January stats: Utilization favorable to budget at 86%
 Monthly rate customers slightly favorable with prior year at 17,500 YTD
 Transient customers slightly favorable with prior year at 223,200 YTD
 Qtr. 2 financials: Monthly rate customer revenue and event revenue even with budget
 Transient revenue favorable by 13% compared to budget
 Expense savings in utilities, snow removal, and staffing
 Net Income \$330,000 favorable to budget
 After second fiscal quarter of activity, total year projection approx. \$230,000 favorable to budget

Rentschler Field - December 2015/January 2016

January stats: 70 event days held YTD with YTD attendance at 146,500
 Includes full UCONN football season
 Qtr. 2 financials: Event revenue unfavorable by 12% with expenses favorable by 13% compared to budget primarily due to savings in maintenance
 Net Income \$47,000 favorable to budget
 After second fiscal quarter of activity, total year projection approx. \$164,000 unfavorable to budget

XL Center - December 2015/January 2016

January stats: 85 event days held YTD with YTD attendance at 335,700
 Qtr. 2 financials: Event revenue unfavorable by 29% compared to budget due to F&B expenses and;
 decreased facility ticket surcharges
 F&B fixed expenses to be off-set by second half of year event sales volume
 Expenses (other than F&B) even compared to budget
 Net Income \$705,000 unfavorable to budget

After second fiscal quarter of activity, total year projection approx. \$230,000 unfavorable to budget

Church Street Garage

Monthly rate customers at 10,200 YTD, unfavorable to budget by 400 per month
Transient customers at 100,600 YTD
Qtr. 2 financials: Monthly rate customer revenue and transient revenue even with budget
Event revenue unfavorable by \$40,000 compared to budget due to budget event seasonality
Expense savings in security and snow removal
After second fiscal quarter of activity, total year projection even with budget

<u>Residential Housing Initiatives</u> –	Total Contracted Loans:	\$44.2M
	Current Contracted Loans:	\$38.3M
	Current Disbursed:	\$33.0M

Executive Director Report

Michael Freimuth reported on the following items:

- Maps were displayed on the overhead projector and were presented Mr. Freimuth, Mayor Bronin and Sean Fitzpatrick. Two of the maps shown reflect the Plaza Mayor and Bushnell Square projects, a third map showed the projects in proximity to the District.

Plaza Mayor Planning Study

- Plaza Mayor is a mixed use neighborhood scale development which is owned by the City of Hartford.
- The Plaza Mayor Planning Study's objective is to follow up on a series of meetings between CRDA, SAMA and the City and to map out a redevelopment project at the intersection of Main Street and Park Street.
- The task is for CRDA to retain consultant to identify and review several planning initiatives and proposals; to evaluate in light of city planning and new zoning; conduct session(s) with SAMA, HRA, City and community to plan project(s); to market test the concepts; to conduct economic modeling; and to determine public/private capital attraction.
- The estimated cost is: \$20-\$25,000

After a lengthy discussion between Board Members the following motion was moved by Andy Bessette, seconded by Catherine Smith and approved.

"The Executive Director is authorized to retain planning services for a redevelopment project at the intersection of Main and Park Streets for a sum up to \$25,000."

Bushnell Square Planning Agreement

Mayor Bronin explained this project has the potential to reconnect the Bushnell to the rest of the City:

- The objective is to plan and quantify the redevelopment of state and private property located adjacent to or as part of the State Office Building (S.O.B.) complex at 165 Capitol Avenue and extending eastward along Capitol Avenue and Buckingham Streets.
- The task is to program and phase the redevelopment to meet needs of S.O.B. and The Bushnell as well as to capitalize on market demand and funding availability; assess residential, retail, parking and public space development; model financial pro forma; prepare solicitation of private investors; and determine public/private capital mix.
- The estimated cost is: \$25,000 CRDA matched by \$75,000 Bushnell.

After a discussion between Board Members the following motion was moved by Andy Bessette seconded by Catherine Smith and approved.

“The Executive Director is authorized to enter an agreement with The Bushnell to advance the planning of the Bushnell Square area with a matching CRDA contribution of \$25,000.”

College Student Engagement in Downtown Hartford Project Summary

Michael Freimuth asked Terryl Mitchell Smith to describe the initiative that is based on work that was done last summer by CRDA intern and Trinity Student Jennifer Tran. The following is the “College Student Engagement in Downtown Hartford Project Summary”.

PREMISE

CRDA wanted to explore entertainment programming that would attract students from surrounding colleges and universities to downtown Hartford. Information on what would appeal to college students as far as concerts, shows and other events would be helpful to Spectrum in booking shows at the XL Center as well as a smaller live music venue such as Infinity Music Hall.

CRDA’s fall 2015 intern was an Urban Studies major with a minor in Community Action, Models and Data junior from Trinity College. The research project fit well within her scope of study. Since this information was something of great interest to many entities focused on marketing the city to young adults, the intern worked closely with the director of marketing and public relations on design and execution of the research process.

RESEARCH MODEL

Information was gathered from three target groups: students, educational institutions and stakeholders. The student group was limited to a very small segment of Trinity students since it was difficult to arrange opportunities to identify and set up meetings with students from other schools during the short time frame of the intern’s term. Many of the surrounding colleges and universities were contacted and asked to participate.

The following responded and were willing to be interviewed:

- Trinity College
- University of Saint Joseph
- Goodwin College
- Central Connecticut State University
- Capital Community College

The following were identified and participated as stakeholders:

- Metro Hartford Alliance
- HYPE
- iQuilt
- Hartford Business for Downtown
- Hartford Promise Zone
- CT Convention Center
- CT Convention and Sports Bureau
- Hartford Consortium for Higher Education
- CT Department of Transportation
- Group Raise

Construction Update

- 450 Columbus Boulevard –occupancy in South Tower begins this summer, North Tower, early next Spring, employees will relocate from the State Office Building.
- Morgan Street – series of repairs have been completed
- 55 Farmington – follow-up work on HVAC System are complete
- Church Street – painting complete, new signage added, some stairwells have been rebuilt. Capital work may be added as part of XL Program.
- Capewell – half completed
- Hartford Office Supply – is approximately 35% complete, windows are going in; roof is complete; units are being framed out.
- Newington – talking to DOT about commuter lot, DECD is also involved in discussions.
- UCONN Campus – site work is underway.

Miscellaneous

Michael Freimuth shared the letter sent to MDC Chairman William DiBella as a follow-up to his meeting with Chairman DiBella explaining CRDA's stance on Supplemental Assessments. Mr. DiBella indicated he would bring this topic to the MDC Board.

Executive Session

At 7:15pm, Chairwoman Hopgood called for a motion to move to Executive Session to discuss CT Convention Center Management Contract. The following motion was moved by Sean Fitzpatrick, seconded by Andy Bessette and approved.

"The CRDA Board of Directors hereby moves to go into Executive Session."

Coming out of Executive Session, the CRDA Board resumed the regular Board meeting at 7:45pm.

The following motion was unanimously approved.

“The Executive Director is authorized to extend the current management contract for the convention center for a period up to 12 months during which time a solicitation and review of management proposals for the convention center for the next five year period will be conducted, negotiated and contracted”.

Adjournment at 7:46pm.

“The minutes of the February 18, 2016 CRDA Board Meeting were moved by Evonne Klein seconded by Andy Bessette and unanimously approved by Board Members at the April 21, 2016 CRDA Board Meeting.”

**Capital Region Development Authority
Board Meeting
CT Convention Center
100 Columbus Blvd, Suite 500
Hartford, CT 06103
Thursday, April 21, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Besette; Mayor Luke Bronin; Garrett Eucalitto; Sean Fitzpatrick; David Jorgensen (conference phone-signed off 7pm); Commissioner Evonne Klein; Mayor Marcia Leclerc; Commissioner Jim Redeker; Commissioner Catherine Smith; Joanne Berger-Sweeney

Absent: Michael Matteo

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

Guests: Charles Tillem, Spectra Foods; Sarah Willcox Layedra, Executive Director; Dana Cialfi, Deputy Director of the Tennis Foundation of Connecticut

Call to Order & Minutes

The Board Meeting was called to order at 6:02pm.

The minutes from the February 18, 2016 Board Meeting were moved by Evonne Klein, seconded by Andy Besette and unanimously approved.

Spectra Food Service

Charles Tillem presented a Powerpoint presentation reviewing sales data for AHL, UConn Hockey; UConn Men's Basketball; UConn Women's Basketball; Concerts; Fan Club and Pratt & Whitney Stadium.

Mr. Tillem presented Spectra Foods "Roadmap" for per capita growth including but not limited to Menu Engineering; Value combo Meals; Souvenir Cup Program; Subcontractors and Tailgating.

Subcontractors at XL- rebranding the "stand 7" location to Aladdin Pizza, improved sales by 168%. A second location by the main entrance is planned for the coming year.

Tailgate Tent at Rentschler – currently planning to open a centralized location for upscale tailgating. Packages would include VIP parking, Food & Beverage and merchandise. The menu would include tailgating favorites and local hand crafted beers. The hospitality tent would be furnished with big-screen TV's and climate control.

Mayor's Report

Hartford Mayor Luke Bronin reported:

- City of Hartford Budget contains steep cuts, including layoffs and eliminating all cultural and arts subsidies.
- Budget also contains labor concessions.
- Regionalization measures, like cost sharing among surrounding communities, could help Hartford.
- full PILOT payments by the state and local-option taxes on local non-profits could help Hartford.
- DOT funded streetscape improvements on Albany Avenue will soon begin which will complement the development project at Woodland and Albany Ave.
- Would like to start the next phases of Downtown North Development soon, efforts for a grocery store do not look likely, however still hopeful.
- UHart and Housing Authority met to discuss ways that they can help each other which will create some funding for the Housing Authority and some housing for UHart.
- CRDA is sponsoring a planning study for parcels at Park & Main
- Working with local property owners that are assembling some property in the Terry Square area. This is another area that we hope will be a priority in partnership with CRDA.
- Steel structure for Candlewood Suites on Pequot Street has been erected.
- Committee for City Council approved the City's loan for 370 Asylum.
- CRDA supported study of lots next to State Office Building and continued desire to move forward with Promise Zone investments.
- The Baseball Stadium development is moving along however it is not clear whether construction will be completed by the deadline, which will result in penalties.

East Hartford Mayor Marcia Leclerc reported:

- Moving along on development opportunities at Rentschler Field
- CRCOG, Silver Lane Corridor Study, studying signaling signage, sidewalks and the width and configuration of Silver Lane.
- Continue to work down Main Street with improvements.
- CRDA legislative discussion to take place in a separate conversation. There are three housing opportunities for East Hartford within that legislation.

Housing Committee

Sean Fitzpatrick, Chairman of the Housing Committee reported that the Committee met on March 18, 2016 and reported the following:

370 Asylum – reiterated Committee for City Council approved the City's loan for 370 Asylum and also noted that community benefits are being more extensively negotiated to enhance local hiring. Michael Freimuth noted that 370 Asylum did get approved by the Bond Commission, still working through CHFA underwriting.

Michael Freimuth continued updating the Board regarding the following projects:

Radisson – CRDA closed financing with the Radisson, going into construction late this summer.

Occupancy & Absorption – 777 Main; 201 Ann; 179 Allyn; Front Street; Spectra – all have increased occupancy from the last report. Absorption is running about 76%, of 700 units, 525 are occupied.

New to the City of Hartford - 61% of the individuals are new to the City of Hartford. Sonesta, Allyn and Front Street are all over 75%, however 777 Main is lower making it 61%.

Pipeline

- North Foundry building at Colt
- Lewtan properties on Allyn Street working with LISC & Main Street Program
- CRDA has been approached by several developers regarding 525 Main Street
- Trinity Building on Constitution Plaza.

777 Main Street – has been nominated for Statewide (CREW) CT Real Estate Women award.

Sonesta – has been presented with a National Historic Preservation Award.

CRDA Residential Housing Initiatives – a principal and interest schedule was handed out forecasting the P&I Return to CRDA.

Venue Committee

Tennis Center

Michael Freimuth reported that the Second Amendment to the Tennis Tournament License Agreement is up for renewal for the 2017 Tournament. This agreement reflects an extension to the amended agreement dated May 26, 2015.

Dana Cialfi gave a brief overview of the work currently being performed at the tennis center and the events planned for the upcoming Tournament.

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

“The CRDA Board of Directors hereby approves the extension to the second amendment to the Tournament License Agreement as presented.”

SECOND AMENDMENT TO TOURNAMENT LICENSE AGREEMENT

THIS SECOND AMENDMENT TO THE TOURNAMENT LICENSE AGREEMENT (hereinafter the "Second Amendment") is made and entered into as of this ____ day of March, 2016 by and between the **CAPITAL REGION DEVELOPMENT AUTHORITY** (“CRDA” or “Licensor”), a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut, with an office and place of business at 100 Columbus Boulevard, Suite 500, Hartford, Connecticut 06103-2819 and the **TENNIS FOUNDATION OF CONNECTICUT**, a Connecticut not-for-profit corporation, with an office at 900 Chapel Street, Suite 622, New Haven, Connecticut 06510, (hereinafter referred to as "TFC" or “Licensee”). Capitalized words and terms used herein have the respective meanings ascribed to such words and terms in the Amended Agreement, as hereinafter defined.

WITNESSETH:

WHEREAS, Licensor and Licensee entered into that certain Tournament License Agreement dated December 31, 2013 relating to the management and presentation of the Tournament (the "Original Agreement");

WHEREAS, the parties entered into an Amendment to Tournament License Agreement dated May 26, 2015, which amended the Original Agreement to reflect an extension to the Term and a change in the title of the tournament (as so amended, the "Amended Agreement");

WHEREAS, Licensor and the Licensee desire to amend further the Amended Agreement as more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the receipt and sufficiency of which are acknowledged, the Licensor and the Licensee hereby further amend the Amended Agreement as follows:

1. Section 1 of the Amended Agreement is deleted in its entirety and the following is substituted in lieu thereof:

1. Term and Future Rights

a. Term.

The term of this Agreement (the "Term") shall be from the Effective Date and shall continue through December 31, 2017. This Agreement shall be terminable by Licensor for the 2017 Tournament, without penalty or cause, during the period beginning on September 30, 2016 and ending on December 31, 2016. Notwithstanding anything to the contrary in this Agreement, notice of such termination will be made no later than December 31, 2016.

b. Future Negotiation.

Neither party shall be obligated in any manner to negotiate for a renewal or extension of this Agreement at the conclusion of the Term; however, provided that both parties agree, the parties will meet together between January 1, 2017 and March 31, 2017 to discuss the possibility of a renewal or extension of the Agreement, as amended by this Amendment.

2. Except as modified hereby, all other terms and conditions of the Amended Agreement shall remain in full force and effect. This Second Amendment may be executed in multiple counterparts, and each counterpart shall constitute an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by their respective duly authorized officers or representatives.

TENNIS FOUNDATION OF CONNECTICUT

By: _____
Sarah Wilcox Layedra
Executive Director

Date: _____

**CAPITAL REGION DEVELOPMENT
AUTHORITY**

By: _____
Michael W. Freimuth
Executive Director

Date: _____

Andy Bessette continued the report on Venue Committee matters:

Tennis Center (continued)

- Capital Improvements - Work continues on construction of new offices, renovation of the media center and players' lounge and electrical, water and sewer upgrades.

The Tennis Center also reports that it has hired a new individual to help with securing sponsorships for the Tournament.

Convention Center

- Management Contract - Waterford's contract for management of the Convention Center was set to expire this June. A one-year extension while CRDA prepares to put the contract out to bid. A Request for Qualifications will be released in September, with a short list of candidates compiled in October, interviews conducted in November and a Committee selection expected sometime in December.

XL Center

- Long Term Reconstruction Project – In light of the State's current budget situation, design work on the XL Center transformation has been put on hold for a few months. Work continues, however, on much-needed security upgrades in the building utilizing existing bond funds.

- Northland – Discussions are continuing with Northland regarding acquisition of all or part of the Trumbull block. There is a considerable gap, however, between CRDA and Northland’s expected sale value.

Pratt & Whitney Stadium at Rentschler Field

- New Roadwork and Parking Lot - CRDA continues working with UTC’s developer on construction of a new roadway that will service both the Stadium and the planned development at Rentschler Field. Some \$7 million in State bond funds secured by OPM is being utilized for the project. Work also continues on the new grass parking lot located at the southern edge of the Stadium site.
- U.S. Women vs. Columbia Soccer Game – More than 19,000 fans turned out to see the U.S. Women’s soccer team play Columbia on April 6th – the largest ever crowd for women’s soccer at the Stadium. Spectra has not finalized their settlement with U.S. Soccer, but they estimate a Stadium profit of over \$150,000.

Finance

CRDA CFO, Joseph Geremia reported the following April 2016 Financial update:

Fiscal Year 2016 Operating Statistics

CT Convention Center – February/March 2016

March stats:

- 158 event days held YTD with YTD attendance at 244,300

February financials:

- Utility and snow removal expenses down favorable compared to budget.
- Event-related expenses down favorably to decreased event revenue
- Net Income \$100,000 favorable to budget

CRDA Parking Facilities – February/March 2016

March stats:

- Utilization favorable to budget at 56%
- Monthly rate customers even with prior year at 22,600 YTD
- Transient customers even with prior year at 307,000 YTD

February financials: Transient revenue favorable by 13% compared to budget

- Payroll, Utility and snow removal expenses favorable to budget
- Net Income \$500,000 favorable to budget

XL Center - February/March 2016

March stats:

- 119 event days held YTD with YTD attendance at 485,300

February financials:

- Event revenue unfavorable by 3% with expenses even compared to budget
 - o Hockey operations favorable to budget by \$100,000
- Net Income \$200,000 unfavorable to budget
- Projected to be \$145,000 unfavorable to budget for Fiscal Year

Church Street Garage

- Monthly rate customers at 13,000 YTD, favorable to budget by 380 per month

- Transient customers at 133,700 YTD, favorable to budget by 62,500 YTD

Rentschler Field - February/March 2016

March stats:

- 84 event days held YTD with YTD attendance at 150,700

February financials:

- Event revenue unfavorable by 5% with expenses favorable by 16% compared to budget
- Net Income \$65,000 favorable to budget

Residential Housing Initiatives

- Total Contracted Loans: \$49.2M
- Current Contracted Loans: \$43.3M
- Current Disbursed: \$33.8M

Fiscal Year 2016 Budget

State budget effects:

- 6% rescission in 3rd Quarter - \$471,861
- 6.3% rescission in 4th Quarter - \$493,218
- Total rescission of 12.3% - \$965,079
 - o CRDA Office: \$490,079, Subsidy program: \$75,000, Front St. District: \$50,000
CTCC: \$200,000, XL Center: \$50,000, TFC: \$100,000
 - o CRDA Office detail – F&E: \$75,000, Legal fees: \$50,000, Payroll/Benefits: \$75,000
 - o Other expense reductions: \$55,000
 - o Revenue increases: \$275,000

The following motion was moved by Sean Fitzpatrick, seconded by Joanne Berger-Sweeney and unanimously approved.

“The CRDA Board of Directors hereby approves the CRDA budget rescissions as presented.”

Chairwoman Hopgood asked for a motion to add Andy Bessette to the CRDA Finance Committee.

The following motion was moved and unanimously approved.

“The CRDA Board of Directors hereby appoints Andy Bessette to the CRDA Finance Committee.”

Mr. Geremia also reported the dates of the CRDA Finance Committee meetings and invited all Board Members to attend.

April 25 – Monday

CTCC, Board Room A

10:30am: XL Center, Stadium @ Rentschler Field

11:30am: CRDA Parking Facility, Central Utility Plant, CRDA Indenture & Trustee

May 2 – Monday

CTCC, Meeting Room 21

1:00pm: CTCC, Subsidy Program
2:00pm: Church St. Garage, Front St. District, CRDA Office

CRDA Intern Michael McCaffrey has reinstated the Flag Beautification Program, selling space on flag poles on the Mike Peters Bridge. Of the 18 flag poles 12 have been sold to nonprofits and Hartford based companies raising \$22,000. A flag raising ceremony will take place on the bridge on May 12 at 12:15.

A discussion regarding the cost of police presence at XL Center events took place. Police costs, “post Paris”, have increased between \$3-4 thousand dollars per event.

Mayor Bronin, Mr. Freimuth and Chairwoman Hopgood discussed the changes that were made “post Paris” and how this increased fees. The Hartford Police Department is the sole security force by contract for the XL Center and there has been an influx of officers at all events since the Paris attacks took place.

Executive Director Report

Michael Freimuth reported on the following:

Legislative Items

CRDA District - expansion into East Hartford would allow CRDA to operate around a portion of the Riverfront. This Bill is getting some pushback by Hartford legislators.

Statewide Marketing & Promotion Account – would help some in the promotion of venues.
Innovation District – promoted by Sen. Fonfara, this would be in CRDA’s District and would give allow us to work within innovation area around Trinity corridor. Bill 5576

Transit Corridor – The way the bill is written, CRDA would manage via an MOU, a separate board, separate authorities, and whatever the separate funds that might be made available. Bill was amended in Committee to exclude Newington, Hartford & West Hartford.

Ethics code revisions – no impact on CRDA

Contract privatization – Bill would require Quasi’s to hire public employees for venue contracts, i.e. XL, CTCC, Pratt & Whitney Stadium at Rentschler Field.

Planning Initiatives

- Bushnell – meeting with Konover on April 22 regarding Elm Street properties
- South Green – the analysis is moving along.

Construction Update

- Capewell - 60% complete.
- Hartford Office Supply - 34% complete.
- Radisson – construction begins summer 2016.
- 307 Asylum – construction begins summer 2016.
- XL – buying two new “Zambonies”.

- Church Street garage – full elevator replacement being planned, painting & signage complete.
- 450 Columbus – summer move-in planned.
- UCONN – foundation work is done and steel construction is set to begin.
- A five year capital improvement plan for Garage Improvements - CRDA retained Desman to do a study and they have identified approximately \$4.5M worth of work that needs to be done to Adriaen's Landing garages over the next five years. \$1.5M has been set aside to complete some of the work starting this summer. The work will not disrupt parking.

Miscellaneous

- UCONN -The new UCONN Athletic Director David Benedict was very helpful in the decision making which enabled XL to move ahead with an event which could have been lost.
- AD Benedict indicated that UCONN is going out to bid to hire a sales force to sell events that are at XL.
- Marketing – Live Hartford – all about how to attract and retain people in town.
- Hype 10 year anniversary block party – June 8 at Front Street, sponsored by Travelers.

Executive Session

At 8:10 Chairwoman Hopgood called for a motion to move to Executive Session to discuss personnel matters.

The following motion was moved by Catherine Smith, seconded by Sean Fitzpatrick and approved.

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

Executive Session ended and the CRDA Board adjourned at 8:24pm

“The minutes of the April 21, 2016 CRDA Board Meeting were moved by Andy Bessette seconded by Evonne Klein and unanimously approved by Board Members at the May 19, 2016 CRDA Board Meeting.”

**Capital Region Development Authority
Board Meeting
CT Convention Center
100 Columbus Blvd, Suite 500
Hartford, CT 06103
Thursday, May 19, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Secretary Ben Barnes; Andy Bessette; Mayor Luke Bronin; Sean Fitzpatrick; David Jorgensen; Commissioner Evonne Klein; Mayor Marcia Leclerc; Commissioner Catherine Smith

Absent: Joanne Berger-Sweeney; Michael Matteo; Commissioner Jim Redeker

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

Call to Order & Minutes

The Board Meeting was called to order at 6:04pm.

The minutes from the April 21, 2016 Board Meeting were moved by Andy Bessette, seconded by Evonne Klein and unanimously approved.

Finance

CRDA CFO Joseph Geremia reported on the 3rd Quarter 'FY16 Financials and the Monthly Financials for March/April. Mr. Geremia also reviewed the FY'17 Budgets.

A discussion amongst Board members also took place regarding the FY 17 allocation of funds to the CT Tennis Tournament.

Fiscal Year 2016 Financial Statements for the Nine Months Ending 3/31/2016

Balance Sheet

- Current restricted cash increase reflects use of bond funds for residential housing initiatives off-set with an increased liability in accrued expenses
- Current unrestricted cash increase reflects timing differences between funding and expenses at the CTCC and the XL Center

Statement of Revenues, Expenses and Changes in Net Position

- Combined facilities income and expenses referenced below
- Development cost reflects XL Center support through the Church Street Garage; and CT Open tennis tournament support
- Interest expense decrease reflects full fiscal year without swap interest payments

Fiscal Year 2016 Operating Statistics

CT Convention Center – March/April 2016

April stats:

- 187 event days held YTD with YTD attendance at 280,600

Qtr. 3 financials:

- Net Income even with budget
- Utility and snow removal expenses favorable compared to budget
- After third fiscal quarter of activity, total year projection \$200,000 favorable to budget

CRDA Parking Facilities – March/April 2016

April stats:

- Utilization favorable to budget at 58%
- Monthly rate customers even with prior year at 25,200 YTD
- Transient customers even with prior year at 345,000 YTD

Qtr. 3 financials:

- Net Income \$265,000 favorable to budget
- Transient revenue favorable by 14% compared to budget
- Payroll, Utility and snow removal expenses favorable to budget
- After third fiscal quarter of activity, total year projection approx. \$600,000 favorable to budget

XL Center - March/April 2016

April stats:

- 130 event days held YTD with YTD attendance at 523,400

Qtr. 3 financials:

- Net Income \$260,000 unfavorable to budget
- Event revenue unfavorable by 3% with expenses even compared to budget
 - Hockey operations even with budget
- After third fiscal quarter of activity, total year projection approx. \$250,000 unfavorable to budget

Church Street Garage - March/April 2016

April stats:

- Monthly rate customers at 14,400 YTD, favorable to budget by 320 per month
- Transient customers at 149,600 YTD, favorable to budget by 77,100 YTD

Qtr. 3 financials:

- Net Income \$70,000 favorable to budget
- After third fiscal quarter of activity, total year projection approx. \$230,000 favorable to budget

Rentschler Field - March/April 2016

April stats:

- 97 event days held YTD with YTD attendance at 187,500

Qtr. 3 financials:

- Net Income \$155,000 favorable to budget
- Event revenue unfavorable by 6% with expenses favorable by 16% compared to budget
- After third fiscal quarter of activity, total year projection approx. \$140,000 favorable to budget

Residential Housing Initiatives

- Total Contracted Loans: \$49.2M
- Current Contracted Loans: \$43.3M
- Current Disbursed: \$34.2M

Fiscal Year 2017 Budgets

Fiscal Year 2017 Budget Process

1. Venues prepared draft budgets
2. CRDA staff reviewed draft budgets with Venue staff followed by appropriate adjustments
3. CRDA Board Finance Committee & members reviewed draft budgets with CRDA staff and Venue staff followed by appropriate adjustments
 - 3.A. April 25 Meeting
Board attendees: Suzanne Hopgood, Andy Bessette, Ben Barnes
Discussion: XL Center, Pratt & Whitney Stadium @ Rentschler Field, CRDA Parking Facilities, Central Utility Plant, and Bond Indenture/Trustee
 - 3.B. May 2 Meeting
Board attendees: Suzanne Hopgood, Andy Bessette, Michael Matteo
Discussion: CT Convention Center, Subsidy Program, Front Street District, Church Street Garage, CRDA Office, and CRDA State Appropriation Allocation
4. Full Board presented budgets for authorization (May 19)

Fiscal Year 2017 Budget Summary

Note: Net operating gain or loss accounts for all income sources less total expenses, excluding depreciation expense and CRDA State appropriation. Operating gains for CRDA Parking Facilities, Central Utility Plant and Bond Indenture/Trustee budgets are netted together with excess funds sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

Central Utility Plant (CUP) FY17 Operating Budget: \$2,941,620

FY17 Net Operating Gain of \$0

FY16 Projected Net Operating Gain of \$0

FY17 Budget Highlights: Zero-sum budget with expenses being covered on a pro-rated basis between the CT Convention Center, CT Science Center and the Hartford Marriott.

CRDA Parking Facilities FY17 Operating Budget: \$6,806,382

FY17 Net Operating Gain of \$3,079,282

FY16 Projected Net Operating Gain of \$3,365,027

FY17 Budget Highlights: Revenue increase in CTCC banquets in addition to a decrease in utility expenses (LED conversion). R&M increase due to 10 -year life structure. No changes made to Parking rates.

Bond Indenture/Trustee FY17 Operating Budget: \$6,300,000

FY17 Net Operating Gain of \$2,587,282

FY16 Projected Net Operating Gain of \$2,941,572

FY17 Budget Highlights: Revenues from the CRDA Parking Facilities and the CUP are deposited with the Trustee. CRDA then allocates a Board-approved budget to fund the expenses of the operations and the costs associated with the bond debt service. Excess funds are sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

Front Street District FY17 Operating Budget: \$151,397

FY17 Net Operating Loss of \$17,451

FY16 Projected Net Operating Gain of \$3,311

FY17 Budget Highlights: Budget includes expenses of insurance and infrastructure maintenance.

CRDA Office FY17 Operating Budget: \$2,275,695

FY17 Net Operating Gain of \$165,350

FY16 Projected Net Operating Gain of \$481,164

FY17 Budget Highlights: Budget includes approximately \$530,000 in revenue related to the CRDA Residential Housing Initiative projects.

Church Street Garage FY17 Operating Budget: \$2,710,000

FY17 Net Operating Gain of \$1,317,100

FY16 Projected Net Operating Gain of \$1,390,923

FY17 Budget Highlights: Garage net operating gains reinvested in capital improvements such as replacement of elevators and stairwells as well as providing an operating subsidy to the XL Center.

CT Convention Center FY17 Operating Budget: \$7,632,077

FY17 Net Operating Gain of \$0 [Net operating loss of \$3,808,300 without CRDA appropriation.]

FY16 Projected Net Operating Loss of \$175,000 [Includes CRDA appropriation of \$3,983,300.]

FY17 Budget Highlights: Revenue increase in city-wide conventions and banquets for events held every other year. Expense decrease due to event personnel staff and sales expense related to an updated sales strategy focus. Venue generates approximately \$5.3 million in State tax revenue.

Subsidy Program FY17 Operating Budget: \$125,000

FY17 Net Operating Loss of \$12,300

FY16 Projected Net Operating Gain of \$21,379

FY17 Budget Highlights: Program subsidies offered and contracted are now fully reserved through FY21. Inherited the program from the GHCVB with a \$600,000 deficit balance.

XL Center FY17 Operating Budget: \$6,336,189

FY17 Net Operating Gain of \$437 [Net operating loss of \$599,563 without CRDA appropriation.]

FY16 Projected Net Operating Loss of \$199,155 [Includes CRDA appropriation of \$900,000.]

FY17 Budget Highlights: Revenues include 7 full concerts vs 4 hosted in FY16 and hosting AAC basketball tournament. Also increased net F&B revenue due to concession upgrades.

Pratt & Whitney Stadium @ Rentschler Field FY17 Operating Budget: \$2,266,222

FY17 Net Operating Loss of \$67,841 [Excludes \$250,000 UCONN operating assessment]

FY16 Projected Net Operating Loss of \$132,422 [Excludes \$250,000 UCONN operating assessment]

FY17 Budget Highlights: Increase in net revenues due to projected increase in UCONN football average game attendance and increased net F&B revenue due to concession upgrades and increased non-UCONN event catering revenue.

CRDA State Appropriation Allocation

	CRDA	CTCC	XL Center	CT Open	Total
FY17 Appropriation	\$1,704,953	\$3,908,300	\$600,000	\$200,000	\$6,413,253
FY16 Appropriation	\$1,715,991	\$3,983,300	\$700,000	\$500,000	\$6,899,291

The following motion was moved by Andy Bessette and seconded by Evonne Klein.

“The CRDA Board of Directors approves the State Appropriation FYE 2017 Allocation and the ten FYE 2017 Budgets approved by the Finance Committee on April 25 and May 2, 2016, subject to available funds, known as: CT Convention Center; Subsidy Program; Front Street District; CRDA Parking Facilities; Central Utility Plant (CUP); Bond Indenture/Trustee; CRDA Office; Church Street Garage; P&W Stadium at Rentschler Field; XL Center.”

The following amendment to the motion below was offered by Ben Barnes, seconded by Evonne Klein and unanimously approved.

“The CRDA Board of Directors moves that \$500,000 be allocated from the Church Street Garage in the amounts of \$400,000 to the XL Center and \$100,000 to the CT Tennis Center.”

The motion, as amended was approved.

Mayors Reports

Mayor Leclerc indicated that she did not have anything new to report to the Board.

Mayor Luke Bronin reported that the developers for the baseball stadium did not achieve substantial completion and they will not achieve the grace period of May 24, 2016 that was negotiated with the Team. The City is in the process of consulting lawyers and various other partners regarding next steps. The primary concern is whether the current developer has the financial and technical capacity to bring this to completion without attempting to have the City incur more of the financial costs.

As discussed at the last Board meeting, the Teacher’s Corner projects’ request for a \$665,000 loan was unanimously approved at the City Council Meeting. The Mayor also indicated that the City’s team is meeting with developers focused on projects outside of the downtown area. The City is developing a portfolio that it is particularly focused on for investing, using the “neighborhood” funds that CRDA has available. The City plans on coming forward with a more detailed plan and request shortly.

The City negotiated a purchase option of a 3½ acre brownfield property on Ledyard Street with the Hartford Steam Company and they plan to use to develop a 15 megawatt fuel cell. Working with DEEP to remediate the site and also hoping that it will potentially serve as a generator for another micro grid project in that area.

The City continues discussions with potential industrial users for City properties on the Homestead Ave. corridor, which is one of the top priorities.

The City was able to get the ability to assess an admissions tax on the Yard Goat Stadium, and intends to start assessing this tax as soon as the Yard Goats start playing games at the Stadium. That legislation also allows the City to assess a 5% tax on other venues which could include the XL Center.

Michael Freimuth asked if the tax assessment on other venues could be delayed for some time and the Mayor responded by saying that the City does not want to do anything that will make the building less competitive, pointing towards applying the tax more narrowly on certain types of events. Michael Freimuth noted that CRDA staff has already done an analysis on this and offered to meet when the Mayor is ready.

Ben Barnes asked Mayor Bronin what the timeline is to start enforcing the admissions tax. Mayor Bronin expressed that they would move to adopt an ordinance to start charging the admissions tax as soon as the Yard Goats start playing in Hartford, however he indicated that he does not have a timeline for adopting an ordinance for the other venues.

Mayor Bronin stated that he has met with Suzanne Hopgood and Michael Freimuth about police costs and discussed what options there might be to help reduce security costs to the XL Center.

Housing Report

Sean Fitzpatrick reported:

- 370 Asylum - CRDA is moving to close on this project.
- Lewtan Properties on Allyn Street - Michael Freimuth has been working with a number of parties on this project.

Michael Freimuth also reported the following:

- 370 Asylum - CHFA is working through the construction note and it is on the CHFA Bond Commission Agenda. Looking forward to a June closing and then starting construction in July. This building has been vacant for 18 yrs. slides were presented of the view of the Capitol from inside the building. (60 units).
- Radisson – waiting for permits to clear to begin construction.
- Hartford Office Supply & Capewell – 112 units at HOS and 72 units at Capewell will wrap up construction by the end of the year.
- Pipeline Report - Front Street's occupancy is actually 69%, not 49% as reported.
- Lewis Street – spoke with owner yesterday, there are 4 active applications however, they have not been signed yet.
- Lewtan Properties – talking with the bank regarding Basel III. Looking to use some

Housing Funds and go to Bond Commission.

- North Armory Colt - Mixed use, commercial/residential. Looking to use some Housing Funds and go to Bond Commission.

Suzanne Hopgood reported that Mike and she met with Martin Geitz from the Federal Home Loan Bank (FHLB). The FHLB Board Meeting will be held at 777 Main. It was suggested they go through the Hartford Office Supply building while they are touring Frog Hollow. They will tour affordable housing and then meet back at 777 Main for a presentation by Mike Freimuth. They will then be welcomed by Mayor Bronin at a dinner at Carbone's.

Venue Committee

Andy Bessette reported the following to the Board regarding matters that have to do with all four Venues:

XL Center

Event Update – To date this year, the XL Center has hosted 133 events with over 523,000 patrons in attendance. The building's next big event is the Secret Women's Classic and P&G Men's Gymnastics Championships to be held June 3rd through June 5th.

Capital Improvements – While the long-term transformation project has been put on hold, additional work is being done to address critical needs in the short term:

- Ice Floor – A tentative work schedule and cost estimates are being formulated for potential replacement of the arena floor and ice piping next summer, pending the State Bond Commission's approval of funding. The building will likely be shut down for the estimated three-month work duration.
- Elevators – Design work is underway on the modernization of four elevators at XL and the Church Street garage, including the infamous "Hilton" elevator.
- Security – Design of the new security camera upgrade project is also underway.
- "Zambonis" – Two new machines have been ordered and should arrive in September.

Pratt & Whitney Stadium at Rentschler Field

Event Update – In addition to six UConn football games, the stadium has hosted 93 other events, including two international soccer matches, generating \$480,000 in additional revenue. Attendance for these non-UConn events is estimated at over 65,000 people.

New Roadwork – Bids will go out shortly for the new roadway servicing both the stadium and the planned development at Rentschler Field. The project is a joint effort between CRDA and UTC's developer, utilizing \$7 million in State bond funds.

New Parking Lot - Bids will go out shortly on the new 10-acre stadium parking lot adjacent to our existing southern lots. The lot is expected to include over 800 new spaces.

Tennis Center (TFC)

Capital Improvements – Work on the new media and players' lounge areas will be completed by the start of the Tournament in August. For FY17, the bonding package adopted last week by the General Assembly reduces the TFC capital funding from \$1.5 million to \$1.0 million. In light of this reduction, the TFC capital program has been scaled back.

Convention Center

Event Update – Through April of this year, the Convention Center has hosted 187 events (including both the State Democratic and Republican conventions) and attendance has exceeded 280,000 people. Upcoming events include the Vision New England Conference and the American Public Works Association's North American Snow Conference.

Capital Improvements – Construction of the new box office will be undertaken this fall.

Executive Director Report

Prior to Executive Director's report, Chairwoman Hopgood invited Sean Fitzpatrick to explain the discussion during the Hartford Budget Hearings regarding the statements that CRDA owes four million dollars and is 18 month's delinquent in rent. Sean Fitzpatrick indicated that the wrong impression was given to certain city council members and that is being corrected in writing by Hartford Corporation Counsel. There was a discussion afterwards about the importance of the relationship between CRDA and the City and the importance of making sure we make clear to all the stakeholders in the City that this is a good relationship for Hartford and that CRDA. Chairwoman Hopgood thanked Mayor Bronin and Mr. Fitzpatrick for the meeting to discuss this situation.

Legislative Items

- The \$20M for the Citywide neighborhood funds was restored by the Senate however the House of Representative has not yet acted on the package.
- Senator Coleman and Senator Fonfara have created a set-aside to employ youth in the projects. This would require separating some of the money within the bond allocation. CRDA will meet with the workforce board to further develop this program.
- CRDA allocation has had a reduction in funds for the Tennis Center of \$500K.
- Mayor Bronin explained to Mr. Freimuth that he understood the City to have \$18M unrestricted general Neighborhood Funds and \$20M unrestricted Promise Zone between FY16-FY17. Mr. Freimuth responded stating that it could be interpreted that way. He further explained that there is a differential in year '17 and '16 statutory language outlining how the Promise Zone was prioritized and CRDA has been working under the theory that half goes to the Promise Zone. CRDA has not done any allocations for the Promise Zone as of yet.

- The Admissions Tax could impact the XL Center, it would impact the budget just approved this evening in a negative. If the City does place a tax on the building, the XL Center will have to expend funds for the tax out of the building budget somehow. Mayor Bronin asked Mr. Freimuth to explain. Mr. Freimuth explained that XL cannot go back and add an admissions tax on events that were already booked, the XL Center will have to incur that as an additional expense. Also, some events will not book the building at that price point and, some events are taxable, some are not. Mr. Freimuth stated that Rentschler Field will also be impacted when a for-profit event is booked.
- CRDA District expansion did not pass through the legislature.

Neighborhood Committee

The following Board Members make up the Neighborhood Committee. Chairwoman Hopgood asked the following members if they are still interested in being on the Neighborhood Committee. Mayor Leclerc, Mayor Bronin and Mr. Jorgensen all affirmed their position on the Committee. Chairwoman Hopgood indicated she would be seeing Joanne Berger-Sweeney and she would follow-up with her as to her intentions. Kim Hart will be CRDA staff support for this Committee.

Neighborhood Committee Members

Chairwoman Suzanne Hopgood
 Mayor of Hartford
 Mayor of East Hartford
 Joanne Berger-Sweeney
 David Jorgensen

Chairwoman Hopgood stated that Don Chapman, City of Hartford, was recommended to be appointed to the committee as a non-voting member.

The following motion was moved by Andy Bessette, seconded by David Jorgensen and unanimously approved.

“The CRDA Board of Directors hereby appoints Hartford Director of Community and Small Business Development, Don Chapman, to its Neighborhood Committee as an advisory member.”

Mr. Freimuth presented:

- Referring to the map that is displayed, there are two planning projects that are underway. The map shows that these projects, Bushnell Development and South Green Development border each other. CRDA is working with Bushnell Committee on Development as well as the Department of Administration (DAS) and the City. The National Development Council was retained to put together an economic program for the blocks that are going to be vacated as part of the parking lot at the State Office Building construction site. The idea is to coordinate the progress of development in the area around the Bushnell as the State goes through the renovation program and as we have the opportunity to reposition some of the property including 55 Elm as well as some of the vacant lots owned by Konover and the State. An MOU is envisioned between Bushnell, the State (OPM, DAS, CRDA) and the City to pursue a program to provide funding and private dollars, CRDA’s task would be to manage the project.

South Green planning is at the intersection of Park and Main. There is an existing city redevelopment program and CRDA is working with SAMA and Milone & MacBroom doing a site assembly assessment. Through conversations with some neighborhood groups the boundaries have been extended. The entire hospital complex lies to the south. The hospital increasingly is interested in the Hudson Street Corridor to access highways due to the congestion on Main Street. There are some broad State, Capital Center District as well as City master planning issues that will need to be dealt with. It is expected that citywide funds would be used to leverage investment in the South Green area and some of the CRDA Housing Funds will be used to help underwrite east of the State Office Building.

- It is understood that Congressman Larson is talking to Colt Gateway as it works to transfer properties on the Colt site to the National Park Service, this is a critical element in moving the national park forward.
- Michael McCaffrey, CRDA intern from the University of Hartford, put together a marketing effort for the Flag Beautification efforts on the Mike's Peter's Bridge., Michael was able to raise over \$30K, congratulations Michael.
- UConn is actively looking to place a bookstore downtown. There are a couple of CRDA financed buildings that are trying to champion this effort and would like CRDA to support their efforts however CRDA will not be vying for any one location. Mr. Freimuth indicated that the bookstore will be a Barnes and Noble selling regular books as well as text books. Mayor Bronin mentioned that he is actively lobbying Barnes and Noble and UConn to open the bookstore a couple of blocks away from the campus building because it has the potential to have a greater impact on linking the downtown.

Construction Update

- 450 Columbus – wrapping up tenant fit-out. First occupancy starts this summer, end next year.
- Morgan Street – work is complete
- 55 Farmington – work is complete
- Newington – work is complete
- UConn Campus – UCONN Construction steel erection began on May 16, 2016, substantial completion scheduled for July 2017

Executive Session

At 7:50 Chairwoman Hopgood called for a motion to move to Executive Session to discuss contract negotiations.

The following motion was moved by Sean Fitzpatrick, seconded by Evonne Klein and approved.

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

Executive Session adjourned with no action and the CRDA Board adjourned at 8:05pm

“The minutes of the May 19, 2016 CRDA Board Meeting were moved by Sean Fitzpatrick seconded by Cheryl Malerba and unanimously approved by Board Members at the June 16, 2016 CRDA Board Meeting.”

**Capital Region Development Authority
Board Meeting
CT Convention Center
100 Columbus Blvd, Suite 500
Hartford, CT 06103
Thursday, June 16, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Joanne Berger-Sweeney (by phone); Sean Fitzpatrick; David Jorgensen; Cheryl Malerba; Tim Sullivan; Garrett Eucelitto

Absent: Michael Matteo; Commissioner Evonne Klein; Mayor Marcia Leclerc

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

Guests: Greg Ludovici, Julia Pistell, Sea Tea Improv

Call to Order & Minutes

The Board Meeting was called to order at 6:04pm.

The minutes from the May 19, 2016 Board Meeting were moved by, Sean Fitzpatrick seconded by Cheryl Malerba and unanimously approved.

Sea Tea Improv

Owners of Sea Tea Improv, Greg Ludovici and Julia Pistell introduced themselves and gave a brief introduction about Sea Tea Improv, Hartford's professional comedy company. The company performs and teaches improv, sketch, and stand-up comedy and also have workshops that teach comedy classes. They do public comedy shows and are also available for hire. Sea Tea Improv is currently building out a theater at 15 Asylum Street in downtown Hartford.

Mayors Reports

Mayor Luke Bronin reported the following:

- On June 6, 2016, the Hartford Stadium Authority and the Mayor formally terminated DoNo Hartford LLC and Centerplan Construction Co. from the Dunkin' Donuts Park project, having previously filed a claim with the project surety, Arch Insurance Co., for completion of the stadium. Consultations with Arch are ongoing; as yet no final schedule for the completion of construction has been issued.
- The City will also need to determine whether to invoke the provision of the Downtown North Master Development Agreement which permits it to terminate DoNo/Centerplan's rights to develop 6 additional parcels adjoining the Stadium, due to the Developer's default under the Ballpark development agreement.
- Centerplan has also withdrawn from a tentative agreement to develop a mixed-use building anchored by Rite Aid drug store at Albany Ave. & Woodland Street due to Rite Aid's decision not to proceed

with the project. The Hartford Redevelopment Agency will determine in the near future whether to issue a new, stand-alone RFP for the site or package this site with other nearby development opportunities.

- The following new downtown hotel capacity has come, or will come, online in the coming year:
 - The 96-Room Red Roof Hotel on Asylum Street, formerly the Holiday Inn Express, reopened in April 2016.
 - the 124-room Goodwin Hotel redevelopment is proceeding, with plans to convert the former lobby entrance at the corner of Asylum and Haynes Streets to a restaurant and bar (they have already identified a restaurant tenant) – with the lobby entrance being re-located onto Haynes Street between Asylum & Pearl Streets. They plan to re-open the hotel by Christmas 2016.
 - A new, 81 room Candlewood Suites Hotel on Market Street in Downtown North is slated to open in the first quarter of 2017.

Chairwoman Hopgood added that CRDA is creating a presentation to keep the business community focused on the “positive”. Michael Freimuth and Sean Fitzpatrick will communicate a message that will contain information regarding development and the ongoing energy that continues, separate from the financial crisis that the City is going through, so a positive message is being sent.

Finance

CRDA CFO Joseph Geremia gave the following financial update for June 2016. Mr. Geremia also reported that the Auditors, Mahoney Sabol, completed their review through March 31 with no significant findings. The Auditors will return on July 25.

Fiscal Year 2016 Operating Statistics

CT Convention Center – April/May 2016

May stats: 216 event days held YTD with YTD attendance at 308,500

April financials: Event-related expenses down favorably due to decreased event revenue

Net Income \$200,000 favorable to budget

CRDA Parking Facilities – April/May 2016

May stats: Utilization favorable to budget at 66%

Monthly rate customers even with prior year at 27,700 YTD

Transient customers favorable to prior year by 10,000 at 380,500 YTD

April financials: Transient revenue favorable by 15% compared to budget

Payroll, Utility and snow removal expenses favorable to budget

Net Income \$700,000 favorable to budget

XL Center - April/May 2016

May stats: 146 event days held YTD with YTD attendance at 575,700

April financials: Event revenue unfavorable by 8% with expenses even compared to budget

Hockey operations favorable to budget by \$100,000

Net Income \$200,000 unfavorable to budget

Church Street Garage - April/May 2016

May stats: Monthly rate customers at 15,800 YTD, favorable to budget by 330 per month

Transient customers at 165,700 YTD, favorable to budget by 91,800 YTD

April financials: Event revenue favorable by 34% compared to budget

Transient revenue favorable by 28% compared to budget
Net Income \$210,000 favorable to budget

Rentschler Field - April/May 2016

May stats: 117 event days held YTD with YTD attendance at 197,900

April financials: Event revenue even to budget with expenses favorable by 9% compared to budget

Net Income \$100,000 favorable to budget

Residential Housing Initiatives – Total Contracted Loans:	\$49.2M
Current Contracted Loans:	\$43.3M
Current Disbursed:	\$34.9M

Housing Report

Sean Fitzpatrick and Michael Freimuth reported on the Housing Committee meeting that occurred on June 3.

Wyllys Street - Bank funding was withdrawn, however the developer is confident he can find substitute financing. The Housing Committee asked Michael Freimuth to send a letter indicating continued support for the project however the Committee recommends a 90 day deadline on the developers ability to obtain the new financing.

“Lewtan” Properties – High Street/Allyn Street, actively being reviewed for financing.

Allyn Street - Basel III requires a minimum threshold of equity investment that we cannot reach on this project. CRDA is working with several parties trying to put this together and hopefully will bring something before Board in September.

Pearl Street – Both buildings may be sold to a new developer. A smaller project is the building on the corner and will start first, with market housing these buildings would be eligible for historic credits.

Colt – CRDA is reviewing the last building in the Colt complex.

Andy Bessette started a dialogue regarding the need for a grocery store downtown. Joann Berger-Sweeney underscored what Mr. Bessette said adding that she has had conversations with faculty/staff that there is a real need for fresh food/groceries downtown.

Michael Freimuth presented the following project that has been vetted by the CRDA Housing Committee for a second time. Mr. Freimuth explained the differences from the previous proposal. Hartford Community Loan Fund increased their loan. Bond Commission had previously approved \$125,000. The proposal is for CRDA to add an additional \$50,000 of funds that were repaid from other projects to complete the financing.

1279-83 Main Street

\$951,098 TDC
\$400,000 Hartford Comm.Loan Fund
\$170,431 State Historic Tax Credits
\$175,000 CRDA Loan
\$205,667 Owner equity and land

Renovation of storefront and creation of 8 2BR units.



The following motion was moved by Andy Bessette and seconded by Dave Jorgensen.

“The CRDA hereby approves the use of CRDA housing funds to assist the developer, San Juan Center, Inc. (or such acceptable single purpose entity) to renovate 1278-83 Main Street, Hartford into 8 2BR market units and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$175,000 loan at 3% interest for a period of 25 years; subject to evidence that all other sources of funds are secured in such terms as acceptable to CRDA and its counsel and such fiduciary terms deemed appropriate by the Executive Director.”

Venue Committee

Andy Bessette gave the Venue Committee update by stating that Steve Penny, CEO of USA Gymnastics had nothing but praise for the XL Center as the location for the National Championships and for Olympic trials and that Hartford was one of the top three choices as one of their best Venues in the Country for gymnastics. Mr. Penny and he spoke about moving a large event to Hartford from a different location. Mr. Bessette requested that Mayor Bronin and he reach out to Mr. Penny to encourage him to move other large gymnastic events to the XL Center.

XL Center

Event Update – On June 5th, the XL Center hosted the P&G Gymnastics Championships and Secret U.S. Classic. More than 16,200 people attended the three-day event, including an XL Center single day record of 11,771 people during Saturday’s sessions. The event outperformed budget estimates by more than \$250,000. The Venue Committee expressed its desire to see the business community get more involved with this event; accordingly, a meeting will be scheduled with the Metro Hartford Alliance to explore this effort.

Capital Improvements – While the long-term transformation project has been put on hold, additional work is being done to address critical needs in the short term:

Ice Floor – A tentative work schedule and cost estimates have been formulated for the potential replacement of the arena floor and ice piping next summer, pending the State Bond Commission’s approval of funding. The project cost is \$2,500,000.

Elevators – Design work is underway on the modernization of four elevators at XL and the Church Street garage, including the XL Center service elevator. CRDA is in the process of requesting bond funding in the amount of \$1,750,000 for this project.

Security – Design of the new security camera upgrade project is also underway. Based upon the assessment of the current system, the project cost is estimated to be \$500,000. This project will be included in CRDA’s bond request for July, 2016. Bob Saint distributed a handout to explain the improvements needed for XL Center security. These changes will include moving walls, power systems and camera systems. Bob further explained that the operational side of the business is greatly impacted while shipping and receiving has the only working elevator that goes to the top level, this creates a difficult situation for all aspects of operations. Changes are currently being implemented to begin preparation for modifications.

Pratt & Whitney Stadium at Rentschler Field

New Roadwork – Work is proceeding on the new parking lot and roadway servicing both the Stadium and the planned development at Rentschler Field.

Building Management System – Utilizing funds received from the State’s “Lead by Example” program, Rentschler installed a new building management system, which resulted in 35% reduction in utility costs during the heating and cooling months.

Convention Center

Capital Improvements/Repairs

Cooling Towers – In May, the Convention Center experienced the loss of one of its cooling towers due to the catastrophic failure of the tower's fan system. Repairs have been completed and steps are being taken to prevent such an event in the future.

Elevators – The elevators in the Convention Center parking garage are in need of some major repairs. We are currently working with our Contractors to review and design the repairs.

Box Office - Construction of the new box office will begin this summer.

Tennis Center

Capital Improvements – The TFC has reevaluated its capital plan to focus more specifically on reducing operating costs, generating additional revenue, and the Tennis Center less reliant on State subsidies. Such improvements will reduce the need to rent trailers, utility equipment, and tents.

Neighborhood Committee

Chairwoman Hopgood reported that the Neighborhood Committee elected Mayor Bronin as the Chairman of the Neighborhood Committee.

Joanne Berger-Sweeney stated that her Chief of Staff, State Representative Jason Rojas expressed concern for the Mayor if he is the Chairman of the Neighborhood Committee indicating that people might get the wrong perception. Joanne Berger-Sweeney however, gave her total support of Mayor Bronin's newly appointed position on the Neighborhood Committee. Mayor Bronin thanked President Berger-Sweeney for articulating what Rep. Rojas stated however Mayor Bronin assured the Board that he believes it is appropriate given the mission of the Neighborhood Committee.

The following motion was moved by Andy Bessette, seconded by Sean Fitzpatrick and approved.

“Mayor Luke Bronin will serve as the CRDA Neighborhood Committee Chairman effectively immediately.”

Mayor Bronin reported that the first meeting was geared toward discussing what the priorities and processes should be for identifying Neighborhood projects.

He explained that \$40M is designated to be spent outside of the CRDA District, \$20M in the Promise Zone, \$20M undesignated beyond the downtown CRDA District. Mayor Bronin described his personal view would be to focus on properties that have been recognized as having strategic importance.

The CRDA Neighborhood Committee consists of Joanne Berger-Sweeney; David Jorgensen; Mayor Luke Bronin, Mayor Marcia Leclerc; Suzanne Hopgood and Don Chapman, as a non-voting member.

Executive Director Report

Michael Freimuth reported that the Management of the Church Street Garage went out for RFP June 30, 2016. Anthony Lazzaro further explained the selection process and terms of the agreement.

Selection Process:

- A formal public Request for Proposals (“RFP”) for parking management services at the Church Street Garage was issued on March 30, 2016.
- CRDA received seven (7) submissions, which were evaluated and ranked. The three highest scoring proposers were invited for interviews. At the conclusion of the RFP process, CRDA selected Pro Park America as the preferred bidder. CRDA and Pro Park have negotiated a proposed qualified management agreement under the following terms.

Terms:

- Annual Base Fee – Year 1 - \$7,000; Years 2-5 - \$12,000 with a 3% annual increase. The current management agreement provides a base rate of \$30,000. The proposal does not include an incentive fee.
- Additional Financial Consideration: Pro Park will provide audio/visual equipment to upgrade the garage’s automated gate system at no charge. Additionally, they are willing to finance up to \$400,000 for the replacement and upgrade of the existing parking access and revenue control system that will be integrated into their Command Center remote monitoring system.
- Duration – The term of the proposed agreement is five years cancellable, at the Authority’s sole discretion, after the completion of the third year. This is in accordance with I.R.S. Guidelines.

After a discussion, the following motion was moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

“The CRDA Board of Directors hereby authorizes the Executive Director to execute such Agreement, as presented.”

Michael Freimuth continued with the following updates:

Capital Projects

- CUP - went through some major capital repairs recently
- CTCC Garage - will be going into a major capital program

Construction

- Newington – EPA gave final approval for work to be completed, this project is near completion.
- UCONN Campus – 20% complete, substantial completion scheduled for July 2017
- East Hartford – in design phases for permitting & design for street and parking lots
- 450 Columbus – phase one is almost complete
- Capewell & Hartford Office Supply - both 70% complete
- Radisson - Mayor Bronin reported to the Board that the Radisson has plans to sue the City of Hartford for not giving them a tax abatement deal
- UCONN/Rentschler – CRDA met with UCONN regarding Rentschler. UCONN offered up a variety of things that they’d like to see done and CRDA is evaluating the cost.

Miscellaneous

- CRDA meeting with Federal Home Loan Bank next week
- Front Street HYPE party well attended
- CRDA is in conversations with OPM and the Dept. of Agriculture about having a role in rebuilding the Regional Agriculture Market
- IRS Inquiry – regarding the Bonds issued over 10 years ago. An ongoing conversation between CRDA and the IRS continues.

The following motion was moved by Sean Fitzpatrick seconded by David Jorgensen and approved.

“The CRDA Board of Directors hereby moves into Executive Session to discuss legal and contract issues.”

Executive Session adjourned with no action and the CRDA Board adjourned at 8:04pm.

“The minutes of the June 16, 2016 CRDA Board Meeting were moved by Sean Fitzpatrick seconded by Catherine Smith and unanimously approved by Board Members at the September 16, 2016 CRDA Board Meeting.”