

**Capital Region Development Authority**  
**100 Columbus Boulevard**  
**5<sup>th</sup> Floor**  
**Hartford, CT 06103**  
**Thursday, September 19, 2019**  
**6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Bessette; Joanne Berger Sweeney; Mayor Luke Bronin; Joseph Giulietti; Erik Johnson; David Jorgensen; Marcia Leclerc; David Lehman (phone); Seila Mosquera-Bruno; David Robinson

**Board Members Absent:** Melissa McCaw

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

**Guests:** From Spectra Venue Management: Ben Weiss and Mike Scanlon; from C. H. Johnson Consulting, Inc.: Charles Johnson and Ryan Johnson from Waterford, Michael Costelli; from Cohn Reznick: Kimberly Nardone, CPA, Partner; Melissa Ferrucci, CPA, Senior Manager, MaryBeth DelVecchia, CPA, Senior Manager and Aneta Maselek, CPA, Manager.

**Minutes**

The minutes of the June 20, 2019 CRDA Board Meeting were moved by Joseph Giulietti, seconded by Joanne Berger Sweeney and approved.

**Presentations**

Ben Weiss, XL General Manager - Michael Freimuth introduced Ben Weiss as the new General Manager of the XL Center through Spectra Venue Management. Mike Scanlon, Sr. VP & General Manager of Spectra Venue Management, was also in attendance to lend some background into Mr. Weiss' twenty-year employment with the company.

C. H. Johnson Consulting, Inc. – Charles Johnson and Ryan Johnson presented the results for the CT Convention Center Strategic Plan Study.

The study was intended to assist in evaluating management performance, reviewing original projections versus actual performance, reflecting on the character of the neighborhood and its evolution, and benchmarking against a set of peer facilities. The analysis considers room night volume, hotel supply and future hotel needs. This data will also serve as a basis for projecting future demand and financial information on a going forward basis and help to answer where the CTCC is in its life cycle, its competitive position, and how to develop a strategy to penetrate current and future opportunities.

The presentation included the CT Convention Center's mission with the resources it is given. It touched on Economic, Demographic and Operating Benchmarking along with Recommendations and Implementation ideas. To see the full report, use the following link: <https://crdact.net/wp-content/uploads/2019/09/9192019-JohnsonStudy-BoardPresentation.pdf> or visit CRDACT.net And report is listed under "about CRDA".

After the presentation, Board members and the consultants had a discussion regarding prioritizing the recommendations and next steps.

## **Mayors Reports**

Mayor Bronin gave a report regarding the following projects in the City of Hartford:

- Leins were successfully lifted on DoNo lots, there is still an appeal process to overcome and the City is slowly moving forward with the preferred developer RMS.
- Park & Main – in final stages of development agreements with developers for Park & Main.
- The Jamaican National Team will play at Dillon Stadium, following the Puerto Rican Team a few weeks ago which was a great event.
- Galaxy, digital transformation company, that has a longstanding relationship with E-scripts, has decided to locate their innovation center in Hartford. Total job count TBD.
- Hartford will have a presence at the InsureTech convention to continue to attract InsureTech startups in Hartford.

Erik Johnson added that Innovation Places, thanks to Trinity College has been rebranded as Launch. Hartford is attending the InsureTech conference with their new brand identity, focusing on advanced manufacturing; healthcare and culture in Hartford CT.

Mayor Leclerc gave the following report about the Town of East Hartford Projects:

- Goodwin is developing a taxable/commercial building on the corner of Ensign & Main.
- Town continue to move forward on the Sr. Center and the re-opening of a library in a disadvantaged area in E. Hartford.
- A manufacturing company is taking over a significant parcel of property in a development park and they are going to be consolidating from another town locally and from Massachusetts.

## **Finance**

### **Fiscal Year 2019 Audit and Annual Report**

The FY2019 Independent Audit Reports and Financial Statements were presented collectively by the team representing Cohn Resnick LLP. The following auditors presented the findings below and required communication to the CRDA Board: Kimberly Nardone, CPA, Partner; Melissa Ferrucci, CPA, Senior Manager; MaryBeth DelVecchia, CPA, Senior Manager; Aneta Maselek, CPA, Manager.

- The CRDA audit was completed with an unqualified opinion.
- The Annual Report completed and ready for filing upon approval.
- The Rentschler Field audit was completed with an unqualified opinion.

Chairwoman Hopgood questioned the auditors asking if any testing was done with regards to the dollars expended on Dillon Stadium. Melissa Ferrucci responded, indicating that \$4.8M was tested specific to Dillon Stadium, the funds were all spent on Dillon Stadium, there were no exceptions that were noted.

The following motion was moved by David Jorgensen, seconded by Joanne Berger Sweeney and approved.

*“The CRDA Board of Directors hereby approves the CRDA Annual Report/Audit for FY2018-2019 and the Stadium at Rentschler Field Audit for FY2018-2019 as presented. “*

Fiscal Years 2018 and 2017 State Auditors of Public Accounts Report

CFO Joseph Geremia, presented The Connecticut Auditors of Public Accounts audit for Fiscal Years 2018 and 2017 issued on August 2, 2019. Copies of the report were provided to Board Members as part of the Board package.

-The Audit identified no deficiencies in internal controls, two apparent findings for noncompliance with policies and procedures, and one need for improvement in management practices and procedures.

Michael Freimuth summarized the findings and management responses in detail. Board members inquired about preventative steps to guarantee that these instances will not be repeated. Michael Freimuth ensured the Board that steps have been taken that will prevent a duplication of errors.

In the review of the Dillon Stadium project finding, Melissa Ferrucci, CPA of Cohn Reznick noted that during their review of prior year Board minutes, the minutes showed that management had kept the Board updated and engaged on the status of the Dillon Stadium project.

The following motion was moved by David Jorgensen, seconded by Mayor Leclerc and approved.

*“The CRDA Board of Directors hereby approves the recommendations per the CRDA agency responses as presented in the State Auditor’s of Public Accounts audit for FY2017 and FY2018.”*

CRDA Chief Financial Officer Joseph Geremia reported the Monthly Financial Update for September 2019.

Fiscal Year 2019 Operating Statistics

CT Convention Center- July/August 2019

August stats: 32 event days held YTD with YTD attendance at 45,700

July financials: Net Income even with budget

Facility maintenance expenses slightly unfavorable to budget

Total year projection even with budget

CRDA Parking Facilities -July/August 2019

August stats: Utilization of 72% even with budget

Monthly rate customers favorable to prior year by 275 at 5,600 YTD

Transient customers unfavorable to prior year by 2,700 at 68,500 YTD

July financials: Monthly rate customer revenue favorable to budget offset with unfavorable transient revenue to budget

Expenses favorable compared to budget due to utilities savings

Total year projection even with budget

Church Street Garage - July/August 2019

August stats: Utilization of 74% even with budget

Monthly rate customers favorable to budget by 80 at 2,300 YTD

Transient customers unfavorable to budget by 425 at 2,300 YTD

July financials: Monthly rate customer revenue unfavorable to budget with other revenues even to budget

Expenses even with budget  
Total year projection even with budget

#### P&W Stadium - July/August 2019

August stats: 21 event days held YTD with YTD attendance at 22,200  
July financials: Event revenue unfavorable to budget (Does not include any UCONN football games)  
Expenses favorable compared to budget due to personnel and maintenance savings  
Total year projection even with budget

#### XL Center - July/August 2019

August stats: 4 event days held YTD with YTD attendance at 12,800  
July financials: Event revenue unfavorable to budget  
Expenses favorable compared to budget due to personnel savings  
Hockey operations even with budget  
Total year projection even with budget

### **Housing and Neighborhood Committee Report**

Erik Johnson reported that since the board last met, there have been a variety of tweaks to several projects as they cleared the final hurdles to closing the financial package and entering construction. Each of the items below have been discussed by the Housing and Neighborhood Committee in meetings over the summer and are presented for full board consideration and approval.

*Brackett Knoll:* Considerable restructuring has occurred as a result of a variety of engineering changes necessary to construct the road and to carry out the site work. The CRDA board approved an additional \$154,000 towards the project in June 2019 as the city also increased its contribution by \$230,000 and reduced the land acquisition price from \$115,000 to \$5,000. Final utility and MDC changes pushed the road project over the \$1 million threshold and the project now requires prevailing wage rates, increasing the costs. As a result, we have chosen to allow the use of the CRDA funding for lot site work to be used first for the road work and the developer will now have to absorb any shortfall in lot site work costs within its housing construction budget.

*Heritage Homes:* This program initiative consists of a variety of new construction and renovation work throughout the NINA neighborhood on Asylum Hill for both home ownership and rental units. The program has been funded at \$2.5M and individual deals are subsequently reviewed and approved for funding by the CRDA housing underwriting committee within this larger \$2.5M budget. The money can be allocated as either grants or loans and is combined with resources from the national LISC program, local corporate support, State DOH and other sources as may be available from time to time. To date, \$450,000 was awarded for the first six units within four buildings including a historic rehab on Sigourney and new construction on Hawthorn. Of the first allocation, \$150,000 was initially allocated as a bridge loan for the expected historic credits. Since then, the budget and program has been refined and historic credits are now expected to be \$200,000. An adjustment is requested within the original award from (\$150,000 loan/\$300,000 grant) to (\$200,000 loan/\$250,000 grant), with the award not changing its original \$450,000 amount. The Housing and Neighborhood Committee approved the following resolution on August 2, 2019: The executive director is authorized to adjust the initial award to NINA for properties on 115-117 Sigourney to \$200,000 historic credit bridge loan at 4% interest with the allocation reduced from \$300,000 to \$250,000 for grants for new construction at 80-82 and 86-88 Hawthorn.

246-250 Lawrence: During CRDA construction monitoring, it was discovered that the unit configurations had changed due to a variety of code requirements and developer decisions. CRDA requested that the developer justify the costs, show ability to provide any additional financing and secure sign off from CRDA and the first mortgage bank. The developer agreed and subsequent CRDA review found that the adjusted revenue forecast and expense projections were within CRDA underwriting experiences and the change from four 1BR and 8 2BR to a new configuration of two 3BR and ten 2BR not only added more revenue than operating expense but presented a better fit for the neighborhood and a higher completed value. The developer would provide the additional funds to meet additional costs and CRDA will retain control of contingency as before.

The following motion was moved by Joseph Giulietti, seconded by David Jorgensen and approved.

*“The CRDA Board approves the above changes as reviewed by staff and the Housing and Neighborhood committee.”*

Michael Freimuth reported on other construction:

370Asylum – 100% occupied.

81 Arch – over 60% occupied.

111 Pearl is 80% occupied.

101 Pearl – targeted for year-end completion

Radisson – moving closer to completion

Heritage Home – 8 units under construction with NINA

Colt North Armory - under construction

100 Trumbull - conversion from two bedroom to two new units

28 High; Lawrence St.; Allyn - in construction phase

## **Venue Committee**

### *XL Center*

- The Wolfpack’s 2019 season will kick off on October 5<sup>th</sup>, with UConn Hockey starting their season on October 11<sup>th</sup>. Upcoming concerts include Chris Brown on September 21<sup>st</sup> and Eric Church on November 2<sup>nd</sup>.
  
- Eight proposals were received in response to CRDA’s RFP for new market / demand study and financial feasibility studies at XL. The following process was followed to determine recommending CSL International to produce the XL Center Market and Demand Study and Financial Feasibility Study. The selection process is listed below:
  - A formal public Request for Proposals for an XL Center Market and Demand Study and Financial Feasibility Study was issued on July 22, 2019.
  - CRDA received eight (8) submissions, which were evaluated and ranked. The highest scoring proposer, CSL International, was interviewed on September 19, 2019.
  - During that interview, the parties agreed to the delay/elimination of certain proposed tasks and a reduction in CSL’s proposed fee from \$100,000 to \$85,000. CSL also confirmed that they could meet CRDA’s deadline for completion of the work by December 31, 2019.
  - CRDA staff recommends entering into a contract with CSL International based on the firm’s overall experience, specific experience with the XL Center, the qualifications of the assigned staff and the appropriateness of the negotiated scope and fee.

The following motion was moved by David Jorgensen, seconded by Erik Johnson and approved.

*“The CRDA Board of Directors hereby authorizes the Executive Director to execute a contract with CSL International for a market, demand and financial feasibility study for the XL Center consistent with the terms outlined above.”*

*Pratt & Whitney Stadium*

- UConn started their 2019 home football season with games against Wagner and Illinois. Attendance has averaged 12,400 fans per game.
- Some minor capital repairs are currently underway, including concession stand roof repairs.

*Convention Center*

- The building’s third MMA event occurred on September 7<sup>th</sup>, with announced attendance of over 1,000 fans. The building is starting its busy season, with upcoming events including Hartford Healthcare’s Cardiovascular Symposium, the Science Center’s 10<sup>th</sup> Anniversary Gala and the CT Fall Home Show.

*Dillon Stadium*

- The Hartford Athletic has hosted eight games in their new facility, with average announced attendance of over 4,500 fans. Hartford high school soccer and football games will be played in the Stadium over the next few months, as well as UConn men’s and women soccer and Hartford community events.

**Regional & Economic Development Committee**

Marcia Leclerc reported on the following Regional & Economic Development Committee projects:

*Hartford Regional Market* – Paving, signage, lighting and other electrical upgrades have been completed. Additional landscaping and utility improvements, as well as bus shelter installation, are currently underway.

*Front Street* – Paving and crosswalk improvement work is underway, along with this season’s waterproofing and concrete work on the North Garage Plaza.

*Showcase Cinema Site* – A contractor has been selected for abatement and demolition of the building. Mobilization is expected to start next week and work should be completed by mid-December.

*Goodwin College Drainage Improvements* – A contractor has been selected for the first two phases of drainage improvements and work is underway.

*Silver Lane Road and Streetscape Improvements* – Design work is nearly complete and construction is scheduled to start sometime next spring.

*Great River Park* – CRDA has signed an agreement with Riverfront Recapture to undertake the capital improvement work in the park and a pre-con meeting will be scheduled shortly.

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

*Bushnell South Garage* – A contractor has been selected for the design/build project and a contract will be signed shortly.

*Founders Plaza Garage* – Three planning workshops have been held and a concept plan is being developed.

*Parkville Market* – The parties have closed on a \$3.5 million CRDA loan to developer Carlos Mouta for restoration of a vacant commercial building into space for 50+ tenants offering a variety of ethnic foods, as well as artisans.

*Other Garages* – Design work on repairs is substantially complete at the Church Street garage. Additional repair work on both the Convention Center and Front Street garages will resume with the spring weather.

Michael Freimuth reported on the following projects:

*Hartford Regional Market* - that CRDA has acquired title to the Regional Market's, five parcels from other State agencies. The Regional Market is now under the purview of CRDA. CRDA continues to work with the Dept. of Agriculture to update the Memorandum of Agreement and will have to convert over to managing that facility which includes redevelopment, repair and the day to day management. An RFP has been prepared in seek of a management company to manage the market. This will be initiated once the MOU's with DoAg have been completed.

*State Office Building* – CRDA took Title to the real estate around the State Office Building, Department of Administrative Services. The parcels are currently being used for construction laydown and have historically been used for parking. These parcels will be used for development.

*Bushnell South Garage* – Manafort Construction was selected to design/build. Contract should be signed soon.

### **Executive Director Report**

Michael Freimuth reported on the following construction

81 Arch Street – 100% completed

101 Pearl Street – approximately 75%, a new schedule was requested but anticipating year end completion.

111 Pearl Street – leasing up quickly.

Colt – 40% completion, beset by window issues

28 High – 40% completed

Allyn Street – 48% completed

Radisson – back into construction, 85% complete

Swift Factory – 78% completed

Wethersfield – The Borden – 37% completed

Parkville Market – Project delays due to structural issues and existing conditions, awaiting a revised project schedule.

Showcase Theater– Demolition in November

Adjourned 7:48 pm

*“The minutes of the September 19, 2019 CRDA Board Meeting were moved by David Jorgensen seconded by David Robinson and approved with Mark Rolfe, Steve Kitowicz and David Kooris abstaining, at the October 17, 2019 CRDA Board Meeting.*