

**Capital Region Development Authority  
100 Columbus Boulevard  
5<sup>th</sup> Floor  
Hartford, CT 06103  
Thursday, June 20, 2019  
6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Joseph Giuliatti; Erik Johnson; Kerry Kelley; David Jorgensen (phone); David Kooris (phone); Seila Mosquera-Bruno; David Robinson;

**Board Members Absent:** Andy Bessette; Joanne Berger Sweeney; Mayor Luke Bronin; Mayor Marcia Leclerc; Glendowyn Thames

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

**Minutes**

The minutes of the May 16, 2019 CRDA Board Meeting were moved by Joseph Giuliatti, seconded by David Robinson and approved.

**Presentations**

Marty Kenny, Lexington Partners, LLC along with Alan Lazowski LAZ Chairman, CEO and Founder, and Shelbourn, presented a PowerPoint presentation, announcing a project called "A Grand Vision for Pratt, Temple & Talcott." Using the properties that are currently owned and controlled by these investors, the intent is to create a "central hub" for live-work-play, with Pratt Street connecting XL Center to Main Street.

The Scope of Develop that was presented is as follows:

- 375 apartments with an array of amenities including rooftop lounges, fitness centers, spa space, live/work breakout space.
- A net addition of **257 new apartments**
- (64 on Temple, 193 on Trumbull & Pratt).
- 45,058 square feet of retail on Trumbull, Pratt and Main St in Hartford's central core.
- 1,308 parking spaces in 3 immediate locations to support housing and retail uses.

The Development Overview-Summary is as follows with a request to CRDA to contribute \$20,000,000 to the project.



## Development Overview- Summary

	Pratt Street	21 Temple	Talcott	TOTAL
<b>Parking Spaces:</b>				
Existing	-	343	95	438
New	-	-	870	870
<b>Total</b>	-	343	965	1,308
<b>Housing Units:</b>				
Existing	-	120	-	120
New	193	62	-	255
<b>Total</b>	193	182	-	375
<b>Retail Space</b>	32,330 SF	12,728 SF	-	45,058 SF
<b>Projected Project Costs</b>				
Acquisition Costs	\$ 8,535,000	\$ 20,425,000	\$ 5,379,357	\$ 34,339,357
Hard Costs	\$ 28,934,904	\$ 8,822,800	\$ 15,885,000	\$ 53,642,704
Soft Costs	\$ 8,165,838	\$ 612,500	\$ 2,383,859	\$ 11,162,197
<b>Total Project Costs</b>	\$ 45,635,742	\$ 29,860,300	\$ 23,648,215	\$ 99,144,258
Project Financing at 60%				\$ 59,486,555
CRDA Funding				\$ 20,000,000
Private Equity				\$ 19,657,703
				\$ 99,144,258

### Mayors Reports

Erik Johnson, on behalf of Mayor Bronin, reported on the following items for the City of Hartford:

- Dillon Stadium - The City continues to work with CRDA on the construction.
- Park & Main – Term sheets and bank financing being negotiated.
- Albany/Woodland – ongoing.
- 690 Albany Avenue – Closing pending additional financial information.
- Brackett Knoll – Approved by PEDC Committee on June 17, 2019, will likely be approved by council next week with a tentative late summer construction start date.

## Finance

CRDA Chief Financial Officer Joseph Geremia reported the Monthly Financial Update for April/May 2019.

### Fiscal Year 2019 Operating Statistics

#### CT Convention Center- April/May 2019

May stats: 229 event days held YTD with YTD attendance at 309,000  
April financials: Net Income \$110,000 unfavorable to budget due to decrease in F&B income offset with \$90,000 in wages and benefit savings  
Facility maintenance expenses slightly unfavorable to budget  
Total year projection \$75,000 favorable to budget

#### CRDA Parking Facilities-April/May 2019

May stats: Utilization of 83% favorable with budget  
Monthly rate customers favorable to prior year by 50 at 35,200 YTD  
Transient customers favorable to prior year by 5,900 at 440,400 YTD  
April financials: Transient and monthly rate customer revenues favorable to budget  
Expenses favorable compared to budget due to utilities and snow removal savings  
Total year projection approx. \$200,000 favorable to budget

#### Church Street Garage - April/May 2019

May stats: Utilization of 72% even with budget  
Monthly rate customers favorable to budget by 290 at 12,400  
Transient customers unfavorable to budget by 1,900 at 12,800 YTD  
April financials: Revenues even with budget  
Expenses favorable compared to budget due to utilities and snow removal savings  
Total year projection \$50,000 favorable to budget

#### P&W Stadium - April/May 2019

May stats: 125 event days held YTD with YTD attendance at 154,200  
April financials: Event revenue unfavorable to budget with \$100,000 unfavorable variance attributed to UCONN football partially offset with favorable budget variances with soccer games  
Expenses even with budget  
Total year projection \$145,000 unfavorable to budget of which \$345,000 unfavorable F&B revenue and \$100,000 unfavorable event revenue both due to UCONN football attendance is partially offset with \$210,000 favorable soccer game revenue and \$90,000 non-UConn event revenue  
Fiscal year operating loss of \$515,000 offset with \$250,000 UConn subsidy payment, \$250,000 OPM deficit funding, and Enterprise Fund

#### XL Center - April/May 2019

May stats: 133 event days held YTD with YTD attendance at 526,200  
April financials: Event revenue \$675,000 unfavorable compared to budget, of which \$300,000 is attributed to underperforming family shows, \$175,000 is attributed to underperforming sporting events, and \$515,000 is attributed to a lower than budgeted number of concerts and two underperforming concerts offset with a favorable NCAA settlement  
Hockey operations \$150,000 unfavorable to budget due to unfavorable

attendance and ancillary income compared to budget  
Operating expenses \$525,000 favorable to budget due to savings in utilities and event operating expenses as well as savings in personnel due to vacant positions Total year projection approx. \$400,000 unfavorable to budget attributed to a lack of two minor concerts being scheduled, two underperforming concerts, two underperforming family shows, and unfavorable hockey attendance offset with a favorable NCAA settlement  
Fiscal year operating loss of \$2M offset with \$800,000 State appropriation, \$1M from Church St garage operating income, \$200,000 from CRDA reserves, and \$50,000 OPM deficit funding

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

Erik Johnson reported on two projects that were voted and approved by the CRDA Housing and Neighborhood Committee on June 7, 2019:

#### *289 Asylum Street*

PROJECT: Conversion of small commercial building into 9 condo units, (8 2-BR residential units, 'the CRDA Project' and one commercial first floor unit, private 3<sup>rd</sup> party)  
Developer: Jose Ramirez/AJAJAR, LLC

PREVIOUS APPROVALS: Approved 12/8/16, modified, re-approved 3/2018 at \$450,000  
Funded from recapitalized monies (repaid principal from earlier projects)  
Project was underwritten as condo (with backup plan as rental)

S:

The building is nearing completion with the final installation of the elevator as the last major issue prior to obtaining a certificate of occupancy. Target date for occupancy is September 2019, approximately 8 months later than planned. The consequence of the late delivery is that the developer has forfeited \$207,000 in historic credits and needs to get the property into revenue production to stem cash and cost exposures. Sale of the units cannot occur as quickly as proposed and nearly the first year of pre-sales has been lost. Interest costs and obligations of various mortgages with the Hartford Community Loan Fund as well as CRDA now present jeopardy to the borrower. The project was underwritten as a rental property and pursuing rental does not forego potential condominium sales in the future. Developer is exploring rent to own concepts, purchase options for renters and other strategies.

CRDA NOTE: The CRDA construction note totaled \$450,000 at 4% interest for a period up to 24 months. It was secured by the property as well as the historic credits and was programmed to be bought down as credits were monetized and units were sold, with proceeds from the first 4 units sold going to HCLF, then to CRDA. Construction was to be 12-14 months and sales were to continue for a period of 8-12 months.

Original underwriting was also done for a rental property with the financials showing that the 8 units could service a debt of \$1.3M at 5%/20 yrs. In order to reflect this debt capacity and today's cost of funds, a \$850,000 note from HCLF at 6.5% with a subordinate note from CRDA of \$450,000 at 3%, 30-year amortization with a 5-year term is the strategy now being recommended. The projected value of the building is now estimated at \$1.4 M based on the projected NOI and a conservative 8% cap.

It is assumed that HCLF will re-book its loan as a permanent mortgage and it would be closed as precedent (but no less than simultaneously with) a restructured CRDA note.

PROJECT: Original Budget: \$1,474,000 (\$850k HCLF, \$450k CRDA, \$174k Equity)  
COST: Current Budget: \$1,743,621 (\$850k HCLF, \$450k CRDA, \$443.6k Equity)

PRO FORMA ASSUMPTIONS

Income	\$189,600	(5% vacancy, rentals of 2BR at \$1975/mth, tenant pays utilities)
Expenses	68,000	(taxes, management, CAM, reserves)
NOI	\$111,314	
D/S	76,000	(first note, \$850k at 6.5%, 20yr)
D/S	22,700	(CRDA note, \$450k at 3%, 30 yr)
Value	\$ 1.390,000	(NOI at 8 cap)

After a discussion by Board members, the following resolution was moved by Seila Mosquera-Bruno, seconded by Kerry Kelly and approved.

*“The Executive Director is authorized to convert the existing \$450,000 construction loan for 289 Asylum Ave with Ajar, LLC to a permanent mortgage secured by the property and subordinate to a HCLF first mortgage of \$850,000 at 3% interest, 30 year amortization for a period of five years.”*

*Brackett Knoll*

In February 2017, the State Bond Commission approved CRDA’s request for \$1.555 million to provide a grant-in-aid to Toraal Development for the Brackett Knoll project located within the City’s Promise Zone. Such funds are to be used for site acquisition, site work and construction of a road extension to assist with the development of 14 two-family owner-occupied homes. These funds would supplement a \$2.2 million DOH grant secured by Toraal to cover home construction costs.

These 14 homes represent Phase 2 of a larger Brackett project, with the successful construction and sale of an original 6 homes having been completed in 2006.

Project Bidding

Last November, as design work neared completion, CRDA issued an RFP for a road construction contractor. Four bids were received; however, all were significantly higher than what had been budgeted for this portion of the project. A decision was made to modify the road design and re-bid the project in an effort to reduce construction costs. A second RFP was issued in March and only one bid was received. While this bid was lower than those received in the first round, it too was higher than the project budget. With the inclusion of contingency, that variance was approximately \$269k.

Toraal issued its own RFP for site work last fall and encountered the same budget challenges. Coincidentally, their re-bid of the site work package in March also resulted in a single proposal that was \$261k over budget.

City Assistance

Given the project’s location in an area of the City where additional housing is desired and the success of the developer’s first phase, Brackett has been deemed a priority by the City. When it became clear that the combined \$530k shortfall threatened to cancel the project, the City stepped in with an offer to (1) provide a \$230k grant to Toraal and (2) reduce the sale price of the property from \$115k to \$5k.

This additional funding will cover a portion of the estimated shortfall on the site work and will allow CRDA to reduce its site work and site acquisition contributions by a total of \$115k, thereby freeing up funds to cover a portion of the road shortfall. Toraal will cover the remaining shortfall on the site work.

	<b>Original CRDA Allocation</b>	<b>Estimated Budget</b>	<b>City Funding</b>	<b>Toraal Contribution</b>	<b>Revised CRDA Allocation</b>	<b>Remaining Shortfall</b>
Site Acquisition	\$115,000	\$5,000	\$0		\$5,000	\$0
Site work	\$515,000	\$776,000	\$230,000	\$36,000	\$510,000	\$0
Road Extension	\$875,000	\$1,144,000	\$0		\$990,000	\$154,000
CRDA Fee	\$50,000	\$50,000	\$0		\$50,000	\$0
<b>Total</b>	<b>\$1,555,000</b>	<b>\$1,975,000</b>	<b>\$230,000</b>	<b>\$36,000</b>	<b>\$1,555,000</b>	<b>\$154,000</b>

### CRDA

An additional \$154k is required to ensure a contingency on the road project. While only 800' long, the road extension has been complicated by the number of utilities to be installed and by requirements imposed by the respective utility companies. A healthy contingency will ensure that any additional requirements imposed by the utilities and any unforeseen conditions can be handled and will not delay or derail the project.

On June 7<sup>th</sup>, the CRDA Housing and Neighborhood Subcommittee voted to recommend that the full Board approve the use of up to \$154,000 from the CRDA Housing Initiative Revolving Fund to provide additional funding to the Brackett Knoll project

The following resolution was moved by Seila Mosquera-Bruno, seconded by David Robinson and approved.

*"The Board authorizes the use of up to \$154,000 from the CRDA Housing Initiative Revolving Fund to provide additional funding to the Brackett Knoll project. Such funds shall be used to cover any shortfall on the road extension project at the discretion of the Executive Director. "*

Michael Freimuth briefed the Board Members regarding other projects listed on the pipeline report:

*370 Asylum* - occupancy rate is 65%, this is a correction from what was listed on the CRDA Housing Pipeline Report dated 6/17/19.

*111 Pearl Street* – the Certificate of Occupancy was issued today, June 20, 2019

*1279-83 Main* – reprogrammed project

*Radisson* – minor construction activity restarting

*Allyn St.* - Colt N. Armory, 28 High Street, Lawrence Street, 100 Trumbull – under construction

*Wyllys St.* – in the process of restructuring the loan and project scale

*U-Colt Building* – pending bond commission consideration

*81 Arch* – will open in August

*Swift Factory* – approximately 95% complete

*Albany Ave.* – waiting for some documentation to close

*Quirk Middle* – CM in place, job training in place, architects working

*Riverfront Recapture* – waiting for paperwork

*Heritage Home* – DOH documents being coordinated with CRDA

## Venue Committee

Michael Freimuth briefed the Board on the following Venues:

### XL Center

Events – Upcoming concerts include a Khalid concert on August 4<sup>th</sup> and an Eric Church concert in November.

Transformation Project – As reported last month, the briefing books have been distributed to entities that might be interested in public private partnership opportunities at the XL Center.

### Pratt & Whitney Stadium

Hartford Athletic – The team has played six (6) games at the Stadium to date. Some 8,600 fans attended the team's first home game on May 4<sup>th</sup> and the team has averaged just over 2,600 attendees since.

NCAA Lacrosse – Some 8,600 tickets were sold and 7,406 people attended the two quarterfinal games on Sunday, May 19<sup>th</sup>. We have not settled with the NCAA as of yet, but preliminary estimates indicate that we fell just short of budget expectations due to lower-than-expected ticket prices (we received a cut of ticket revenue as part of our rental deal.)

The enthusiasm surrounding the event, however, bodes well for when the Stadium hosts the finals in 2021 and 2022.

### CT Convention Center

Johnson Study - A draft of the Johnson Consulting study of Convention Center operations has been received and is currently being reviewed by CRDA staff. The study compares assumptions made in the original pre-construction study with actual outcomes and outlines a future business plan taking into account industry trends and changing market conditions.

Events - The second MMA event of the year was held at the Convention Center on May 31<sup>st</sup>, with 1,900 people in attendance. Attendance exceeded the first event held in March. While the event fell short of budget expectations, the impact of the event on room nights and restaurants in the City was substantially higher than expected.

Some 1,050 people are expected at the State Democrats' Annual Bailey Dinner tomorrow night. (Nancy Pelosi is the guest speaker). Other upcoming events this summer include an international cryogenic conference and ConnectiCon and two video game conferences.

Dillon Stadium – July 13, 2019 target date for opening game. The rain has hindered the construction schedule.

## Regional & Economic Development Committee

Michael Freimuth 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 has begun, along with this season's waterproofing and concrete work on the North Garage Plaza.

*Showcase Cinema Site* – Milone & MacBroom has completed demolition and abatement plans for the property and CRDA will issue an RFP for this work shortly.

*Goodwin College Drainage Improvements* – Plans for the first two phases of drainage improvements are complete and an RFP has been issued for the work. Responses are due on June 28<sup>th</sup>.

*Silver Lane Road and Streetscape Improvements* – A public hearing on the proposed road diet was held on April 23<sup>rd</sup>. Transystems, the engineering firm under contract with CRDA, is working to finalize plans.

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

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

*Founders Plaza Garage* – A contract has been signed with Tecton Architects as the Development Planner / Garage Designer for the project. A planning workshop is scheduled for June 26<sup>th</sup>.

*Parkville Market* – A closing is pending 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. Negotiations on the bank financing are currently underway.

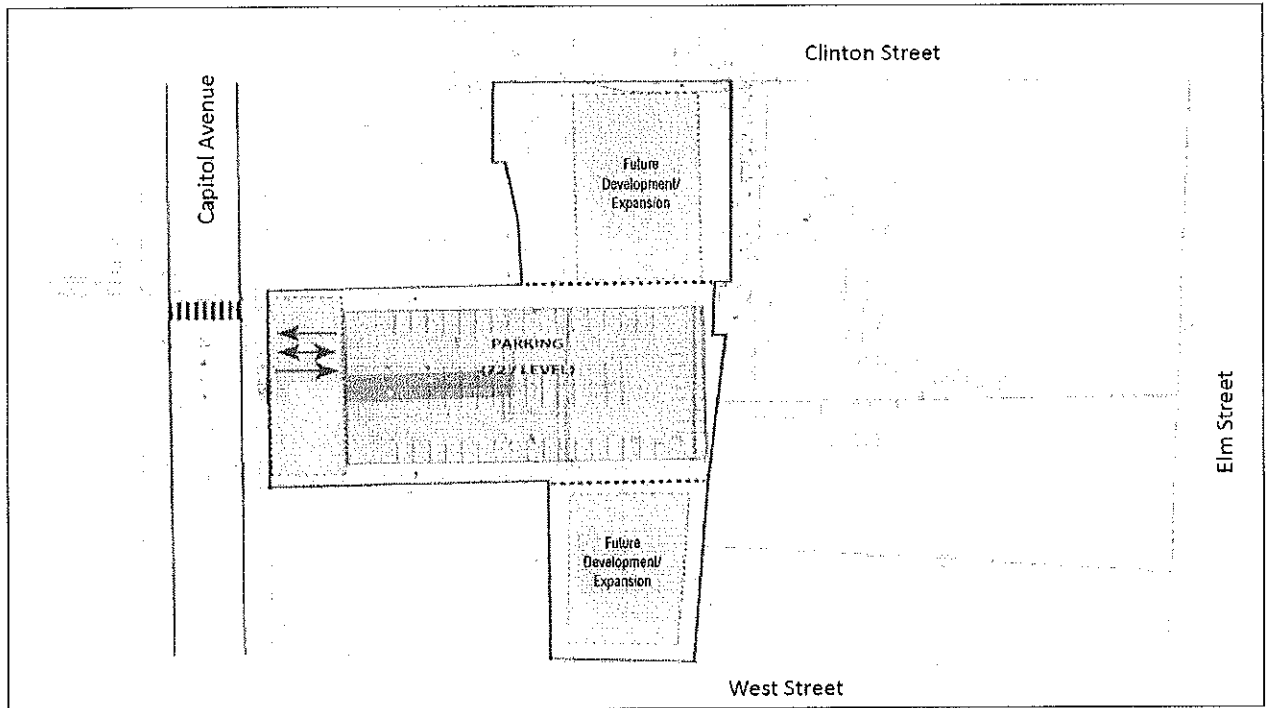
*Other Garages* – Design work on repairs is substantially complete at the Church Street garage. Additional repair work on both the Convention Center and Front Street garages has resumed with the spring weather.

*Infinity Hall* – Joseph Geremia reported that he and Anthony Lazzaro had a conversation with two of the new owners that expressed excitement regarding partnering with a majority of the restaurants on Front Street to offer a discount on food, prior to an event. They've built out the former restaurant into more of a bar/meeting room space, which also gives them about three times the meeting room space they previously had. They've also expressed an interest in holding events on the Plaza or on Front Street.



*Bushnell South Garage* – (see map below) Bids have been received in response to the Design/Build RFP and discussions are underway with the preferred bidder. \$13.2M budget – 400 parking space with some surface lot parking bringing the total parking spaces to approximately 425. There is an ability to build two more decks, which is a design element being negotiated and there may be a need to expand the budget to accommodate this.

The garage will enter and exit Capitol Avenue.



### **Executive Director Report**

Executive Order #1 – has been signed by “Governor Lamont on April 24, 2019, which recommits to and expand the Lead by Example program for the efficient use of energy, material, and water and in the reduction of waste disposal, GHG emissions, and other pollution, in order to reduce the costs and environmental impacts of state government facilities and operations”.

Joseph Geremia has been chosen to take on the task of being the CRDA liaison for this initiative.

The General Assembly passed legislation known as the Municipal Redevelopment Authority (MRDA) molded after the CRDA act. Additional information will be available in the coming months.

Adjourned 7:08 pm

***“The minutes of the June 20, 2019 CRDA Board Meeting were moved by Joseph Giulietti seconded by Joanne Berger Sweeney and approved at the September 19, 2019 CRDA Board Meeting.”***

**Capital Region Development Authority  
100 Columbus Boulevard  
5<sup>th</sup> Floor  
Hartford, CT 06103  
Thursday, May 16, 2019  
6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Mayor Luke Bronin; Joseph Giuliatti; David Kooris; Mayor Marcia Leclerc; Melissa McCaw; David Robinson; Joanne Berger Sweeney. Also in attendance was Kerry Kelly, OPM Designee.

**Board Members Absent:** Andy Bessette; Mayor Luke Bronin; Erik Johnson; David Jorgensen Glendowlyn Thames; Seila Mosquera-Bruno

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

**Resignation from Board:** Michael Matteo, appointee of the Republican Leadership of the House and Senate, resigned from the CRDA Board on April 24, 2019

**Minutes**

*"The minutes of the March 20, 2019 CRDA Board Meeting were moved by Joanne Berger Sweeney, seconded by David Robinson and approved."*

**New Board Members**

The following CRDA Board Members were sworn in, prior to the Board meeting, by Attorney Anthony L. Lazzaro:

Joseph Giuliatti-Commissioner of Transportation

**Mayors Reports**

East Hartford - Mayor Marcia Leclerc reported on the following projects:

- Great River Park – Agreement with Riverfront Recapture not yet signed. In the meantime, the Town has signed a new contract with RR, and applied for two grants, ADA equipment and trees.
- Goodwin College – Drainage improvements on Ensign. First phase going out to bid, walkthrough for Ensign work was May 15, 2019.
- Founder's Plaza Garage – selection committee chose Tecton. Contract not yet signed. The Committee will be meeting with Mayor Leclerc and Mike Freimuth June 26<sup>th</sup> for more input regarding vision.
- Silver Lane Streetscape – the Town is working to finalize a work plan for Transystems. Work will include sidewalks, benches, bus shelters, barrels, planters. Increased pedestrian/biker safety improvements. It is looking likely that a road diet with bike/turning lanes will be

implemented with VIP paving program for this fall. Public hearing was held on April 24<sup>th</sup> with good attendance. One more public hearing will be held in the fall.

- Demolitions – several properties are being targeted – 4 properties on Main Street – 2 town owned properties ready to go.
- Showcase Cinemas – The town closed on the building January 31<sup>st</sup>. Draft bid specs are done and being reviewed by CRDA.
- DDDIII – “College District Zone” approved by P&Z – Goodwin has submitted their first building for Main and Ensign to the P&Z Commission for approval May 15<sup>th</sup>.
- Senior center site went to P&Z May 15<sup>th</sup>. Bid specs will be completed in the near future and will be bid over the summer.
- 141 Prestige Park sold to Horst Engineering.
- Dunkin (Donuts) on Main Street opened.
- Last business visit was Nixon Uniform, next one is American Eagle Credit Union

Hartford - No project update

## Finance

CRDA Chief Financial Officer, Joseph Geremia reported the following financials:

-Fiscal Year 2020 Budgets

-Fiscal Year 2019 Financial Statements for the Nine Months Ending 3/31/2019

### *Fiscal Year 2020 Budgets*

#### FY2020 Budget Process

1. Venues prepare draft budgets (March/April)
2. CRDA staff review draft budgets with Venue staff followed by appropriate adjustments (April)
3. CRDA Board Executive/Finance Committee & members review draft budgets with CRDA staff and venue staffs (April 24)
4. Full Board presented budgets for authorization (May 16)

#### FY2020 Budgets

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.

#### CRDA State Appropriation Allocation

	<u>CRDA</u>	<u>CTCC</u> <sup>1</sup>	<u>XL Center</u> <sup>2</sup>	<u>Front ST</u> <sup>3</sup>	<u>Total</u>
FY20 Appropriation	\$1,390,821	\$4,058,300	\$800,000	\$ 0	\$6,249,121
FY19 Appropriation	\$1,415,821	\$3,958,300	\$800,000	\$75,000	\$6,249,121

<sup>1</sup> - CTCC funding includes convention services subsidy program funding.

<sup>2</sup> - XL Center funding supplemented with excess revenues from Church St garage.

<sup>3</sup> - Front St PILOT to sufficiently fund maintenance starting in FY2020.

Central Utility Plant (CUP) FY20 Operating Budget: \$3,043,298

FY20 Net Operating Gain of \$0

FY19 Projected Net Operating Gain of \$0

FY20 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 FY20 Operating Budget: \$7,574,045

FY20 Net Operating Gain of \$3,647,528

FY19 Projected Net Operating Gain of \$3,792,435

FY20 Budget Highlights: Revenue increase in transient parking due to increased available daily space from decreased market monthly parkers. Expense increases in utilities and snow removal. No changes made to Parking rates.

Bond Indenture/Trustee FY20 Operating Budget: \$9,517,105

FY20 Net Operating Gain of \$1,711,806

FY19 Projected Net Operating Gain of \$1,819,094

FY20 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, capital needs, and the costs associated with the bond debt service. Of these funds, \$900,000 is allocated towards the 5-year capital plan of \$4.5 million. Excess funds are sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

Front Street District FY20 Operating Budget: \$108,529

FY20 Net Operating Gain of \$1,193

FY19 Projected Net Operating Gain of \$24,932

FY20 Budget Highlights: Budget includes expenses of insurance and infrastructure maintenance. Due to PILOT sufficiently funding expenses, FY20 does not contain an operating subsidy.

CRDA Office FY20 Operating Budget: \$4,311,846

FY20 Net Operating Gain of \$314,629 (\$124,368 not including non-cash interest accrual.)

FY19 Projected Net Operating Gain of \$296,231

FY20 Budget Highlights: Budget includes approximately \$1.041M in revenue related to the CRDA Residential Housing Initiative projects (\$144,000 from fees and \$897,000 from interest), and approximately \$163,000 in capital construction project fees. Management fees for the XL Center, P&W Stadium, Dillon Stadium, and Front St District are not included in budget. Appropriation covers approximately 55% of CRDA Office expenses. Personnel includes 3% COLA and Step increases.

Church Street Garage FY20 Operating Budget: \$2,676,859

FY20 Net Operating Gain of \$235,012 [Includes \$1.4M equity draw for XL Center supplemental funding]

FY19 Projected Net Operating Gain of \$530,135 [Includes \$1M equity draw for XL Center supp. funding]

FY20 Budget Highlights: Garage net operating gain provides a supplemental operating subsidy to the XL Center as well as reinvested in capital improvements such as replacement of waterproof membrane and structural repair.

CT Convention Center      FY20 Operating Budget: \$7,930,367

FY20 Net Operating Gain of \$0 [Net operating loss of \$3,808,300 without CRDA appropriation.]

FY19 Projected Net Operating Gain of \$92,442 [Includes CRDA appropriation of \$3,808,300.]

FY20 Budget Highlights: Revenue increase in banquet and convention food & beverage.

Venue generates approximately \$4 million in State tax revenue. Conventions generating approximately 30,000 room nights.

Convention Services Subsidy Program      FY20 Operating Budget: \$290,000

FY20 Net Operating Gain of \$129,950

FY19 Projected Net Operating Loss of \$166,127

FY20 Budget Highlights: Event subsidies offered and contracted are fully reserved through FY25.

Inherited the program from the GHCVB with a \$600,000 deficit balance.

XL Center      FY20 Operating Budget: \$7,893,720

FY20 Net Operating Loss of \$71,525 without depreciation [Net operating loss of \$2,271,525 without CRDA appropriation.]

FY19 Projected Net Operating Loss of \$250,000 [Includes CRDA appropriation of \$2,000,000.]

FY20 Budget Highlights: Revenues include 6 full concerts vs 7 hosted in FY19. Venue generates approximately \$2.5 million in State tax revenue. No significant staffing changes.

Pratt & Whitney Stadium @ Rentschler Field      FY20 Operating Budget: \$2,356,649

FY20 Net Operating Loss of \$537,777 [Includes \$250,000 UCONN operating assessment]

FY19 Projected Net Operating Loss of \$150,000 [Includes \$250,000 UCONN operating assessment]

FY20 Budget Highlights: Decrease in net revenues due to no US Women's, US Men's or USL soccer events. UCONN football attendance based on UCONN athletic department projections.

The following resolution was moved by Melissa McCaw, seconded by David Robinson and approved.

*"The CRDA Board of Directors hereby authorizes the State Appropriation FYE2020 Allocation and the ten FYE 2020 Budgets subject to available funds known as: CT Convention Center; Convention Services Subsidy Program; Front Street District; CRDA Parking Facilities; Central Utility Plant (CUP); Bond Indentures/Trustee; CRDA Office; Church Street Garage; P&W Stadium at Rentschler Field; and the XL Center."*

Financial Update -- May 2019

*Balance Sheet*

- Current restricted cash increase reflects timing differences with increased capital improvement funds escrowed for Dillon Stadium renovation
- Accounts receivable increase reflects operating activity at the XL Center
- Housing loan's receivable net increase reflects housing construction drawdowns from 101 & 111 Pearl St, 81 Arch St, 241 & 370 Asylum St, 103 - 121 Allyn St, 28 High St, as well as the Bowles Park/Willow Creek, Swift Factory, and the Borden projects
- Accounts payable net increase relates to increases with CRDA Regional Initiatives (Dillon Stadium) and the XL Center
- Loans Payable decrease reflects scheduled repayments towards Traveler's loan

*Statement of Revenues, Expenses and Changes in Net Position*

- Other Income reflects administrative fees on housing loans and capital projects

- Combined facilities income and expenses referenced below

#### Fiscal Year 2019 Operating Statistics

##### CT Convention Center – March/April 2019

- Apr. stats: 203 event days held YTD with YTD attendance at 291,200
- Qtr. 3 financials: Net Income \$100,000 unfavorable to budget due to decrease in F&B  
Income offset with \$75,000 in wages and benefit savings
- Facility maintenance expenses slightly unfavorable to budget
- Total year projection \$100,000 favorable to budget

##### CRDA Parking Facilities – March/April 2019

- Apr. stats: Utilization favorable to budget at 84%
- Monthly rate customers unfavorable to prior year by 100 at 32,600 YTD
- Transient customers favorable to prior year by 3,900 at 402,500 YTD
- Qtr. 3 financials: Net Income \$100,000 favorable to budget
- Transient revenue favorable to budget with monthly rate customer revenue even with budget
- Expenses favorable compared to budget due to utilities and snow removal savings
- Total year projection \$250,000 favorable to budget

##### Church Street Garage - March/April 2019

- Apr. stats: Utilization even with budget at 72%
- Monthly rate customers favorable to budget by 300 at 11,300 YTD
- Transient customers unfavorable to budget by 1,600 at 11,800 YTD
- Qtr. 3 financials: Net Income even with budget
- Total year projection even with budget

##### Rentschler Field - March/April 2019

- Apr. stats: 108 event days held YTD with YTD attendance at 130,400
- Qtr. 3 financials: Event revenue unfavorable to budget with \$100,000 unfavorable variance attributed to UCONN football partially offset with favorable budget variance with soccer game
- Expenses even with budget
- Total year projection \$150,000 unfavorable to budget of which \$225,000 unfavorable F&B revenue and \$100,000 unfavorable event revenue both due to UCONN football attendance is partially offset with favorable US Women, US Men, and USL soccer game revenues

##### XL Center - March/April 2019

- Apr. stats: 123 event days held YTD with YTD attendance at 481,900
- Qtr. 3 financials: Event revenue \$400,000 unfavorable compared to budget, of which \$220,000 is attributed to underperforming family shows and \$460,000 is attributed to a lower than budgeted number of concerts and two underperforming concerts offset with a favorable NCAA settlement
- Hockey operations \$100,000 unfavorable to budget
- Operating expenses \$500,000 favorable to budget due to event operating expense savings as well as savings in personnel due to vacant positions
- Total year projection approx. \$250,000 unfavorable to budget attributed to a lack of two minor concerts being scheduled, two underperforming concerts, and two underperforming family shows offset with a favorable NCAA settlement

## Housing and Neighborhood Committee Report

*Occupancy* – occupancy has been holding firm. One additional building opened up on May 1, 2019, which is the Teacher’s Corner Project. The numbers show that it is 50% leased and pre-leased after a month of activity.

*Rents* – rents are drifting up a bit on the properties that are seeing lease renewals.

Projects – 111 Pearl – June; 101 Pearl – September; 81 Arch Street – July; other properties come on-line next year. Colt-U is still pending as it has not yet gone to Bond Commission.

*Heritage Homes* – It is an Asylum Hill initiative with NINA, home ownership/new construction on Hawthorne and home ownership & rental on Sigourney with both pending closing.

*Park & Main* – is currently in underwriting, it has cleared City Council. This project is pre-fab modular construction that will need oversight regarding what was purchased and what is delivered. A possible Fall commitment from the bank is pending.

*Arrowhead Block* – \$4M set aside for the Arrowhead Block. Mayor Bronin and Eric Johnson put together a proposal to prioritize three of the buildings, two of them owned by the City.

*289 Asylum* – CRDA funded this project as a condo project using funds that came back in. This project will now likely become a rental project. The historic credits will not be secured to help with the equity. CRDA has met with the HCLF and Mr. Ramirez to restructure the project as an eight-unit rental. This was always the backup plan. The Housing Committee will take this up in June and bring it back to the Full Board.

*Brackett Knoll* – This project has been out to bid twice. The road has come back over budget both times. The site work and housing costs are both over budget. If the City can come up with some additional home monies, can CRDA come up with additional monies to complete the road? It looks like the project may need CRDA to come up with an additional \$100,000 in gap funding, if the City can come up with \$300,000+ gap funding. CRDA’s funding would come from capital that has come back to CRDA from earlier projects.

*18 Temple Street* – former CCEDA project that CHFA managed and who has now foreclosed and sold the note. CRDA will have to take steps to release its old note. This is currently informational only and dependent on how CHFA proceeds. The buyers of the note will require a clean title before it can be refinanced. \$4M-housing; \$680K for parking in two separate notes.

## Venue Committee

*"A motion to add Commissioner David Lehman to the Venue Committee was moved by Mayor Marcia Leclerc, seconded by Joanne Berger Sweeney and approved."*

### XL Center

Events - The NCAA tournament was a big success, despite issues with delays getting patrons in and out of the building on Thursday evening when the earlier afternoon game ran long. It typically takes a few months to get a final settlement with the NCAA, but preliminary estimates show that the building netted around \$480k, which is significantly higher than the \$200k that had been budgeted for the event. About 47,000 tickets were sold over the three sessions and actual attendance was just under 41,000.

Upcoming events include WWE on the 19<sup>th</sup> and three commencements (St. Joe's, ECSU, Central) before the end of the month. Upcoming concerts include Khalid in August and Eric Church in November.

Transformation Project – Briefing books have been distributed to entities that might be interested in public private partnership opportunities at the XL Center.

Related to the issue of public private partnerships, at its May 3<sup>rd</sup> meeting, the Venue Committee voted to formally reject the Oak Street proposal received in response to our 2017 Public Private Partnership and formally close out that RFP process. Oak Street has been notified of the Committee's decision.

CRDA is looking to restart the Public/Private concept again. We have learned that the private investors are likely wanting to invest in the revenue side of the ledger, where you can increase concessions, F&B, tickets, sponsorships. They are less likely to want to invest in chiller, elevators, escalators and plumbing. There is going to have to be public dollars that match the private dollars.

Commissioner David Lehman put CRDA in touch with investors familiar with the Public/Private partnerships.

Mr. Freimuth also reported that staff met with Spectacor to analyze what's been going on with sponsorship sales and received a thorough report from them. The information is being analyzed. The Venue Committee will take this up at the next meeting.

### Pratt & Whitney Stadium

Event - Hartford Athletic played their first two "home" games on May 4<sup>th</sup> and May 10<sup>th</sup> at the Stadium. Attendance totaled 8,500 for the first game and 2,200 for the second. The Stadium will receive \$7,500 rent for each game, in addition to a \$1 facility fee on all paid tickets over 2,000. Game expenses will be deducted from concession and parking revenue, with Hartford Athletic covering any deficit. The team is expected to play at the Stadium until work on Dillon is completed.

Tickets are currently on sale for the NCAA Lacrosse Quarterfinals to be held at the Stadium this Sunday, May 19<sup>th</sup>. Two games will be held - #1 seed Penn State will play Loyola at noon and Yale will play Penn at 2:30. Some 4,700 tickets have already been sold for the event.



Seatbacks – Seat repairs have been underway in the lower bowl and work on the upper bowl will commence shortly.

### CT Convention Center

A draft of the Johnson Consulting study of Convention Center operations is expected any day now. The study will compare assumptions made in the original pre-construction study with actual outcomes and to outline a future business plan taking into account industry trends and changing market conditions.

The State's first mixed martial arts (MMA) event was held at the Convention Center on March 29<sup>th</sup> and was a great success. Building on enthusiasm for that event, a second event is scheduled for May 31<sup>st</sup>.

### Dillon Stadium

Target date is July 13, 2019. Due to rain, the Springtime has been terrible for the construction schedule. Landscaping and paving have been complicated by the excessive rain. The certification of the field even requires that it be dry to a certain degree, which has also been difficult.

### Regional & Economic Development Committee

Michael Freimuth reported on the following Regional & Economic Development Committee projects:

*Hartford Regional Market* – CRDA is in conversations with OPM and Department of Agriculture to transition the property into some level of CRDA management in the next fiscal year. In the interim, CRDA has begun to lease up the empty space. Capital improvements will continue into the Spring.

*Front Street District* – Columbus Boulevard crosswalk project has been delayed due to inclement weather and could be started as early as June 1, 2019.

*Showcase Cinemas* – bids are about to go out for demolition of this site.

*Storm Drainage project* - bids are due on the storm drainage project near Goodwin College.

*Wethersfield* – the Borden is under construction at about 23% completion.

*Bushnell South Garage* – Very close to a selection of the preferred bidder. This will be approximately a 14 month construction window once this process begins.

*Founders Plaza Garage* – Site and garage investigation work to begin shortly.

*Parkville Market* – Negotiations with bank underway. Hoping to close in June. Year end completion of project is estimated.

*Church Street/Convention Center /Front Street -Garages* – capital programs moving forward.

*Infinity Hall* – Sale of Infinity Hall has gone through. CRDA will meet with new owners soon to discuss how they will move forward.

### **Executive Director Report**

*Colt North Armory* – 16% complete

*28 High Street* – Construction has begun

*Allyn Street* – 25% complete

*Lawrence Street* – construction underway.

*Swift Factor* – 50% completed

*Dillon* – Bleachers are up, buildings are being plumbed. Turf has to be certified.

*Quirk/Pal Center* – made a CM selection.

### **Executive Session**

A motion to move to Executive Session was moved by Mayor Marcia Leclerc, seconded by Joanne Berger Sweeney and approved.

Executive Session ended at 7:35pm without any further action.

Adjourn at 7:35pm.

***“The minutes of the May 16, 2019 CRDA Board Meeting were moved by Joseph Giuliatti, seconded by David Robinson and approved at the June 20, 2019 CRDA Board Meeting.”***

**C·R·D·A**  
*Capital Region  
Development Authority*

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

**TO:** CRDA Board

**Cc:** CRDA Staff

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

**DATE:** April 8, 2019

**SUBJECT:** ***CANCELLED - CRDA Board Meeting scheduled for Thursday, April 11, 2019***

The CRDA Board Meeting, scheduled for April 11, 2019, has been cancelled.

The next CRDA Board Meeting is scheduled for Thursday, May 16, 2019.

**Capital Region Development Authority  
100 Columbus Boulevard  
5<sup>th</sup> Floor  
Hartford, CT 06103  
Thursday, March 21, 2019  
5:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Besette; Mayor Luke Bronin; Erik Johnson; Kerry Kelley; David Jorgensen (phone); David Kooris (phone); Mayor Marcia Leclerc; David Lehman; Cheryl Malerba; Seila Mosquera-Bruno; David Robinson; Glendowlyn Thames;

**Board Members Absent:** Joanne Berger Sweeney; Michael Matteo

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

**Minutes**

The minutes of the January 10, 2019 CRDA Board Meeting were moved by Andy Besette, seconded by Glendowlyn Thames and approved.

**New Board Members**

The following CRDA Board Members were sworn in, prior to the Board meeting, by Attorney Anthony L. Lazzaro:

- Commissioner of the Department of Economic and Community Development, David Lehman
- Commissioner of the Department of Housing, Seila Mosquera-Bruno

**Presentations**

Michelle Cote, Instructor and Director of Strategic Partnerships for the Connecticut Center for Entrepreneurship & Innovation at the University of Connecticut School of Business gave a presentation named "Hartford: An Emerging Innovation Ecosystem".

The Connecticut Center for Entrepreneurship & Innovation (CCEI) was established in 2007 and is identified as an area of strength by the University and vital to the state and national economy, the School of Business, and the University, as a whole. It serves as a focal point for entrepreneurship at UConn, stimulating student and faculty participation in entrepreneurship and innovation, providing a pipeline of talented, knowledgeable, and skilled entrepreneurs to the State's economy, facilitating the development of transformational businesses in CT, and enhancing Connecticut's business climate by assisting new as well as existing companies to solve the complex business problems associated with the successful capture of market opportunities.

## Mayors Reports

Mayor Bronin reported on the following items:

- Park & Main is in front of the City Council on Monday night. There was a productive Neighborhood meeting on March 20, so it is hopeful that the project will move forward.
- DoNo, The City is waiting to hear from a Judge and anticipating that we will either get the all clear to move forward or we'll have to wait for the litigation to proceed but either way, we are prepared.

Erik Johnson & his team have been spending a lot of time working to make sure that the HUD subsidized buildings in the Northeast neighborhood don't become empty, vacant or blighted that really become a greater weight on the neighborhood and figure out ways to get those buildings upgraded with the appropriate amount of investment.

Important projects, like the Parkville Market are moving forward but they depend very much on being able to have CRDA support.

Erik Johnson reported:

- Albany and Woodland RFP due the first week of April
- The City is following a couple of perspective development opportunities such as
  - Firehouse building on Pearl Street
  - 525 Main Street
- Projects that are CRDA and City related
  - Albany and Vine is working through the pipeline, the City has made a HOME commitment to this project.
  - Mutual Housing project which is another 34 units on Park Place, this project will be starting soon.
  - Working with Emily Wolfe on a project in Charter Oak & South Green that should be coming along soon.
  - Colt Factory continues to see strong leasing and development which is a combination of expanding their residential fit but then a number of the companies that are in their building are taking up more space.

Mayor Marcia Leclerc reported on the following East Hartford projects:

- Great River Park – Agreement with Riverfront Recapture not yet signed. Town will be setting up a seasonal oversight committee to meet with RR on a scheduled basis to improve cooperation and communication. Town met with RR on potential for new zipline across river.
- Goodwin College – Drainage improvements on Ensign. CRDA close to finalizing contract with Zuvic Carr – Goodwin’s engineering firm with Town’s oversight and approvals. First phase bid should be going out soon.
- Founder’s Plaza Garage – selection committee chose Tecton. Kim will be working to get contract.
- Silver Lane Streetscape – the Town is working to finalize a work plan for Transystems. Work will include sidewalks, benches, bus shelters, barrels, planters. Increased pedestrian/biker safety improvements. In the meantime, the DOT VIP paving program will be repaving Silver Lane. The timing to implement a road diet will not work so we will have to work on that issue after paving is complete.
- Demolitions – several properties are being targeted – 4 properties on Main Street – 2 town owned properties ready to go.
- Showcase Cinemas – The town closed on the building January 31<sup>st</sup>. Prebid inspections and testing is complete. Milone and McBroom will be doing bid specs with CRDA. RFQ was issued and a pre-bid meeting was held Tuesday. Bids are due back April 9<sup>th</sup>.
- The City has working drafts of the two new zones. DDDIII for Goodwin College area, and Silver Lane Design District. Both will be new to the town and allow for mixed-use and allow for more flexibility.
- New senior center design continues to move along. Details to get to construction specifications are underway.
- East Hartford received a State Brownfields Grant for \$125,000 for 141 Prestige Park Drive in our industrial park.
- The City has amended the zoning regulations to allow for brew pubs. The first application and approval is Paddle Creek Beer Co. at 1277 Main Street.

## Finance

CRDA Chief Financial Officer reported the Quarterly Financials as well as the Monthly Financial Update for March 2019.

### **Fiscal Year 2019 Financial Statements for the Six Months Ending 12/31/2018**

#### *Balance Sheet*

- Current unrestricted cash increase reflects timing differences between Church Street garage funding of XL Center operations
- Current restricted cash decrease reflects timing differences with decreased housing loan funding partially offset with increased capital improvement funds expended on regional initiatives
- Accounts receivable increase reflects operating activity at the XL Center
- Housing loan's receivable net increase reflects housing construction drawdowns from 101 & 111 Pearl St, 81 Arch St, 241 & 370 Asylum St, 103 - 121 Allyn St, 28 High St, as well as the Bowles Park/Willow Creek, Swift Factory, and the Borden projects
- Non-current restricted cash decrease reflects capital improvement funds expended on the Front Street district, including CRDA parking facilities
- Accounts payable net increase relates to increases with the CRDA Housing Initiative program and XL Center
- Loans Payable decrease reflects scheduled repayments towards Traveler's loan

#### *Statement of Revenues, Expenses and Changes in Net Position*

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

### **Fiscal Year 2019 Operating Statistics**

#### CT Convention Center – December 2018/February 2019

Feb. stats: 150 event days held YTD with YTD attendance at 223,600  
Qtr. 2 financials: Net Income \$100,000 unfavorable to budget due to decrease in F&B income offset with \$50,000 in wages and benefit savings  
Utility expenses slightly unfavorable to budget  
Total year projection even with budget

#### CRDA Parking Facilities – December 2018/January 2019

Feb. stats: Utilization favorable to budget at 83%  
Monthly rate customers unfavorable to prior year by 200 at 25,800 YTD  
Transient customers favorable to prior year by 3,600 at 306,600 YTD  
Qtr. 2 financials: Net Income \$100,000 favorable to budget  
Transient revenue favorable to budget with monthly rate customer revenue even with budget  
Repair & maintenance expense favorable to budget  
Total year projection \$200,000 favorable to budget

#### Church Street Garage - December 2018/January 2019

Feb. stats: Utilization even with budget at 74%  
Monthly rate customers favorable to budget by 200 at 9,000 YTD  
Transient customers unfavorable to budget by 1,100 at 9,600 YTD  
Qtr. 2 financials: Net Income even with budget  
Total year projection even with budget

Rentschler Field - December 2018/January 2019

Feb. stats: 85 event days held YTD with YTD attendance at 113,700

Qtr. 2 financials: Event revenue unfavorable to budget with \$100,000 unfavorable variance attributed to UCONN football partially offset with favorable budget variance with soccer game

Expenses even with budget

Total year projection \$125,000 unfavorable to budget of which \$225,000 unfavorable F&B revenue and \$100,000 unfavorable event revenue both due to UCONN football attendance is partially offset with \$200,000 favorable soccer game revenue

XL Center - December 2018/January 2019

Feb. stats: 103 event days held YTD with YTD attendance at 366,800

Qtr. 2 financials: Event revenue \$1M unfavorable compared to budget, of which \$220,000 is attributed to F&B revenue, \$215,000 is attributed to underperforming family shows, and the remaining is attributed to a lower than budgeted number of concerts and two underperforming concerts

Hockey operations \$50,000 unfavorable to budget

Operating expenses \$350,000 favorable to budget

Total year projection approx. \$550,000 unfavorable to budget attributed to a lack of two minor concerts being scheduled, two underperforming concerts, and two underperforming family shows

**Housing and Neighborhood Committee Report**

Michael Freimuth reported the project updates on the following items:

- Asylum will come on line May 1, 2019
- Arch Street – June 2019
- 111 Pearl Street – mid-summer
- 101 Pearl Street – late summer
- Colt Armory – estimate to come on-line in 2020
- Colt U – submitted to Bond Commission for consideration – on hold
- Lawrence Street – in construction
- 28 High – in progress - <20% complete
- Allyn Street – in progress - <20% complete
- Silas Deane, Wethersfield - 20% complete
- Swift Factory – ongoing –
- Bracket Knoll – re-bid again
- Charter Oak – received construction drawings
- Quirk Middle School – out to bid
- Heritage Home – the first in about to happen
- Riverfront Recapture, small bridge loan from CRDA

Andy Bessette asked how much money CRDA has been paid back from the loans that were previously made. Mr. Freimuth answered that it was approximately \$6M.



The following projects are being put forth for the Board's consideration:

105-7 Wyllys Street Redux, Hartford, CT

**History:** The project has been presented several times to CRDA and has failed to complete its financing each time. The vacant parcels are directly across the street from the Capewell development and have long been targeted by the City to compliment ongoing renewal in the neighborhood.

The most recent CRDA application was for \$1.6M loan (construction 3%, converting to a 30 yr. 2% permanent loan) subordinate to bank financing (\$1.7M) and private equity (\$1.1M) to newly construct 18 3BR units. (approved 5/17 by CRDA, 11/17 by State Bond Comm).

**Developer:**

Joseph Citino/Providian Builders of CT has held the property with the intent to construct new housing and has approached CRDA for another consideration of a new project outline.

**New Proposal:**

<b>Total Development Costs:</b>	\$ 2,520,000
<b>Sources:</b>	\$ 1,000,000 private bank loan
	800,000 CRDA loan
	720,000 equity

**CRDA Request:**

Construction loan of \$800,000 at 3% interest during construction converting to permanent financing at 2% for 30 yrs. (same terms and conditions of the larger note previously approved).

Construction of 3 buildings with 3 units each. All 3BR units.  
Construction of garage with 9 units.

**Other**

**Considerations:**

The project has had numerous false starts, but the developer has maintained his interest and energy for over 14 years to develop this parcel.

The project as initially designed was much larger at 46 units, but the City could no longer grant funds to the effort of sufficient size to pursue this version. The second version was rebooted with Hartford Community Loan Fund at 18 units, but the projected taxes undermined the pro forma. CRDA has maintained its general commitment to the project but has reduced its loan in each version while maintaining the same per unit appropriation of \$88,000/unit. This is higher than the average CRDA per unit subsidy but is in the 'mean' for new construction and represents a steady \$/per unit contribution to the effort.

After a discussion by Board members, the following resolution was moved by Mayor Leclerc, seconded by Mayor Bronin and approved.

*“The CRDA Board of Directors hereby approves the use of November 29, 2017 State Bond Allocation housing funds to assist the developer, Providian Builders/Joe Citino (or such acceptable single purpose entity) to construct three buildings each with three units and accompanying garages at 105-7 Wyllys Street, Hartford, CT and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$800,000 in assistance at 3% interest during construction and converting to a 2% interest mortgage amortizing P&I over a 30 year term with no less than a second position subordinate lien, subject to 1/ all funding sources being secured; and 2/ such fiduciary terms and conditions as deemed appropriate by the Executive Director and CRDA counsel.”*

#### Inner Circle, Supplemental Loan Agreement

CRDA Attorney Anthony Lazzaro explained the following Inner Circle, Supplemental Loan Agreement that is being sought by Inner Circle to help close the funding gap. The following is a breakdown of the project and the request by Inner Circle.

#### **Background:**

- On March 31, 2016, CRDA (the “Junior Lender”) executed a construction loan agreement with 50 Morgan Hospitality Group LLC (“Morgan Hospitality”) for \$6.5 Million (the “Junior Loan”) for the conversion of 200 hotel rooms at the Red Lion Hotel, formerly known as the Radisson Hotel, into 96 residential units (the “Project”);
- During construction, Morgan Hospitality encountered unforeseen costs and expenses due to substandard work performed by the Project’s original construction manager, who was later replaced; such costs and expenses amounted to project budget deficit of \$3.2 Million;
- DW Commercial Finance LLC, (the “Senior Lender”) has offered to lend Morgan Hospitality an additional \$2 Million (total of \$17.4 Million) to complete the Project;
- Morgan Hospitality has offered to provide an additional \$700,000 of equity funding to complete the Project;

#### **Proposal:**

- That CRDA provide a supplemental construction loan in an amount not to exceed \$500,000 made at the discretion of the Executive Director on terms and conditions similar to the existing Junior Loan, that is:
  - An interest rate of 5.75% for a period of two (2) years that will be repaid via permanent financing upon achieving stabilization but no later than two years following the closing of the Supplement Loan Agreement.

After a lengthy discussion by Board members, the following resolution was moved by Mayor Leclerc, seconded by David Robinson and approved.

*“The CRDA Board of Directors hereby authorizes the Executive Director to execute such Supplemental Loan Agreement in an amount not to exceed \$500,000; the loan amount and any additional terms and conditions shall be made at the discretion of the Executive Director.”*

690 Albany Ave Hartford, CT

Mr. Freimuth gave a brief overview of the 690 Albany Avenue project further explaining that the CRDA Board had previously reviewed the project and requested that the project be returned for Board review once funding sources and a purchase agreement were secured. The details of the project are as follows:

**Developer:** Sheldon Oak Central Inc.  
Hartford CT

**Background:** Sheldon Oak intends to purchase a three-story mixed used building at 696-714 Albany Avenue and a one-story adjacent structure at 690 Albany and renovate the property into 8 units of housing (5 affordable, 3 market) with 3560 s.f. of retail and remove the adjacent structure at 690 Albany. The buildings currently sit adjacent to 4-40 Vine Street, a \$23 million, 10 building apartment renovation completed by Sheldon Oak in 2015. The State is also undertaking a major infrastructure reconstruction of the Albany Ave corridor.

The CRDA Board previously reviewed and approved an equity participation in the project of \$2.3M in 'neighborhood' funds but up to \$2.5M if necessary (June 2017) that was subsequently approved by the State Bond Commission (Nov 2017), subject to securing all funding sources and a purchase agreement. The Board asked that the project return for final review.

The developer has been able to assemble the capital stack and purchase agreement and is now finalizing its agreements.

<b>Financing:</b>	Capital for Change (first mortgage)	\$ 420,000
	City of Hartford HOME loan	921,881
	DECD Brownfield Grant	532,560
	Ct Main Street Façade Grant	100,000
	Eversource Energy Grant	90,000
	Developer Equity/Deferred Fee	250,000
	CRDA Equity 'cash flow mortgage'	2,500,000
	Total Development Cost	\$4,821,000

The following resolution was moved by Andy Bessette, seconded by Seila Mosquera-Bruno and approved.

*"The CRDA Board of Directors re-affirms and authorizes the Executive Director to invest up to \$2.5 million in 'neighborhood/citywide' funds as an equity contribution to the redevelopment of 690-714 Albany Avenue into eight units of housing, 5 as affordable and 3560 square feet of renovated retail space by Sheldon Oak Central Inc or a single purpose entity acceptable to the CRDA providing 1/ 50% of the cash flow after servicing the first mortgage debt and maintaining a 1.2 debt service coverage ratio is then used to reduce the CRDA equity; 2/ all funding necessary to complete the project is secured; and 3/ such fiduciary terms as deemed necessary and appropriate by the Executive Director and the CRDA counsel."*

### **Venue Committee**

#### **XL Center**

*New Planning Focus* - SCI Architects continues to work on a concept plan for a scaled-back renovation of the XL Center. The plan will focus on opening up the atrium to the arena, increasing the number of rest rooms and expanding the number and types of premium seating in the building. Stafford Sports has developed a new draft pro forma showing estimated revenues to both the building and UConn - this is currently being reviewed by CRDA staff.

*Events* – UConn Basketball and Hockey seasons are complete. MBB averaged 7,037 attendees per game, down slightly from last season. WBB games averaged 6,011 per game, down more than 3,000 per game from last season. UConn hockey averaged 2,835 per game, down slightly per game from last season.

Through 31 games, the Wolf Pack are averaging 3,141 per game, down slightly from this time last year. Season ticket renewals for the 2019-2020 season launched in late January and 72% of season ticket holders have already renewed. Once the season ends, the focus will then shift to growing new business and locking in group sales over the summer months, while also revisiting all non-renewed and/or lost accounts over the past six seasons.

Today is the first day of the March Madness basketball tournament at the XL Center. Nearly all session passes are either sold out or close to sell out as of this morning, with all loge seats and over half of suites sold. Spectra has engaged numerous local and regional entities to help with this event.

The Mumford & Sons concert on February 28<sup>th</sup> saw 10,000 people in the building, while the Travis Scott concert on March 9<sup>th</sup> saw over 12,000. Fleetwood Mac also played on March 15<sup>th</sup> and Alabama is scheduled on April 13<sup>th</sup>. Upcoming events include Paw Patrol in early May, three commencements and a WWE Pay-Per-View event in mid-May. Spectra is also close to confirming at least two additional concerts for this fiscal year.

#### Pratt & Whitney Stadium –

*Events* - The Stadium bowl and field are closed for the winter, though a number of events are scheduled in the parking lot and Club Room over the next few months.

Tickets have gone on sale for the NCAA Lacrosse Quarterfinals to be held at the Stadium on May 19<sup>th</sup>. The Stadium is partnering with Fairfield University to host these two games, as well as the 2021 and 2022 National Championships.

*Seat repairs* – The new Stadium replacement seats are on schedule for delivery at the end of April. Installation should be completed in time for the lacrosse tournament.

*Budget* – The Stadium has seen a significant decline in attendance at UCONN football games and this has had a serious impact on the facility's operating budget. Mike and Joe will provide additional information on this as well as their planned actions with OPM.

#### CT Convention Center

*Study* - Johnson Consulting of Chicago was selected via an RFP to undertake a study of Convention Center operations. The study will compare assumptions made in the original pre-construction study with actual outcomes and to outline a future business plan taking into account industry trends and changing market conditions.

*MMA* – The State's first mixed martial arts (MMA) event will be held at the Convention Center on March 29<sup>th</sup>. It is hoped that the event will be a model for more MMA events at the Convention Center and the XL Center in the future.

*Dillon Stadium* - Bob will provide a construction update.

*NCAA Basketball Tournament* - Mr. Freimuth explained that the NCAA Basketball Tournament is currently at the XL Center this weekend. The games today, Thursday, March 21, 2019, are scheduled for television viewing purposes which only allowed for 40 minutes between sessions. The people attending the first session need to leave the building and the building needs to be refreshed and the second session attendees will have to be scanned and reenter the facility, all of this had to happen in a matter of 40 minutes. This is frustrating to anyone who bought tickets to the second session as it is not enough time to get back into the building and get to your seats before tip-off.

*UCONN/XL Center* – Mr. Freimuth addressed Coach Auriemma’s comments to play at XL for free or fix the building. The reality is most UConn events produce a net benefit of over \$2.5M per year to the building. Any business relationship has to have both sides win and that is the case with XL. It could make more money for both.

#### P&W Stadium at Rentschler Field

CRDA CFO Joseph Geremia reported that as the manager of P&W Stadium at Rentschler Field for OPM, CRDA is tasked with reporting the unpleasant attendance numbers and the shortfall of funds brought in by attendance and concessions. Within the next two weeks, CRDA is going to ask OPM to subsidize \$250,000 in addition to UCONN’s \$250,000 because the projection is looking like the Stadium is going to end up \$590,000 in the red this year.

#### Tennis Foundation of CT

There is a summary of the CT Tennis Tournament in the Board Package. The license has been sold and CRDA has received the funds back that were used to purchase the license. Board members agreed with Michael Freimuth resigning from the TFC Board.

#### Riverfront Recapture Bridge Loan

Attorney Anthony Lazzaro gave a brief refresher to the Board regarding the Riverfront Recapture project discussed at a previous Board meeting regarding extending the Hartford Riverwalk to Windsor. Due to timing issues with the donations, Riverfront Recapture has a \$125,000 shortfall that is needed to acquire the property.

The following is a breakdown of the project and needs:

#### **Background:**

- On September 20, 2018, the Connecticut State Bond Commission allocated One Million Dollars (\$1,000,000) to CRDA for a grant-in-aid to Riverfront Recapture (“CRDA Bond Funds”) to finance the development of an extension of the Hartford Riverwalk on property to be purchased adjacent to Riverside Park (the “Property”). Such funds may not be used to purchase the Property;
- Riverfront Recapture has received Five Hundred Thousand Dollars (\$500,000) from private donors to be used for the purchase of the Property (the “Riverfront Funds”);

- The purchase price of the Property is Six Hundred Twenty-Five Thousand Dollars (\$625,000);
- The Department of Energy and Environmental Protection (“DEEP”) has agreed to provide Riverfront Recapture with One Hundred Twenty-Five Thousand Dollars (\$125,000) for the purchase of the Property;
- The contracting process between Riverfront Recapture and DEEP for such funds is approximately sixty days;
- It is essential that the transaction for the purchase of the Property be completed within thirty days;
- Riverfront Recapture has requested a ninety (90) day bridge loan in the amount of One Hundred Twenty-Five Thousand Dollars (\$125,000) from CRDA to be used for the purchase of the Property (“CRDA Bridge Loan”);
- Riverfront Recapture shall repay the CRDA Bridge Loan upon the completion of its funding agreement with DEEP but in no event later than ninety days;

**Proposal:**

- For CRDA to provide funding to Riverfront Recapture in an amount not to exceed \$125,000 in the form of a ninety-day, interest free bridge loan. Such funds will be used with Riverfront Recapture funding in the amount of \$500,000 for the purchase of the Property.

The following resolution was moved by Andy Bessette, seconded by Erik Johnson and approved.

*“The CRDA Board of Directors hereby authorizes the Executive Director to execute such CRDA Bridge Loan on the terms and conditions presented.”*

**Regional & Economic Development Committee**

Mayor Leclerc and Michael Freimuth reported on the following Regional & Economic Development Committee projects:

*Hartford Regional Market* – A number of capital improvements are in progress at the Regional Market. Paving, lighting and other electrical upgrades have been completed, with signage and barrier layout plans under development. A new bus shelter will also be installed.

*Front Street* – A contractor has been selected to undertake paving and crosswalk improvements at Front Street and this work will begin in the spring. Storm drainage improvements and waterproofing repairs on the North Garage Plaza will also begin this spring.

*Showcase Cinema Site* – The Town of East Hartford has issued an RFP for a developer on the recently-acquired Showcase Cinemas site. CRDA is working with Milone & MacBroom on a demolition and abatement plan for the property and will issue an RFP for this work shortly.

*Goodwin College Drainage Improvements* – Plans for the three-phase project are nearly complete and an RFP for the first phase will go out shortly.

*Silver Lane Road and Streetscape Improvements* – The Town has provided comments on the draft plans for the project and Transystems, the engineering firm under contract with CRDA, is updating the plans accordingly. Additional meetings are scheduled to discuss sidewalk issues related to the Stadium site.

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

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

*Bushnell South Garage* – An RFP has been issued to the five firms shortlisted under the design/build RFQ for this garage. A final selection is expected in April.

*Founders Plaza Garage* – Six teams responded to the RFP for a Development Planner / Garage Designer and we are now moving into contract negotiations with one of the teams.

*Other Garages* – Design work on repairs is substantially complete at the Church Street garage. Loading dock repairs are underway in the Adriaen's Landing garages as part of a multi-year repair project. Additional repair work will resume in the spring on both the Convention Center and Front Street garages.

*Parkville Market* – Mayor Luke Bronin reported that the Parkville Market is under construction however they are ending their current financing without a construction loan. We had hoped that it would be on the bond agenda this March however we are hearing that it is not going to be, and I have very significant concerns about what that means for the project.

*Columbus Boulevard/Front Street/Arch Street/North Garage plaza area* – all construction ready to start in the Spring.

*Regional Agricultural Market* – CRDA has taken title to the Regional Market. CRDA is working with OPM and DoAg for a transition to take operational control on about July 1<sup>st</sup>. Long term reconstruction/redevelopment program being put together. It is a perfect candidate for a P3 model. CRDA has made capital improvements, security work to begin in the Spring.

No long-term leases have been committed so that there may be an opportunity to utilize space, in different ways, going forward.

There is a possibility for new development on some of the vacant land.

### **Executive Director Report**

Dillon

CRDA has worked on an agreement and has received \$3.2M necessary to bring the project to a June completion. The City is bridging the Hartford Foundation Funds, which gave CRDA the money to get the contracts committed.



### Legislative Session

- P3 (Public, Private, Partnerships) rework of statute which could benefit XL and possibly regional market.
- Structuring a CRDA type entity or targeted “like CRDA” type entity, both of these assume that, we here at CRDA, will play an administrative role.

### Bushnell Garage

- Five contractors have been prescreened/preselected for a design build for the 450 space car garage, part of the overall Bushnell Development and are in review.

Adjourned 6:35pm

***“The minutes of the March 21, 2019 CRDA Board Meeting were moved by Joanne Berger Sweeney, seconded by David Robinson and approved at the May 16, 2019 CRDA Board Meeting.”***

**C·R·D·A**  
*Capital Region  
Development Authority*

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

**TO:** CRDA Board

**Cc:** CRDA Staff

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

**DATE:** February 15, 2019

**SUBJECT:** ***CANCELLED*** - CRDA Board Meeting scheduled for Thursday, February 21, 2019

The CRDA Board Meeting, scheduled for February 21, 2019, has been cancelled.

The next CRDA Board Meeting is scheduled for March 21, 2019.

**C·R·D·A**  
*Capital Region  
Development Authority*

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

**TO:** CRDA Board

**Cc:** CRDA Staff

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

**DATE:** February 15, 2019

**SUBJECT:** *CANCELLED* - CRDA Board Meeting scheduled for Thursday, February 21, 2019

The CRDA Board Meeting, scheduled for February 21, 2019, has been cancelled.

The next CRDA Board Meeting is scheduled for March 21, 2019.

**Capital Region Development Authority  
100 Columbus Boulevard  
5<sup>th</sup> Floor  
Hartford, CT 06103  
Thursday, January 10, 2019  
6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Joanne Berger Sweeney; Andy Bessette; Mayor Luke Bronin; Erik Johnson; Kerry Kelley; David Jorgensen; David Kooris (phone); Mayor Marcia Leclerc; Michael Matteo (phone); David Robinson; Glendowlyn Thames

**Board Members Absent:** James Redeker; Evonne Klein

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

**Minutes**

The minutes of the December 6, 2018 CRDA Board Meeting were moved by Andy Bessette, seconded by David Jorgensen and approved.

**Presentations**

Dr. Mark Overmyer-Velázquez, University Campus Director, UConn Hartford - As the first UConn campus Director, Dr. Overmyer-Velázquez gave an overview of the Hartford campus including information regarding enrollment, research and retention rate.

Terry Mitchell Smith, CRDA Director of Marketing and Public Relations, gave a brief overview of the newly constructed CRDA website.

**Mayors Reports**

Mayor Bronin reported on the following items:

- Pearl Street Buildings: it is exciting to see the transformation of those buildings as you come down Trumbull Street. You can see the impact it will make on the entire downtown when those buildings are back to life.
- Swift Factory: Work continues
- Westbrook Village: Demolition to start fairly soon and Weaver close to being complete at the end of the school year. Work will then start on MLK school in that same vicinity.
- Albany Avenue Street Scape: looking good.
- Parkville: work is underway. Having good discussions about some more ambitious plans for development on Bartholomew Avenue with Carols Mouta, who recently purchased a couple of those bigger buildings.
- Coltsville: work is ongoing on the North Armory. Continue to have discussions with potentially interested tenants who are looking for space.
- Innovation Ecosystem: we've been working to build over the past year. Glendowlyn Thames is working in both capacities, CT Next and Hartford and it is really getting some traction.

- Upward Hartford: expanding their efforts and focusing on new initiative on Elder Care.
- The Stanley B&D Initiative: ongoing discussions with Stanley regarding expanding the scope of that partnership
- Insurance Advanced Manufacturing and Healthcare – will be in a position soon to launch the digital health accelerate
- 960 Main Street: Maker Space CT – under construction
- Albany Ave. park: \$1.5M of old funding repurposed at December 2018 Bond Commission mtg. to allow for a park to be built on a blighted site on Albany Ave. May seek additional funding from other sources to supplement however a nice park can be built with the bond funds.
- Albany & Woodland lot: an RFP will go out soon for this lot. Although an RFP for this site has gone out in the past, this RFP will be a little different than those in the past.
- Park & Main: negotiations are continuing to get to a term sheet with Spinnaker Development. Some things need to be discussed before presenting to City Council.
- DoNo: regarding the retained \$12M that was allocated for DoNo construction, the scope of that authorization was expanded to include the demolition of the city owned, Bank of America data center.
- Hearing: a court hearing to present a new motion by the City for injunctive relief to allow the City to proceed with the DoNo development is scheduled for Jan. 24, 2019.

Glendowyn Thames suggested East Hartford/Hartford Innovations come to present to CRDA to share what they are doing. Ms. Thames to send contact information.

Mayor Marcia Leclerc reported on the following East Hartford projects:

- Great River Park: Agreement with Riverfront Recapture not yet signed. Agreement currently with legal. Town will be setting up a seasonal oversight committee to meet with RR on scheduled basis to improve cooperation and communication.
- Goodwin College: Drainage improvements on Ensign Street. CRDA is close to finalizing contract with Zuvic Carr – Goodwin's engineering firm with Town's oversight and approvals. First phase bid should be going out soon.
- Founder's Plaza Garage: The RFP has been issued. Very good interest. Deadline was extended to January 28<sup>th</sup>.
- Silver Lane Streetscape: the Town is working to finalize a work plan by Transystems. Work will include sidewalks, benches, bus stop shelters, barrels, planters. Increased pedestrian/biker safety improvements. Meeting will be set for next week to go over next steps.
- Demolitions: several properties are being targeted – four properties on Main Street; two town owned properties are ready to go.
- Showcase Cinemas: the Town is pushing for a definite closing date. There is a scope of work for additional hazardous materials destructive testing. Having met with surrounding property owners, we are hopeful they will be a part of any revitalizations plan.
- Working drafts of our two new zones: Design District III for Goodwin College area, and Silver lane Design District. Both will be new to the town and allow for mixed use and allow for more flexibility.
- New senior center design has had 3 public meetings. Work continues toward construction specifications. The Town has been awarded a \$300,000 grant for the center from the Hartford for public Giving.
- The Town received State Brownfields Grant for \$125,000 for 141 Prestige Park Drive in our industrial park. We hope to attract a new owner to the site which has been historically used as a flea market and makeshift dump for cars/trucks.

## Finance

CRDA CFO Joseph Geremia introduced Nate Olin from IT Direct. Mr. Olin explained that IT Direct completed a total review of the technology infrastructure for CRDA and identified three key issues and developed a plan to address these and ensure CRDA's infrastructure is ready to support CRDA now and in the future. Mr. Geremia noted that funds are in current budget to update CRDA IT.

The January Financial update was presented by Joseph Geremia

### Fiscal Year 2019 Operating Statistics

#### CT Convention Center – November 2018

November stats: 96 event days held YTD with YTD attendance at 112,000

November financials: Revenues slightly unfavorable to budget

Utility expenses slightly unfavorable to budget offset with savings in event wages

Total year projection even with budget

#### CRDA Parking Facilities – November 2018

November stats: Utilization of 80% favorable with budget

Monthly rate customers favorable to prior year by 460 at 15,800 YTD

Transient customers favorable to prior year by 6,000 at 183,800 YTD

November financials: Transient and monthly rate customer revenues favorable to budget with CTCC event revenue slightly below budget

Expenses favorable compared to budget due to utilities and repair & maintenance savings

Total year projection approx. \$200,000 favorable to budget

#### Church Street Garage - November 2018

November stats: Utilization of 74% even with budget

Monthly rate customers favorable to budget by 110 at 5,600 YTD

Transient customers unfavorable to budget by 330 at 7,000 YTD

November financials: Revenues and expenses even with budget

Total year projection even with budget

#### P&W Stadium - November 2018

November stats: 65 event days held YTD with YTD attendance at 112,000

November financials: Event revenue even with budget with unfavorable variance due to UCONN Football attendance partially offset with favorable soccer game revenue

Expenses even with budget

Total year projection even with budget

#### XL Center - November 2018

November stats: 41 event days held YTD with YTD attendance at 127,600

November financials: Event revenue unfavorable compared to budget due to lower than budgeted number of concerts and one concert not meeting budget

Hockey operations even with budget

Operating expenses favorable compared to budget

Total year projection approx. \$550,000 unfavorable to budget

## Housing and Neighborhood Committee Report

Michael Freimuth reported that the project updates on the following items:

370 Asylum – Teacher’s Corner has a DPUC/Eversource issue with the power. We are hopeful to get it resolved this month. Pre-leasing opportunities have been lost due to this issue.

246-250 Lawrence – financing package closed and project is now moving toward construction.

Mr. Freimuth presented the following project for the Board’s consideration. The Colt Armory “U” Shape Building was approved by the CRDA Housing and Neighborhood Committee on December 20, 2018.

### **Colt Armory, “U” Shape Building at 15 Van Dyke Street**

Background: The “U” building, newer than most of the Colt complex, was renovated into a school for CREC but is no longer in use. Nonetheless, significant CapEx (\$9M +) has been invested in the building’s systems (structural, mechanical, roofing, environmental) since 2013. The building’s upper two floors remain empty while the first floor has had a credit union lease space and can accommodate additional commercial tenants. The building is in good condition and totals approximately 42,500 s.f. on three floors.

The overall Colt Complex is nearing full renovation with the North Armory (a CRDA project) in construction, two mill buildings reserved and scheduled to be acquired by the National Park Service; and enjoys 100% occupancy of its residential buildings and is nearing 76% occupancy of its commercial space (270k sf of 357k s.f. leased with additional space in negotiation).

Proposal: The plan is to convert this building into a mixed-use structure with commercial on the first level with the upper two levels being converted into residential units. The projected residential mix is to be 8 2-BR; 8-1BR and 10 studios for a total of 26 units. The “U” Building has its own dedicated parking lot with 82 spaces plus another 27 spaces nearby on Vredendale Ave. Apartment rents will average \$2/s.f.

Development: The construction budget and operating budgets are based on recent experiences at the complex. The development costs for the conversion of the upper two floors are estimated at \$3.7M. There are no acquisition costs (though land and building value are included in equity calculation) and no developer fees. Work to the commercial space is outside of this estimate and not part of the CRDA financing. A 12-15 month construction schedule is estimated.

Sources:	Bank 1 <sup>st</sup> Mortgage (existing)	\$	905,000
	Bank Construction/perm note		2,200,000
	CRDA 2 <sup>nd</sup> Note		1,500,000
	Equity		<u>2,400,000</u>
	Total Dev Cost	\$	7,005,000

CRDA Assistance: \$1.5m loan, 20 yr term. 3% interest.

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

*“The Executive Director is authorized to extend a formal term sheet to Colt Gateway LLC for the conversion of the Colt Armory “U” building on 15 Van Dyke Street, Hartford Ct into 26 units of market rate housing offering up to \$1.5 million at 3% interest amortized over 20 years in the form of a construction/permanent loan subject to: 1/evidence of all other sources of funding being secured in such terms as acceptable to CRDA and its counsel; 2/ State Bond Commission approval; and 3/ such fiduciary items as deemed appropriate by the Executive Director.”*

## **Venue Committee**

### **XL Center**

- New Planning Focus - SCI Architects continues to work on a concept plan for a scaled-back renovation of the XL Center. The plan will focus on opening up the atrium to the arena, increasing the number of rest rooms and expanding the number and types of premium seating in the building. Stafford Sports is concurrently working on developing a new pro forma.
- Average attendance for Wolfpack and UConn hockey games are both up over this point last season, 13% and 9% respectively. Both teams should see a continued increase as they enter into the heart of hockey season (January through March).
- UConn Men’s basketball is showing a slight increase in attendance over last season, however, Women’s attendance is down significantly. Weather issues this year and strong attendance at last year’s Notre Dame game account for some of that drop.

Nearly 12,800 all-session passes have been sold for this year’s March Madness, with 1,500 still available. (Of the 13 sites hosting first or second round games, XL ranks 5<sup>th</sup> in tickets sold.) The NCAA will allow for the sale of single-session tickets at some point, but that date is not yet known. Spectra is now focused on in-house set-up, parking, transportation and hotel coordination for the event.

- The November 30<sup>th</sup> Travis Scott concert that was postponed due to rigging issues has been rescheduled to March 9<sup>th</sup>. Other upcoming shows include Mumford & Sons on February 28<sup>th</sup>, Fleetwood Mac on March 15<sup>th</sup> and Alabama on April 13<sup>th</sup>.

### **Pratt & Whitney Stadium**

- The Stadium bowl and field are closed for the winter, though a number of events are scheduled in the Club Room over the next few months.
- Tickets have gone on sale for the NCAA Lacrosse Quarterfinals to be held at the Stadium on May 19<sup>th</sup>. The Stadium is partnering with Fairfield University to host these two games, as well as the 2021 and 2022 National Championships.
- In December, the State Bond Commission approved \$275,000 for replacement of the nearly 4,000 chair back seats at the Stadium. As reported at our last Board meeting, the seats’ hinge



mechanisms have deteriorated, creating a safety hazard. The new seats will be installed in late spring.

### CT Convention Center

- Six proposals were received in response to the RFQ/RFP for a new Convention Center study and three firms will be interviewed next week. The study is expected to compare assumptions made in the original pre-construction study with actual outcomes and to outline a future business plan taking into account industry trends and changing market conditions.

### Regional & Economic Development Committee

Hartford Regional Market: A number of capital improvements are in progress at the Regional Market. Paving and striping have been completed, while electrical upgrades are underway. Signage and barrier layout plans are also being developed.

Front Street: Bids have been received for paving and crosswalk improvements at Front Street and are currently under review. Storm drainage improvements and waterproofing repairs will begin in the spring on the North Garage Plaza.

Showcase Cinema Site: The Town of East Hartford is expecting to close on the property at the end of January. A hazardous materials survey will be conducted shortly thereafter in order to complete the demolition specs on the building and allow that work to be bid.

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

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

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

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

Bushnell South Garage: Twelve proposals were received in response to the design/build RFQ for the garage.

Founders Plaza Garage: The RFP for a Development Planner / Garage Designer has been issued, with proposals due on January 28<sup>th</sup>. At least 10 firms have expressed an interest in bidding on the project.

Other Garages: Design work on repairs is substantially complete at the Church Street garage. Loading dock repairs are underway in the Adriaen's Landing garages as part of a multi-year repair project. Additional repair work will resume in the spring on both the Convention Center and Front Street garages.

Mayor Leclerc asked if there was any more information that could be shared about the Science Center Garages. Anthony Lazzaro explained that there have been some cracks and spalling. The original

engineering/architectural firm Thornton Tomasetti has been asked to review it. They are in the process of designing a fix to address the issues.

Parkville Market: Michael Freimuth gave details regarding the Parkville Market located at 1400 Park Street Hartford. This project was taken up at the December 20, 2018 committee meeting, and although a quorum was not available the Regional and Economic Development Committee, the members through subsequent survey agreed to move the recommendation to the CRDA Board on December 20, 2018.

BACKGROUND: Restoration of a vacant 20,000 sf building located at 1400 Park Street in the Parkville neighborhood into space for 50+ tenants offering a variety of ethnic foods as well as artisans. The property is owned by Carlos Mouta, a local developer and property owner.

Capital Stack:	\$3,500,000	CRDA construction loan to be repaid by permanent bank loan
	500,000	Hartford Foundation for Public Giving Loan
	300,000	DECD loan
	<u>800,000</u>	Equity from developer/owner
	\$5,100,000	TDC

Construction:	\$4,250,000
Existing Mortgage	<u>850,000</u>
	\$5,100,000

CRDA REQUEST: The developer has arranged permanent financing. However, the bank will not do construction financing of 'speculative' commercial developments as the lease up risk presents an issue to their underwriting. The completed value of the building, upon lease up will be in excess of the projected \$3.5M mortgage. The collateral in the existing building as well as current revenue and other assets of the developer provides additional security to CRDA while being the bridge lender.

Construction Loan of \$3.5M at 3% interest, 18-24mth term has been requested.

After a lengthy discussion, the following resolution was moved by Marcia Leclerc, seconded by Luke Bronin and approved.

*"The executive director is authorized to provide up to \$3.5M in construction loan to Carlos Mouta, (or such single purpose entity acceptable to CRDA) at 3% interest for a period not to exceed 24 months upon 1/ approval of such authorization by the State Bond Commission, 2/ assurances that all funds are in place to complete the project and to repay the CRDA note; and 3/ such fiduciary terms and conditions deem necessary and appropriate by CRDA and its counsel."*

**Executive Director Report**

Dillon Stadium – on hold pending review of transactions made by members of HSG by State Elections Enforcements Committee. There also have been two complaints to the CT State Contracting Review Board. The complaints were made by one of the bidders who was not awarded the contract and accused CRDA of not playing fair. These complaints have been dismissed without prejudice.

The consequence of this is that CRDA was expected to deliver the building in May and the target date is now June. Rentschler Field is in queue to allow the season the get established. There are financial penalties when a construction clock is stretched and, this is a problem. CRDA's liability is delivering a completed building, all other risk is with the HSG.

Pearl Street – construction running between 45/60%, based on each building.  
Arch Street – on point for May completion  
Colt Armory – construction underway  
28 High – construction underway  
Swift – 25% complete

Bushnell South - CRDA is currently going over construction opportunities for the garage. Anthony Lazzaro indicated that the property is currently in the process of being transferred. CRDA's comments went back to DAS and Judicial for review, they are expected back shortly. Mayor Bronin asked about the aesthetics of the garage.

Hartford Regional Market – Michael Freimuth directed the Board to the Executive Summary that Goman and York presented regarding the direction of the Regional Market. CRDA is trying to put this into a legislative package for consideration in the upcoming legislative session. Currently CRDA is in charge of leasing the property and completing capital improvements but the Department of Agriculture is running the building day to day. CRDA is putting together a 3-5 year plan as well as a long term plan. The 3-5 year plan is critical to really succeed and grow, the tenants need longer lease windows. CRDA is going to suggest an organizational structure, similar to the airport Authority that will take care of that real estate. Put together a 3-5 year plan and transition the current hybrid from an OPM/Dept. of Ag. Structure to an Enterprise Fund authority/structure.

After a lengthy discussion, the following Consent to Action - resolution was moved by Marcia Leclerc, seconded by Luke Bronin and approved.

#### **Hartford Regional Market – Consent to Action**

The undersigned, being the Executive Director of Capital Region Development Authority (the "Authority"), a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut, with a place of business at 100 Columbus Boulevard, Hartford, Connecticut, in accordance with the Connecticut General Statutes and the Authority's governing agreement, unanimously resolve as follows:

- that the Authority execute and deliver to the State of Connecticut a certain "Assignment and Assumption of Leases and Licenses" (the "Agreement"), in the form previously distributed to the Michael Freimuth; and
- that Michael Freimuth, as Executive Director of the Authority, is directed to execute and deliver the Agreement on behalf of the Authority and to do all things necessary or appropriate to carry out the terms of the Agreement, including executing and delivering all agreements and documents contemplated by the Agreement.

The undersigned are signing this consent on January \_\_\_\_, 2019.

#### **CAPITAL REGION DEVELOPMENT AUTHORITY**

\_\_\_\_\_  
By: Michael Freimuth  
Its: Executive Director  
Date:

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

*“The CRDA Board of Directors hereby moves to go into Executive Session sighting contract negotiations.”*

The Board resumed the Board Meeting at 8:25pm with the following motion.

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

*“The CRDA Board of Directors hereby moves to allow up to \$600,000 from CRDA Operations Reserve to be loaned to the Church Street garage for capital projects and up to \$1.2M of Church Street garage operating income, to be used to support XL Center operations. Clarification that this is a principal only loan.”*

Adjourned 8:30pm

*“The minutes of the January 10, 2019 CRDA Board Meeting were moved by Andy Bessette seconded by Glendowlyn Thames and approved at the March 21, 2019 CRDA Board Meeting.”*

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

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

**Board Members Absent:** Mayor Luke Bronin; James Redeker

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

**Minutes**

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

**Mayors Reports**

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

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

Mayor Marcia Leclerc reported on the following East Hartford projects:

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

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

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

## **Finance**

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

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

#### *Balance Sheet*

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

*Statement of Revenues, Expenses and Changes in Net Position*

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

*Fiscal Year 2018 Operating Statistics*

CT Convention Center – September/October 2018

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

CRDA Parking Facilities – September/October 2018

Oct. stats: Utilization even with budget at 79%  
Monthly rate customers favorable to prior year by 600 at 12,200 YTD  
Transient customers favorable to prior year by 9,800 at 147,900 YTD  
Qtr. 1 financials: Net Income \$200,000 favorable to budget  
Transient revenue favorable to budget with monthly rate customer revenue even with budget  
Repair & maintenance expense favorable to budget  
Total year projection \$200,000 favorable to budget

XL Center - September/October 2018

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

Church Street Garage - September/October 2018

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

Rentschler Field - September/October 2018

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

## **Housing and Neighborhood Committee Report**

Mike Freimuth reported on the following items:

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

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

Allyn St. – Financial closing complete.

28 High Street – construction underway.

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

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

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

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

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

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

## **Venue Committee**

Andy Bessette reported on the following Venue Committee items:

### XL Center

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

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

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



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

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

#### Pratt & Whitney Stadium

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

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

#### CT Convention Center

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

#### Dillon Stadium

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

## **Regional & Economic Development Committee**

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

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

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

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

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

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

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

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

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

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

## **Executive Director Report**

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

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

### **Conditions:**

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

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

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

**Business Interruption Grant Terms:**

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

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

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

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

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

**Conditions:**

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

**Grant Terms:**

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

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

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

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

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

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

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

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

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

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

Adjourned 7:10pm

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

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

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

**Board Members Absent:** Mayor Luke Bronin; James Redeker

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

**Minutes**

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

**Mayors Reports**

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

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

Mayor Marcia Leclerc reported on the following East Hartford projects:

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

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

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

## **Finance**

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

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

#### *Balance Sheet*

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

*Statement of Revenues, Expenses and Changes in Net Position*

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

Fiscal Year 2018 Operating Statistics

CT Convention Center – September/October 2018

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

CRDA Parking Facilities – September/October 2018

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

XL Center - September/October 2018

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

Church Street Garage - September/October 2018

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

Rentschler Field - September/October 2018

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



## **Housing and Neighborhood Committee Report**

Mike Freimuth reported on the following items:

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

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

Allyn St. – Financial closing complete.

28 High Street – construction underway.

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

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

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

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

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

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

## **Venue Committee**

Andy Bessette reported on the following Venue Committee items:

### XL Center

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

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

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

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

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

#### Pratt & Whitney Stadium

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

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

#### CT Convention Center

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

#### Dillon Stadium

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

## **Regional & Economic Development Committee**

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

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

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

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

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

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

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

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

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

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

## **Executive Director Report**

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

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

Conditions:

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

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

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

Business Interruption Grant Terms:

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

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

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

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

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

Conditions:

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

Grant Terms:

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

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

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

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

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

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

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

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

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

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

Adjourned 7:10pm

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

**Capital Region Development Authority  
100 Columbus Boulevard  
Ballroom Level, Meeting Rooms 14-15  
Hartford, CT 06103  
Thursday, October 18, 2018  
6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hoppood; Andy Bessette; Kiley Gosselin; David Jorgensen; Kerry Kelley; Evonne Klein; David Kooris; Mayor Marcia Leclerc; Jim Redeker (phone); David Robinson; Glendowlyn Thames

**Board Members Absent:** Mayor Luke Bronin; Joanne Berger Sweeney; Michael Matteo

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

**Guests:** Mike Goman, Goman & York; Mike Zaleski, President & CEO, Riverfront Recapture; Marc Nicol, Director of Park Planning and Development, Riverfront Recapture; Randy Salvatore, RMS, Founder and Chief Executive Officer

**Call to Order & Committee Assignments**

Chairwoman Hoppood read a statement regarding public meeting. The meeting was called to order at 6:02pm.

**Minutes**

The minutes of the September 20, 2018 CRDA Board Meeting were moved by Evonne Klein, seconded by David Jorgensen and approved.

**Presentations**

*CANCELLED - UConn Hartford – Mark Overmyer-Velazquez, University Director*

*Regional Agricultural Market – Mike Goman presented Goman & York’s mission for the Connecticut Regional Market by introducing an overall plan to include Short-term and Long-term goals. The three subsets to be considered in the overall plan in order to have a positive impact on the CT Regional Market should be Economic, Environmental and Social. These goals will assist the Department of Agriculture’s mission to bring the market back to its full potential.*

*Riverfront Recapture – Mike Zaleski and Marc Nicole gave a presentation with the goal of creating a Connecticut River park masterplan and adjoining commercial and residential development. The plan would include building and revitalizing Mortensen Riverfront Plaza, Riverside Park, and Charter Oak Landing in Hartford and Great River Park in East Hartford.*

*DoNo* – Randy Salvatore presented the proposal for development of the City owned development sites at Downtown North (DoNo) surrounding the Dunkin Donuts baseball field. The vision for the mixed-use urban environment surrounding the ballpark will enliven and bolster the connections between Hartford's North side neighborhoods and Downtown Center. Design strategies were explained for Parcel's A, B, C & D.

*DoNo*  
Sources and Uses

<u>Description</u>	<u>Parcel A</u>	<u>Parcel B</u>	<u>Parcel C</u>	<u>Parcel D</u>	<u>Total</u>
Number of Residential Units	176	307	200	1.1	794
Retail Square Footage		48,800	10,800		59,600
Number of Parking Spaces	148	360	259	1,261	2,028
<b><u>Development Budget</u></b>					
<b><u>Land Cost:</u></b>					
Total Land Costs	\$ 1	\$ 1	\$ 1	\$ 1	4
<b><u>Hard Costs:</u></b>					
Total Hard Costs	\$ 35,200,000	\$ 68,870,000	\$ 41,300,000	\$ 48,700,000	194,070,000
<b><u>Soft Costs</u></b>					
Total Soft Costs	\$ 3,800,000	\$ 7,260,000	\$ 4,600,000	\$ 5,800,000	21,460,000
Soft Cost Percent (%)					
<b>Total Development Budget</b>	<b>\$ 39,000,001</b>	<b>\$ 76,130,001</b>	<b>\$ 45,900,001</b>	<b>\$ 54,500,001</b>	<b>215,530,004</b>
<b><u>Sources &amp; Uses of Funds</u></b>					
<b><u>Uses of Funds:</u></b>					
Total Uses of Funds	\$ 39,000,001	\$ 76,130,001	\$ 45,900,001	\$ 54,500,001	\$ 215,530,004
<b><u>Sources of Funds:</u></b>					
Equity Capital	\$ 5,040,000	\$ 12,032,000	\$ 6,360,000	\$ 2,530,000	25,962,002
Senior Debt at 60% LTC	\$ 23,400,001	\$ 45,678,001	\$ 27,540,001	\$ 32,700,001	129,318,002
CRDA Loan (\$60,000 per unit)	\$ 10,560,000	\$ 18,420,000	\$ 12,000,000	\$ 19,270,000	60,250,000
Total Sources of Funds	\$ 39,000,001	\$ 76,130,001	\$ 45,900,001	\$ 54,500,001	215,530,004

NOTE: CRDA loan is estimated at \$60,000 per residential apartment unit and \$10,000 per parking space in Parcel D



## Mayors Reports

Kiley Gosselin reported on the following in Mayor Bronin's absence:

- **DoNo RFP:** The City has begun discussions with Randy Salvatore on the DoNo redevelopment project. We are currently targeting the parcel between the Ballpark and Talcott Plaza known as "Parcel C" currently used for parking. The current design proposal is for a mixed-use project with approximately 200 units of housing and some structured parking. Discussions are also underway to determine a PILOT structure as well as how to finance some affordable units as part of the project.
- **Dillon Stadium:** The City has been in active discussions with CRDA and Hartford Sports Group to finalize a Use Agreement and fine tune the project budget. We are still targeting a Spring 2019 opening. Final design work is ongoing with construction already underway. The City will continue to work on necessary permitting and planning and zoning approvals to effectuate appropriate stadium operations (building permits, signage, community fee structure, etc.).
- **Park & Main RFP:** The City is in development discussions with Spinnaker, a Fairfield County based developer who will be working with Rohan Freeman in Hartford. The current projections allow for a mixed-use project with approximately 108 units. The City is hopeful that construction could begin next year. Discussions are also underway to determine how to finance affordable units as part of this project.
- **Downtown/Downtown North Supermarket:** The City has been working closely with partners at the Hartford Community Loan Fund and Affirmative Investments to identify a location for a supermarket that could serve residents of both Downtown and North End neighborhoods with easy access to ample public transit options. Two locations are currently under consideration. The City is hopeful that this project could serve as a main link between neighborhoods while providing a much-needed service to all residents.

Mayor Marcia Leclerc reported on the following East Hartford projects:

- **Main and Pitkin St.:** received a Connectivity Grant focusing on the Main and Pitkin Street area as a gateway into Hartford and down to Silver Lane and implementing a street scaping design on the corner of Main and Pitkin as well. Dunkin building on that corner is moving along and demolition has been completed at the rear of a building on Pitkin Street.
- **Silver Lane –** completed Milone and MacBroom Study. Beginning to work with P&Z on zoning changes to the area.
- **Transportation Study –** the Transportation Study continues to move along with TranSystems and the showcase property is going to be an acquisition. The item will go to the Town Council on November 7, 2018 for CRDA approval for the MOU and the permission to acquire the property.
- **Burnside Avenue -** Completed a significant demolition on Burnside Avenue of a former abandoned senior housing site.
- **Burnside Avenue – 1100 block -** acquired a developer that acquired additional land behind the building that is looking to work with the town to come up with a plan with their architect for a mixed-use development.

- 1252 Main Street - a blighted building condemned by E. Hartford has been renegotiated with a developer who will be restoring the 1912 building into 19 apartments.
- Wickham Library – completing renovation and expansion to make ADA compliant.
- Sr. Center – Chris Williams architect is completing plans.
- Goodwin College area – continue to work on college zone district

**Finance**

Chairwoman Hoppood asked CRDA CFO Joseph Geremia to give an explanation to the Board regarding reports that CRDA was one of the Quasi-public agencies that have not complied with requests from the Comptroller’s office to report checkbook-level information on expenditures. Mr. Geremia indicated that CRDA had communication with the Comptroller’s office in 2016. CRDA has given the Comptroller the vendor listing of all outside individuals and firms that received more than \$5,000 as payment for services each year since 2016. CRDA also provided a copy of CRDA Annual Reports which provides extensive information about CRDA finances. Mr. Geremia indicated that he has reached out to the Comptroller’s office to inquire into what other information they require.

Mr. Geremia gave an overview of the Financial update for October 2018.

**Fiscal Year 2019 Operating Statistics**

CT Convention Center – August/September 2018

September stats: 49 event days held YTD with YTD attendance at 68,500

August financials: Revenues even with budget

Utility expenses slightly unfavorable to budget

CRDA Parking Facilities – August/September 2018

September stats: Utilization of 74% even with budget

Monthly rate customers favorable to prior year by 950 at 8,700 YTD

Transient customers favorable to prior year by 5,500 at 102,400 YTD

August financials: Monthly contract and transient revenues favorable compared to budget

Expenses favorable compared to budget due to repair & maintenance savings

XL Center - August/September 2018

September stats: 5 event days held YTD with YTD attendance at 21,200

August financials: Event revenue even with budget

Hockey operations even with budget

Operating expenses favorable compared to budget

Church Street Garage - August/September 2018

September stats: Utilization of 74% even with budget

Monthly rate customers favorable to budget by 80 at 3,400 YTD

Transient customers unfavorable to budget by 200 at 3,800 YTD

August financials: Revenues and expenses even with budget

P&W Stadium - August/September 2018

September stats: 40 event days held YTD with YTD attendance at 63,000

August financials: Event revenue favorable to budget  
Expenses even with budget

**Housing and Neighborhood Committee Report**

Kiley Gosselin and Mike Freimuth reported on the following items:

101-111 Pearl – targeting occupancy early 2019  
81 Arch Street - targeting occupancy early 2019  
370 Asylum - target opening December 2018

246/250 Lawrence Street project which was vetted through the Housing and Neighborhood Committee on October 12, 2018. The Committee approved the project and asked that it be moved for Board action.

Background: Two vacant/blighted ‘perfect six’ family apartment buildings on Lawrence Street, immediately abutting recent work on Capitol Avenue including the Capitol Lofts/Hartford Office Supply complex and within one block of the State Capitol grounds would be purchased and renovated by Wolverine Properties which has restored/renovated other properties in the immediate area.

Proposal: Acquire and gut rehab the 12 units, inclusive of a small four car garage. The units include 8 2BR/2bath and 4 1BR/1.5 bath). CRDA funds would be used for bridging an estimated \$225,000 in state historic credits and providing a 2<sup>nd</sup> mortgage construction/perm gap funding of \$296,000 at 3%, 20 yr terms.

Development Budget (initial working draft)

Uses: Acquisition	\$486,875
Soft	232,893
Hard Const	<u>780,232</u>
	\$1,500,000 TDC

Sources: Bank 1 <sup>st</sup> mortgage	\$798,000
CRDA bridge/const 2 <sup>nd</sup>	521,000
Equity	<u>181,000</u>
	\$1,500,000

Developer, Aaron Gill of Wolverine Property LLC, is a PE (professional engineer) and resident of area CRDA allocation of \$43,416/unit initially; once historic credit retired, CRDA at \$25,500/unit (CRDA norm is \$60k/unit)

NOI cap rate (7%) projection value \$1.57M (subject to final appraisal)

Environmental survey incomplete as of this date (9/3/18)

9.7% construction contingency plus \$10k soft contingency

Declared a ‘blighted property’ per city ordinance

Close proximity to other CRDA projects

Market rate project

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

*“The executive director is authorized to extend a construction/permanent note up to \$296,000 at 3%/20yr amortization/20 yr term as well as a historic tax credit bridge loan up to \$225,000, interest only at 3%*

*up to 24 months to Wolverine Property LLC (or such acceptable single entity corporation) for purposes of renovating 12 vacant units into new market rate housing at 246-250 Lawrence St, subject to 1/evidence that all other sources of funds being secured; 2/ State Bond Commission authorization and approval; and 3/ such fiduciary terms deemed appropriate by the Executive Director and CRDA counsel."*

### **Venue Committee**

Andy Bessette reported on the following items from the Committee Meeting on October 10, 2018:

XL Center – As reported last month, CRDA is currently addressing three major issues relative to the XL Center:

- Sale RFP – Oak Street’s responses to the questions posed by the Venue Committee have been reviewed, however, since the sale proposal will likely require General Assembly action, a discussion with legislative leadership will be necessary post-election.
- Acquisition of Northland Property - CRDA has received a copy of Northland’s appraisal of the Trumbull Block and staff are currently reviewing the document.
- New Planning Focus - SCI Architects has presented a draft plan for renovation of the lower bowl and the creation of new premium seating options. The architects are currently incorporating CRDA staff comments and the new plan will be presented to the Board at an upcoming meeting.

Pratt & Whitney Stadium – Over 20,000 fans attended the U.S. Men’s soccer game against Peru on Tuesday night. The first three home games of UConn’s 2018 football season have seen an average attendance of only 13,000 fans and concerns remain as to how detrimental this will be to the FY19 operating budget.

- The Stadium is dealing with the ongoing failure of chair back seating in the bowl. The plastic seats and hinge mechanisms are original to the building and are failing at an alarming rate, particularly during events. Funds have been expended to replace 124 of the seats, but the seats number close to 4,000 and preliminary estimates indicate that total replacement could cost as much as \$250,000. Spectra is currently working on a more detailed cost estimate.

Convention Center – Upcoming events include an American Planning Association regional conference, a tattoo convention, the Annual Home Show and the CT Children’s Medical Center Gala. There are no new capital projects underway, although there is crosswalk reconstruction work scheduled at the intersection of Columbus Boulevard and Front Street.

Tennis Center – As reported in the Hartford Courant, financial problems have forced the Tennis Foundation to lay off a number of staff. The Foundation is looking to reprogram the Connecticut Open, perhaps to another time of year and/or with lower prize money payouts.

Dillon Stadium – Chairwoman Hopgood asked Attorney Anthony Lazzaro and Director of Construction Management, Bob Saint to update the Board with changes that have occurred regarding the Dillon Stadium Project.

Attorney Lazzaro gave an overview of the Executive Summary which included the information Chairwoman Hopgood requested. Bob Saint updated Board Members with the latest construction information.

This outline had been prepared for the convenience of the CRDA Venue Committee; as such, it is a necessarily selective and condensed rendering of only certain significant provisions of the Stadium Use Agreement (the "Agreement"). Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

**BACKGROUND:** The City of Hartford (the "City") is the owner of Dillon Stadium (the "Stadium"). At the request of the City and the Hartford Sports Group ("HSG"), CRDA has agreed to renovate and operate the Stadium in accordance with the Agreement. The Stadium shall be used to host professional soccer games, entertainment and community events.

**DURATION OF THE AGREEMENT:**

- **CRDA:** The initial term is five (5) years with three (3) successive five-year options to extend the Term, exercisable at the sole discretion of CRDA;
- **HSG:** Twenty (20) years, with two (2) five-year extensions at HSG's option, however, HSG may opt out of the Agreement any time after Year 2, if the Stadium operating deficit exceeds \$450,000;
- **City:** Twenty (20) years;

**SOURCES AND USES OF FUNDS:**

The total design and construction costs for the project are expected to be approximately \$14,000,000, which includes construction and owner contingency. The sources of project funding is as follows:

\$10,000,000	State of Connecticut - General Obligation Bonds
\$ 800,000*	DECD - forgivable loan
\$ 500,000	CRDA – grant (CRDA funds may only be used as contingency funding)
\$ 1,200,000*	City of Hartford – grant from the Hartford Foundation for Public Giving
<u>\$ 1,500,000*</u>	Hartford Sports Group
\$14,000,000	

*\* Upon execution of the Agreement, HSG will deposit such funds into an escrow account and grant CRDA a security interest in such account for purposes of funding the Project.*

**MANAGEMENT:**

- **Stadium:** CRDA will be responsible for the management of the Stadium via an addendum to its existing XL Center agreement with Spectra; however, if the Stadium operating deficit exceeds \$300,000 per year, HSG reserves the right to select and contract with a new Stadium Manager. Pursuant to the Agreement, CRDA will administer the Stadium Operating Expense Account.
- **Events:** HSG will be responsible for the management of all event day activities through separate

contracts with Spectra and LAZ Parking; however, HSG reserves the right to replace Spectra after the first year of the Term.

Community

- Uses: The City shall be responsible for scheduling Community Uses held at the Stadium. The Stadium Manager, on behalf of the City, shall manage such events in accordance with the terms and conditions of the Agreement.

FINANCIAL TERMS:

- HSG shall retain all proceeds from tickets, concessions, merchandise, parking, sponsorship, broadcast, and media.
- HSG will retain all proceeds from the naming rights to the Stadium; however, from such proceeds HSG will pay \$25,000 per year to fund community uses at the Stadium. CRDA will administer the community use account on behalf of the City.
- HSG will pay \$300,000 per year into the Stadium Operating Expense Account administered by CRDA to cover the overhead/operational expenses of the Stadium.
- HSG will provide annual payments in the amount of \$25,000 for the capital improvements/repairs to the Stadium into the Capital Reserve Fund Account. Additionally, any unexpended funds from the CRDA grant shall also be deposited in the Capital Reserve Fund Account, which shall be administered by CRDA.

SUBSTANTIAL COMPLETION:

- CRDA shall use commercially reasonable efforts to complete the renovation of the Stadium by May 30, 2019.

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

*“The CRDA Board of Directors hereby approves the terms and conditions of the Stadium Use Agreement, as presented, and authorizes the Executive Director to execute such Agreement, subject to necessary approvals and available funding.”*

**Regional & Economic Development Committee**

Mayor Marcia Leclerc, Chairwoman of the Regional & Economic Development Committee, reported that the Committee had not met since the September Board meeting. The following updates are on the various projects under the Committee’s purview:

Bushnell South Garage – CRDA is finalizing a contract with Desman Associates to draft design criteria for the garage. This criteria will form the basis of the design/build RFP to be issued within the next two weeks. Documentation for the land transfer is also being finalized.

Showcase Cinemas Property – The Town’s due diligence -- including Phase I and II environmental site assessments, survey and title search -- should wrap up as early as this week. Planning and Zoning has begun looking at new zoning for the area and has approved an 8-24 for the site.

Founders Plaza – An RFP for a master planner/ garage designer has been drafted and will be issued within the next two weeks, once the MOU between the Town and CRDA has been signed. That MOU, which governs all of the CRDA-funded East Hartford projects, was approved by the Town Council on October 16<sup>th</sup>.

Goodwin College Area Drainage Improvements – CRDA is finalizing a contract with Zuvic Carr, the engineering firm designing the drainage improvements. An RFP for the first phase of work - from Riverside Drive to the Connecticut River - will be issued shortly.

Silver Lane Improvements - CRDA is finalizing a contract with TranSystems, the engineering firm designing the roadway and streetscape improvements.

Great River Park – An agreement will need to be signed with Riverfront Recapture for construction of the improvements.

Blight Removal – The Town has identified four priority sites on Main Street for demolition and these are in various stages of acquisition and investigation. The former firehouse on Main Street will be the first ready for demolition.

The Borden (Wethersfield) – Construction of the 120 housing units is currently underway.

### **Executive Director Report**

- Joseph Geremia gave an update regarding the Regional Market improvements.
- Bushnell South Garage – CRDA has entered into an MOU with DAS to have Ira Henowitz work with Bob Saint two days a week.
- Michael Freimuth explained that a Memorandum of Understanding (MOU) between the Town of East Hartford and CRDA is necessary for projects to be worked on between the two entities. The following is the MOU that is will be used for this purpose.

This Memorandum of Understanding is an agreement between the Town of East Hartford and CRDA to carry out the work for project between the two entities.

This Memorandum of Understanding (“MOU”) is made and entered into as of the \_\_\_\_ day of November, 2018 (the “Commencement Date”), by and between the **TOWN OF EAST HARTFORD**, a Connecticut municipal corporation (the “Town”), and the **CAPITAL REGION DEVELOPMENT AUTHORITY**, a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut (the “Authority”).

### **ARTICLE I**

#### **INTRODUCTION**

##### **Section 1.01 Grant Awards.**

The Town has been awarded the following grants-in-aid (the “Grants”):

- (a) Five Hundred Thousand Dollars (\$500,000) for public infrastructure and other developmental improvements including, but not limited to, a parking garage located in the vicinity of the Founders Plaza on East River Drive in East Hartford (the “Founders Plaza Project”);
- (b) Four Million Dollars (\$4,000,000) to finance stormwater drainage improvements in the area around the Goodwin College riverfront campus (the “Stormwater Project”);
- (c) One Million Eleven Thousand Eight Hundred Eighty-Six and 56/100 Dollars (\$1,011,886.56) for infrastructure improvements along Silver Lane in the vicinity of Rentschler Field (the, “Silver Lane Project”); and

- (d) Two Million Three Hundred Forty Thousand Dollars (\$2,340,000) for improvements in and around Great River Park (the "Park Project") and the demolition or redevelopment of vacant buildings located within the Town (the "Demolition Project").

**Section 1.02**      **Selection of the Authority.**

(a) As provided by Connecticut General Statutes § 32-602(a)(8), the Authority's purpose includes: "upon request from the legislative body of a city or town within the capital region, to work with such city or town to assist in the development and redevelopment efforts to stimulate the economy of the region and increase tourism."

(b) The Authority's Board of Directors established a regional development policy in expectation of working with communities such as the Town when proposed activities are consistent with regional plans and needs.

(c) Pursuant to the foregoing, the Town has requested the Authority's assistance in the administration of the Grants, and the Authority has agreed to provide such assistance.

(d) Now, therefore, the Town hereby designates the Authority as its contractor for purposes of assisting the Town in its efforts to complete the Projects.

**Section 1.04**      **Purpose.**

The purpose of this MOU is to evidence the respective commitments of the Authority and the Town to proceed with the planning, design, bidding, contracting, monitoring, and other activities associated with the Projects. This MOU does not purport to address all major or material issues that may arise during the course of the Projects. The parties will proceed diligently, professionally, collaboratively and in good faith to resolve such issues as they arise.

**ARTICLE II**

**SCOPE OF SERVICES**

**Section 2.01**      **Grant and Contract Administrative Services.**

(a) The Authority shall provide grant and/or contract administrative services to the Town, including the preparation of necessary agreements by and between, the Authority and the Town, whereby the Authority will receive and manage the Grants in accordance with State of Connecticut ministerial rules. Reports will be provided on a monthly basis, with close-out documents provided, as needed, on a project-by-project basis.

(b) As contract administrator for the Town, the Authority shall review project design documents, specifications, construction bid documents, and cost estimates. Additionally, Authority shall prepare a drawdown schedule for Grants and will initiate draws into a segregated account for the Projects in order to process and manage contractor invoices and payments. For payments directly to the Authority as contractor, the Authority will invoice the Town for its approval prior to disbursing cash payments.

**Section 2.02**      **Founders Plaza Project.**

The Authority will engage firm(s) to provide development services and analysis for the Founders Plaza area, including potential residential development and an expansion of parking capacity. With Town approval and subject to additional funding, the Authority will implement such recommendations and provide contract administrative services for the design and construction of the Founders Plaza Project.

**Section 2.03**      **Stormwater Project.**

The Authority will provide contract administrative services for the design and construction of stormwater drainage improvements in and around the area of the Goodwin College riverfront campus.

**Section 2.04**      **Silver Lane Project.**

The Authority will provide contract administrative services for the design and construction of potential infrastructure improvements along the Silver Lane Corridor. In conjunction with Town, the Authority will identify certain recommendations proffered by Transystems, consultant to the Silver Lane Advisory Committee, and procure a general contractor to implement such recommendations.

**Section 2.05**      **Great River Park Project.**

If requested by the Town, the Authority shall review and identify various proposed infrastructure improvements to Great River Park provided by Riverfront Recapture. Subject to available funding, the Authority will provide grant administrative services for the design and construction of the selected improvements.



**Section 2.06      Demolition Project.**

The Authority will provide grant administrative services for the proposed demolition and/or redevelopment of vacant buildings located with the Town as selected by the Town.

**ARTICLE III**

**PROJECT OVERSIGHT AND CONTROL**

**Section 3.01      Project Responsibility**

The parties acknowledge that final authority and responsibility with respect to the Projects rest with the Town. The Authority will provide updates and reports to the Mayor or designated staff, as directed.

**Section 3.02      Cooperation**

The parties further acknowledge that the timely successful completion of the Projects will require a continuing process of sharing information, cooperation in all aspects of planning, budgeting, and scheduling as well as coordinated decision making by the parties. In furtherance of the foregoing, the Authority shall report to the Mayor or her designee and act as support staff to the Town's management.

**ARTICLE IV**

**STAFF**

**Section 4.01      Personnel**

The Authority shall furnish a sufficient number of personnel, as reasonably determined by the Authority and reasonably acceptable to the Town. Michael Freimuth (Executive Director), Anthony Lazzaro (Deputy Director & General Counsel), Joseph Geremia (Chief Financial Officer), Robert Saint (Director of Construction Services), Kim Hart, and Erica Levis shall devote appropriate time and attention to the Project.

**ARTICLE V**

**FEES**

**Section 5.01      The Authority**

The Town shall pay to the Authority a contract administration fee equal to 3% of the respective Grants on a schedule to be reasonably agreed upon by the parties hereto to enable the Authority to meet its expenses and its properly incurred and committed third party expenses; however, for work performed during the Park Project and the Demolition Project, the Authority's fee shall be equal to 1% of the grant amount.

**ARTICLE VI**

**TERMINATION**

**Section 6.01      Completion of Tasks**

The term of this MOU shall commence on or about October 1, 2018 and shall terminate upon the completion of all services outlined in Article II, unless otherwise terminated or suspended per the terms of the MOU.

**Section 6.02      Early Termination**

This MOU may be canceled at will by either party upon sixty (60) days' written notice delivered by certified or registered mail. In the event of early termination, all third party expenses and all Authority expenses properly incurred, committed and earned as to the work completed prior to the date of termination shall be paid using Grant funds.

**ARTICLE VII**

**INSURANCE**

The Authority shall furnish a certificate of insurance to the Town for the following insurance coverage within ten (10) days from the contract execution. All insurance coverage shall be written with an insurance company licensed to conduct business in the State of Connecticut. Insurance Coverage shall remain in full force for the duration of the contract term including any and all extensions. Such certificate of insurance shall specify that the Town will receive thirty (30) days' notice of any cancellation, non-renewal or reduction in coverage and limits originally provided.

**Section 7.01 Commercial General Liability Insurance:**

The Authority shall carry Commercial General Liability Insurance (broad form coverage) insuring against claims for bodily injury, property damage, personal injury and advertising injury that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) form for Commercial General (CG 00-01-10-01). By its terms or appropriate endorsements such insurance shall include the following coverage, to wit: Bodily Injury, Property Damage, Fire Legal Liability (not less than the replacement value of the portion of the premises occupied), Personal Injury, Blanket Contractual, Independent CONTRACTORS, Premises Operations, Products and Completed Operations (for a minimum of two (2) years following Final Completion of the Project). Any deviations from the standard unendorsed form will be noted on the Certificate of Insurance.

Type of Coverage: Occurrence Basis  
Amount of Coverage: \$1,000,000 per occurrence  
\$2,000,000 aggregate  
Policy Period: Annual Policy

**Section 7.02 Workers' Compensation and Employer's Liability Insurance**

The Authority shall provide Statutory Workers' Compensation Insurance as required by the State of Connecticut, including Employer's Liability.

Amount of Coverage: \$500,000 Each Accident  
\$500,000 Disease, Policy Limit  
\$500,000 Disease, Each Employee  
Policy Period: Annual Policy

**Section 7.03 Umbrella Liability Insurance**

The Authority shall carry an umbrella liability insurance policy of at least **\$2,000,000**.

**Section 7.04 Sub-contractor Requirements**

The Authority shall require its sub-contractors and independent contractors to carry the coverages set forth in sections 7.01, 7.02, 7.03 above and will obtain appropriate Certificates of Insurance before the sub-contractors and independent contractors are permitted to begin work.

The Authority shall require that the Town of East Hartford be named as Additional Insured on all sub-contractors and independent contractors insurance before permitted to begin work.

The Authority and all sub-contractors and independent contractors and their insurers shall waive all rights of subrogation against the Town of East Hartford, and its officers, agents, servants and employees for losses arising from work performed by each on this contract.

**ARTICLE VIII**

**INDEMNIFICATION**

**Section 8.01 Indemnification by the Town**

- (a) To the fullest extent permitted by law, the Town shall indemnify and shall defend and hold harmless the Authority, including its officers, agents, and employees from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature ("Claims"), to the extent they arise out of the negligent acts or omissions of the Town or its employees, agents or sub-contractors, including those arising out of injury to or death of Town's employees or sub-contractors, whether arising before, during, or after completion of the services hereunder and in any manner directly or indirectly to the extent they are caused, occasioned or contributed to by the Town or its employees, agents or sub-contractors.
- (b) The Town's obligation to indemnify, defend and hold harmless the Authority shall be excused to the extent such Claims are caused by (i) a failure by the Authority to perform or observe any material covenant or condition to be performed by the Authority pursuant to this MOU or any subsequent agreement between the parties, (ii) the material inaccuracy of any representation or warranty of the Authority in this MOU; and (iii) the negligence or misconduct of the Authority, or its employees, agents, or subcontractors.

**Section 8.02 Indemnification by the Authority**

- (a) The Authority agrees to indemnify, defend and hold harmless the Town and its respective officers, employees, agents and/or servants against all demands, claims, actions or causes of actions, losses, damages, liabilities, costs and expenses, including without

limitation, interest, penalties, court costs and reasonable attorney's fees ("Town Claims"), asserted against, resultant to, imposed upon or incurred by the Town resulting from or arising out of:

1. Any breach by the Authority of the terms of the specifications, or
2. Any injuries (including death) sustained by or alleged to have been sustained by the officers, employees, agents and/or servants of the Town or the Authority or subcontractors or material men, or
3. Any injuries (including death) sustained by or alleged to have been sustained by any member of the public or otherwise any or all persons, or

(b) The Authority's obligation to indemnify, defend and hold harmless the Town shall be excused to the extent that such Town Claims are caused by (i) a failure by the Town to perform or observe any material covenant or condition to be performed by the Town pursuant to this MOU or any subsequent agreement between the parties, (ii) the material inaccuracy of any representation or warranty of the Town in this MOU; and (iii) the negligence or misconduct of the Town, or its employees, agents, or subcontractors.

**ARTICLE IX**

**REPRESENTATIONS**

**Section 9.01 Plan of Development.**

The Authority is not a planning agency. It shall work wholly within the Town's master land-use plan of development and zoning regulatory structure.

**Section 9.02 Contracting Requirements.**

The Project shall be subject to all applicable laws, state contracting requirements, and audit procedures.

**ARTICLE X**

**GENERAL PROVISIONS**

**Section 10.01 No Recourse.**

It is expressly understood and agreed that the directors, officers and employees and agents of the Authority are acting in a representative capacity and not for their own benefit and that there shall be no recourse or claim under this Agreement against any such person in any circumstances. Town further acknowledges that the Authority is not a department, institution or agency of the State of Connecticut and agrees that it shall have no recourse or claim under this Agreement against the State or any of its officers, employees or agents in any circumstances.

**Section 10.02 Independent Contractor**

The Authority shall act as an independent contractor in performing this MOU, maintaining complete control over its employees and all its sub-contractors. The Authority shall not be construed to be a department, institution, or agency of the Town.

**Section 10.03 No Third Party Beneficiaries**

This MOU is for the exclusive benefit of the parties hereto and no rights of third party beneficiaries are created hereby. The Authority shall not be obligated or liable hereunder to any party other than the Town.

**Section 10.04 Counterparts**

This MOU may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same.

**IN WITNESS WHEREOF**, the Authority and the Town have caused this MOU to be signed by their duly authorized representatives, as such and not individually.

**CAPITAL REGION  
DEVELOPMENT AUTHORITY**

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

**TOWN OF EAST HARTFORD**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Mayor Marcia A. Leclerc

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

*“The CRDA Board of Directors hereby approves the terms and conditions of the MOU, as presented, and authorizes the Executive Director to execute such Agreement, subject to necessary approvals and available funding.”*

Adjourned 8:17pm

*“The minutes of the October 18, 2018 CRDA Board Meeting were moved by Andy Bessette seconded by Mayor Leclerc and approved at the December 6, 2018 CRDA Board Meeting with Nick Lundgren abstaining.”*

**Capital Region Development Authority  
100 Columbus Boulevard  
Suite 500  
Hartford, CT 06103  
Thursday, September 20, 2018  
6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Kiley Gosselin; David Jorgensen; Kerry Kelley; Evonne Klein; David Kooris; Mayor Marcia Leclerc; Cheryl Malerba (phone); David Robinson; Glendowlyn Thames; Joanne Berger Sweeney (phone)

**Board Members Absent:** Michael Matteo

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

**Guests:** Melissa Ferrucci; MaryBeth DeVecchia, CRDA's outside auditors from CohnReznick; Patrick McMahon, CEO of CT Main Street Center; Tara Mizrahi; David Ennis from Affirmative Investments.

**Call to Order & Committee Assignments**

Chairwoman Hopgood read a statement regarding public meeting. The meeting was called to order at 6:04pm.

Chairwoman Hopgood announced and congratulated Trinity President Joanne Berger-Sweeney and Hartford City Council President Glendowlyn Thames for the honor of being recognized on the NAACP 2018 list of 100 most influential Blacks in Connecticut.

**Minutes**

The minutes of the June 21, 2018 CRDA Board Meeting were moved by Evonne Klein seconded by David Jorgensen and approved.

The minutes of the August 8, 2018 CRDA Special Board Meeting were moved by Evonne Klein seconded by Marcia Leclerc and approved.

**Presentations**

*Main Street – Ann Uccello Street – High Street*

CT Main Street Center's CEO Patrick McMahon, presented their recommendations regarding Main Street, Ann Uccello Street and High Street. Including a combination of land and building acquisitions, gut-rehabs of historic properties, façade improvements, infill development, short term streetscape improvements, parking improvements and predevelopment studies such as appraisals and environmental report.

*Healthy Hartford Hub Supermarket (HHH)*

David Ennis, President of Affirmative Investments along with Tara Mizrahi, Vice President of Affirmative Investments presented this economic development project located at a site between North Hartford Promise Zone and the DoNo development area.

The Healthy Hartford Hub is a collaborative effort, anchoring a full-service supermarket and will include a parking structure, mixed income housing and other health related ventures. The funding request is specific to the supermarket and parking structure portion of the development, to be located either on the city-owned parcel at the Keney Clock Tower site, or on the city-owned Parcel B of the Downtown North redevelopment.

Chairwoman Hopgood reminded the Board that the project would be vetted through the Regional and Economic Development Committee prior to Board approval.

### Mayors Reports

Hartford's Mayor Luke Bronin reported on the following:

- **DONO RFP:** The City's RFP process is completed and discussions have begun with Randy Salvatore on the DoNo redevelopment project. RMS is a developer with extensive experience in urban development. Most recently completing the renovation of the historic Goodwin Hotel downtown. RMS and its team are currently working on design concepts and will work with the City closely in coming months, currently targeting the parcel between the Ballpark and Talcott Plaza known as "Parcel C" used for parking. The design proposal is for a mixed-use project with approximately 200 units of housing and some structured parking. Discussions are also underway to determine how to finance some affordable units as part of the project.
- **Crop One and Homestead Demo:** Demolition is nearly complete on three industrial properties located on Homestead Avenue at the intersection of Homestead and Albany. Crop One, a California-based hydroponics company is slated to take over the vacant space and develop a large growing facility with a commitment to hire at least 25% Hartford residents. This is the first new industrial activity to start up on Homestead in decades. The remediation and demolition of the site is possible thanks to a \$1.9 million grant to the City from DECD.
- **Dillon Stadium:** The City has been in active discussions with CRDA and Hartford Sports Group to finalize a Use Agreement. A License Agreement between the City and CRDA, allowing CRDA to begin the bidding and construction process was executed. Newfield has been selected as the contractor. At this point we are targeting a Spring 2019 opening. Final design work is ongoing with full construction expected to begin soon. Demolition and field preparation is already underway. The City will continue to work on necessary permitting and planning and zoning approvals to effectuate appropriate stadium operations (construction permits, signage, community fee structure, etc.).
- **Park & Main RFP:** The City is currently in development negotiations with Spinnaker, a Fairfield County based developer who will be working with Rohan Freeman in Hartford. The current projections allow for a mixed-use project with approximately 108 units. Construction could begin next year if financing is finalized. Discussions are also underway to determine how to finance affordable units as part of this project.
- **Downtown/Downtown North Supermarket:** The City has been working closely with partners at the Hartford Community Loan Fund to identify a location for a supermarket that could serve residents of

both Downtown and North End neighborhoods with easy access to ample public transit options. As we'll discuss later in today's meeting, this project is one that has proved elusive to date but which now has interest and backing from several partners and supermarket operators. This project could serve as a main link between neighborhoods while providing a much needed service to all residents.

- **Transportation Updates:** The long-awaited Hartford Rail Line debuted earlier this summer to a busy opening weekend crowd. The first few months of operation have met expectations with predictions of future growth. Interest from business owners and real estate investors as a result of the increased connectivity to New Haven, New York and Springfield has already been seen.
- **Transit** – Congressman Larson's project regarding the tunnels. There is important planning work underway.
- **Parkville Market** – broke ground on this project by local developer Carlos Mouta. Looking forward to an indoor/outdoor market featuring local foods and vendors.
- **Russo Property** – Bond Commission allowed for funding for the support of the purchase of the Russo property north of the riverfront park system on the Hartford side. When complete, that would produce a truly regional connected riverside trail system that is linked into the existing Windsor trail system.
- **Trinity College/Joanne Berger-Sweeney** – want to note the exciting announcement that Trinity College is partnering with Infosys, creating a talent pipeline.
- **Agricultural Market** – if MIRA does not move quickly, the City may lose an important opportunity in both jobs and revenue.

Mayor Leclerc reported on the following items regarding East Hartford:

- **Great River Park** – the funding has been approved by Bond Commission for the improvements to be made.
- **Founders Plaza Garage** - \$500,000 has been approved to study the garage and come up with a public and private modified use for it. Along with freeing up space for a tower for housing.
- **Goodwin College**, through CRDA, is starting their storm water management which will allow a significant amount of housing development in and around the college.
- **Demolition** - \$1M was approved to demolish up to four sites. The town is presently demolishing a \$1M project of a vacant Senior housing on Burnside Avenue that has been dormant for 25 years. It has a great deal of contamination and the costs have been significant. It also abuts a redevelopment lot on Burnside Avenue.
- **Silver Lane** – CRDA is helping to round out some improvements with bus shelters, sidewalks and refuse cans and to connect the sidewalks where there are none to ensure better egress and safety to the stadium.
- **National Amusements** - In talks with National Amusements. In process of due diligence phase to acquire the long blighted property, demolish and working to repurpose.

- **UCONN Health Center** – long vacant Center on Ash Street is now being expanded and will be a Kia dealership.
- **Hoffman’s** – is expanding and relocating into the Staples building.
- **American Eagle** - has consolidate their offices onto the Great River Park Area

## **Finance**

### *Annual Audit*

Joseph Geremia introduced Melissa Ferrucci, CPA, Senior Manager and MaryBeth DelVecchia, CPA, Senior Manager with CohnReznick, outside auditing firm reporting on CRDA Financial Statements, Special Purpose Financial Statements, and the Report on Compliance and Internal Control over Financial Reporting.

The overview consisted of auditing the authority as a whole on a consolidated basis which includes the XL Center, Connecticut Convention Center and CRDA Parking Facilities. A separate audit was performed for the Stadium at Rentshler Field.

Outside auditors CohnReznick’s audits are performed in accordance with:

- Auditing standards issued by the American Institute of Certified Public Accountants
- Government auditing standards issued by the Government Accountability Office.

CRDA & Renstschler Field audits were completed with:

- No instances of material noncompliance identified
- No material weaknesses in internal control identified

Auditors discussed all required communications with the Board. Auditors asked if the Board would like to discuss any matters in an Executive Session. Chairwoman Hopgood polled the Board members and seeing no desire, did not request an Executive Session.

The Fiscal Year 2018 Audit and Annual Report was completed and approved. Michael Freimuth and Joseph Geremia noted some stats from FY18 to the Board found within the Annual Report.

**The following motion was moved by Andy Bessette, seconded by Marcia Leclerc and approved.**

*“The CRDA Board of Directors hereby approves the CRDA Annual Report/Audit for FY2017-2018, as presented.”*

### *Financial Update – September 2018*

#### Fiscal Year 2019 Operating Statistics

CT Convention Center – July/August 2018

August stats: 29 event days held YTD with YTD attendance at 49,200

July financials: Revenues even with budget



Utility expenses slightly unfavorable to budget

CRDA Parking Facilities – July/August 2018

August stats: Utilization even with budget at 69%

Monthly rate customers favorable to prior year by 100 at 5,300 YTD

Transient customers favorable to prior year by 800 at 71,200 YTD

July financials: Monthly contract and transient revenues favorable compared to budget

Expenses even with budget

XL Center - July/August 2018

August stats: 2 event days held YTD with YTD attendance at 800

July financials: Event revenue even with budget

Hockey operations even with budget

Operating expenses favorable compared to budget

Church Street Garage - July/August 2018

August stats: Utilization of 74% even with budget

Monthly rate customers favorable to budget by 60 at 2,300 YTD

Transient customers favorable to budget by 150 at 2,800 YTD

July financials: Revenues and expenses even with budget

P&W Stadium - July/August 2018

August stats: 15 event days held YTD with YTD attendance at 18,500

July financials: F&B revenue unfavorable to budget

Expenses even with budget

M. Geremia reviewed the information below with the Board.

CRDA Parking & Energy Fee Revenue Bonds

Refunded CRDA Parking & Energy Fee Revenue Bonds Series D with CRDA 2018 Refunding Series  
Refinanced current issue into new issuance to reduce annual debt service payments and achieve interest savings

Financial Data:

Current Par Amount:	\$18.104M
Callable:	June 15, 2018
Market Pricing:	August 23, 2018
Bond Closing:	September 13, 2018
Refunding Par Amount:	\$16.365M
Savings over next 16 years:	\$3.4M
NPV of Savings:	\$2.6M
Percentage of Savings:	15%

Bond Refunding Partners:

CT State Treasurer's office

CT Office of Policy and Management

Bond Counsel: Soeder & Associates

Financial Advisor: Lamont Financial Services

Underwriter: Janney Montgomery Scott

Trustee: US Bank National Association

Attorney Lazzaro reviewed the following updates with the Board.

#### Personnel Policies Updates

CT Auditors of Public Accounts audited Fiscal Years 2015 and 2016

Issued report on July 9, 2018.

Identified no internal control deficiencies and no apparent noncompliance with legal provisions

Identified lack of following written annual employee evaluations per CRDA Personnel Policy and Procedures Manual

Authority response: "CRDA is a small authority consisting of 11 employees who work closely with each other routinely on a daily basis. The Executive Director, officers, and directors offer timely and on-the-spot feedback to employees as needed. Employee feedback is generally verbal in nature. All pay increases are approved by the Executive Director upon Board of Director's notification. CRDA will continue to provide employees with timely and on-the-spot feedback as needed. CRDA will discuss this course of action with its Board of Directors and implement any additional Board recommendations."

Recommendations:

CRDA Personnel Policy and Procedures Manual Updates

Section II.A. Pay Period

Section II.B. Performance Review

Section III.C. Illness

Section IV.L. Telephone Reimbursement Policy

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

"The CRDA Board of Directors hereby approves the recommendations for the CRDA Personnel Policy and Procedures Manual as presented."

#### Housing and Neighborhood Committee Report

Michael Freimuth gave a brief update with background regarding three separate but inter-related development initiatives working to redefine the northern portion of downtown Hartford as it connects to the neighborhoods along Main Street and Albany Ave. The geographic area includes the recently completed ballpark, the former Radisson as well as the vacant surface lots, the Rensselaer campus, the Capital Prep Magnet School and a variety of privately-owned buildings.

The three initiatives along with their respective resolutions are listed below:

Downtown North: a multiyear effort to redevelop the area by RMS Companies (First phase, Parcel C will contain up to 200 units of housing and parking with a total development cost of \$45.9M including a request for a CRDA loan of \$12M).

**The following motion was moved by Andy Bessette, seconded by Marcia Leclerc and approved.**

*“The CRDA Board approves the allocation of \$12M from the State Bond Commission for purposes of assisting RMS Companies to develop its first phase at Parcel C of the DoNo land assembly and the Executive Director is instructed to prepare a formal project recommendation for subsequent CRDA Board and Committee approvals that will include terms and conditions for the CRDA assistance.”*

Hartford Healthy Hub: a proposal to develop a grocery store and health related programs to serve the north end community and the downtown by Affirmative Investments of Boston. (First phase 33,000 sf grocery store at one of two potential sites with a total development cost of \$ 22.7M, of which CRDA will provide \$8.5M in two formats, a \$3.5M loan and a \$5M equity investment).

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

*“The CRDA Board approves the allocation of \$8.5M from the State Bond Commission for the purposes of underwriting the development of a grocery store in the project area with Affirmative Investments and the Executive Director is instructed to prepare a formal project recommendation for subsequent CRDA Board and Committee approvals that will include the terms and conditions for the CRDA assistance.”*

Main/Albany Block: a CRDA initiative with CT Main Street and property owners on the block bordered by Main Street, Ann Uccello and Pleasant Street. (A \$4M loan and equity pool is proposed to assist existing property owners to improve, renovate and upgrade their buildings).

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

*“The CRDA Board approves the allocation of \$4M from the State Bond Commission for the purposes of creating a loan and equity pool for the redevelopment of public and privately-owned parcels on the “Main/Albany” block and the Executive Director is instructed to accept applications for such projects and present them to the CRDA Board and Committee for its approvals.”*

Mr. Freimuth continued with his report on the following project known as Park/Main - South Green - Spinnaker Development.

He gave background regarding the two city owned parcels at the intersection of Park Street and Main Street have been offered in several RFP solicitations over the years, though no project has secured the financing necessary to be built out. Earlier this year, the City of Hartford issued a new RFP that resulted in a neighborhood scale residential/retail project. The site forms a ‘southern gateway’ into the downtown and serves as an entry to the Park Street commercial corridor. It lies at the terminus of the conventional CRDA investment district as it meets the SoDo neighborhood.

The proposal is presented as follows: Two buildings, one on each corner will form 108 units of housing and provide 13,000 sf of retail space. The units are projected to be market rate, but at modest rents. If additional funds can be secured, a 20% affordable requirement is being considered. Unit configuration includes 6 studios, 72 1BR and 30 2BR residences. CRDA funds would be in the form of \$6.48M construction/perm mortgage at 2%/30 yr amortization and \$2M in deferred interest construction/perm loan at 2%/30yr terms for the retail components.

Development Budget (initial working draft)

Uses:	\$20,500,000	Hard Construction
	5,400,000	Soft costs

Sources:       \$ 15,000,000 Bank first note  
                   2,500,000 Equity  
                   6,400,000 CRDA residential note  
                   2,000,000 CRDA retail note

TDC             \$ 25,900.000

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

*“The Board of Directors authorizes the use of \$8.4 million to be lent to Spinnaker Development (or such acceptable single purpose entity) for purposes of developing the municipally owned parcels at the intersection of Park and Main Street, Hartford for the redevelopment of 108 residential units and 13,000 sf of retail space in the form of two loans, a residential note of \$6.4M at 2%, 30 years and a retail/commercial note of \$2M at 2%/30 yrs. and is subject to 1/ all other sources of funds being secured; 2/ state bond commission approval; and 3/such fiduciary terms as deemed appropriate by the Executive Director and CRDA counsel.”*

**Venue Committee**

Andy Bessette reported on the following items from the Committee Meeting on September 7, 2018:

XL Center – CRDA is currently addressing four major issues relative to the XL Center:

- Oak Street – Venue Committee members have met with Oak Street, the sole respondent to the XL sale RFP, in order to better understand their proposal. The company has been presented with six questions related to the cost of their financing, as well as their proposed management structure for the arena.
- Acquisition of Northland Property - A series of meetings have been held between CRDA and Northland regarding acquisition of the Trumbull Block. CRDA is still awaiting a copy of Northland’s appraisal of the property.
- Capital Projects – Bob Saint will provide a construction update later in the meeting.
- New Planning Focus – SCI Architects and Stafford Sports have been charged with developing a new and more phased approach to the XL Center transformation. A memo from Mike regarding this new approach is included in the agenda packet.

Pratt & Whitney Stadium – The double header U.S. Women’s soccer event held in July was a success, with over 20,000 fans in attendance. Another major soccer event – the U.S. Men’s Team vs. Peru - is scheduled for October 16<sup>th</sup>.

- The first two games of UConn’s 2018 football season saw an average attendance of only 14,000 fans. Food and beverage sales have been strong, however, in part due to expanded menu options and new craft beer stands. At UConn’s request, the Stadium has also expanded tailgating hours and implemented a shuttle service for fans in an effort to increase attendance.

Convention Center – Upcoming events include the St. Francis Miracles Gala, the National Council of Math Teachers Regional Conference and the Association of Science Technology Centers Annual

Conference. There are no new capital projects underway, although there is some work planned within the nearby Front Street district.

Dillon Stadium – Mike will provide an update on Dillon during the Executive Director’s report.

Tennis Center – Final numbers on the 2018 Connecticut Open Tennis Tournament are expected sometime in October.

### **Regional & Economic Development Committee**

Mayor Marcia Leclerc, Chairwoman of the Regional & Economic Development Committee, deferred to Michael Freimuth to present the following projects.

#### **Bushnell South Development Parking Garage**

Mr. Freimuth gave background information regarding the Bushnell South Development Parking Garage:

Several significant developments have or will occur in and around the Bushnell South area loosely defined as the area bordered by Buckingham, Washington, Elm and Hudson Streets and bisected by Capitol Ave. The area, abutting the southern boundary of Bushnell Park contains the Bushnell Center for Performing Arts, the State Office Building Complex (currently under extensive renovation), a large public garage (under construction); several state office buildings (Trinity, Elm and Washington Ave), State Court buildings and a variety surface parking lots. The State Legislature authorized the transfer of the state-owned surface parking lots from DAS to CRDA upon the financing of a second supplemental garage at the site of the former State Health Labs (recently demolished).

Specific authorization to fund a CRDA garage at the former State Labs site was contained in last year’s state budget. The State Bond Commission approved the use of design monies earlier this year.

The garage will need to serve up to 390 spaces for state use (350 DAS, 40 State Judicial) but can be built to a larger size (500 spaces) and be used to serve the parking needs of the Bushnell Theatre and the residential parking resulting from new development of the surface parking lots. The garage will have a MOU with DAS and will be owned/operated and built by CRDA.

The CRDA board must take two actions. First to authorize the executive director to secure the funds from the State Bond Commission. Second, upon financing, to enter into agreements with DAS to convey the parcels from DAS to CRDA for redevelopment.

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

*“The CRDA Board authorizes the Executive Director to secure up to \$17M from the State Bond Commission as an allocation for the construction of a new garage to be built at 10 Clinton Street, to initiate the design and construction of such a garage and to enter into necessary MOU and/or other agreements with the State DAS and the Judicial Branch for the use and operation of the garage.”*

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

*“The CRDA Board authorizes the executive director to enter into land conveyance agreements as necessary for the parcels identified with Section 10 of Special Act 14-23 as amended by Public Act 18-154*

*Sections 7 and 8. The parcels shall be used for housing and economic development purposes as required and governed by PA 18-154."*

*Hartford Regional Market*

*Memorandum of Understanding with State Department of Agriculture (DoAG)*

Mr. Freimuth gave background regarding the Hartford Regional Market project along with the MOU with the State DoAG:

The State Legislature authorized the transfer of the Hartford Regional Market as part of the State Conveyance legislation from the State Dept of Agriculture to CRDA in May 2018. The transfer is subject to two conditions: 1/ that an operating agreement between DoAG and CRDA exist and 2/ that the State Property Review board review approve.

It is understood that DoAG will continue the day to day operations of the market but that CRDA will prepare a redevelopment plan for the property.

The State Bond Commission authorized \$750,000 to CRDA for purposes of initiating the redevelopment plan and to undertake critical short-term capital upgrades to the facility.

**The following motion was moved by Andy Bessette, seconded by Kiley Gosselin and approved.**

*"The CRDA Board authorizes the Executive Director to enter into a MOU with DoAG for the operations of the market and to prepare such redevelopment plan(s) for subsequent review and acceptance by the Board."*

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

*"The CRDA Board authorizes the Executive Director to enter into necessary conveyance agreements with the State Department of Administrative Services (DAS) Commissioner to transfer the market property."*

*Great River Park Improvements - East Hartford, Connecticut*

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

*"The CRDA Board of Directors authorizes the Executive Director to fund and oversee up to \$1.34 million in repairs and upgrades to Great River Park in East Hartford. Such work shall include (a) improved ADA access to the boat launch and fishing pier, (b) new lighting and signage, (c) demolition of old structures and (d) improved access to the Founders Bridge pedestrian walkway. Such funding shall be subject to 1) East Hartford Town Council approval of a Memorandum of Understanding with CRDA and 2) such fiduciary terms as deemed necessary and appropriate by the Executive Director and the CRDA counsel."*

*Neighborhood Blight Projects East Hartford, Connecticut*

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

*"The CRDA Board of Directors authorizes the Executive Director to fund a \$1 million grant-in-aid to the Town of East Hartford for the abatement and demolition of four blighted structures, including a former*

*Town fire station and three residential properties. Such funding shall be subject to such fiduciary terms as deemed necessary and appropriate by the Executive Director and the CRDA counsel."*

### **Executive Director Report**

- CRDA and Waterford are working on an analysis of Adriaen's Landing using the reports that were prepared twenty years ago and comparing them to where we are today.
- Board Meeting schedule is in the package, please note the dates on your calendars.
- October Board meeting will have presentations by the Agricultural Market, DoNo, UCONN Campus Provost. Dillon Stadium use agreement will also be on the October Agenda.
- Ira Henowitz will be rejoining CRDA for a couple of days a week to lend his expertise to the construction team for ongoing projects.
- Bob Saint gave the construction report.

### **Executive Session**

**The following motion was moved by Andy Bessette, seconded by Kiley Gosselin and approved.**

*"The CRDA Board of Directors moved to go into Executive Session at 8:24pm to discuss contracts."*

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

***"The minutes of the September 20, 2018 CRDA Board Meeting were moved by Evonne Klein, seconded by David Jorgensen and approved at the October 18, 2018 CRDA Board Meeting."***

**Capital Region Development Authority  
100 Columbus Boulevard  
Suite 500  
Hartford, CT 06103  
Conference Call  
Wednesday, August 8, 2018  
1:30pm**

**Board Members Present:** Andy Bessette; David Robinson

**Board Members Present by phone:** Chairwoman Suzanne Hopgood; Ben Barnes; Michael Matteo; Mayor Luke Bronin; Joanne Berger Sweeney; David Jorgensen; Nick Lundgren; Glendowlyn Thames

**Board Members Absent:** Mayor Marcia Leclerc; Jim Redeker; Kiley Gosselin; Catherine Smith

**CRDA Staff Present:** Michael Freimuth; Jennifer Gaffey; Joseph Geremia

**Guests:** Ernest M. Lorimer, Soeder & Associates, LLC

**Finance**

Joseph Geremia gave a brief outline of the CRDA Parking & Energy Fee Revenue Bonds (2018 Refunding Bonds) and related Agreements.

- Authorization for Redemption of 2008 Series D CCEDA Bonds
- Authorization to issue refunding Bonds
- Approval of Fifth Supplemental Indenture with U.S. Bank as Trustee
- Approval of Amendment No. 3 to Contract for Financial Assistance with the Office of Policy and Management (OPM) and State of Connecticut Treasurer

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE CAPITAL REGION DEVELOPMENT  
AUTHORITY AUTHORIZING ITS PARKING AND ENERGY FEE REVENUE BONDS (2018  
REFUNDING BONDS), AND AUTHORIZING RELATED AGREEMENTS**

**ADOPTED: August 8, 2018**

**WHEREAS**, the Capital Region Development Authority (the “Authority”) has previously financed construction of the convention center project (as that term is used in Chapter 588x of the Connecticut General Statutes (as amended, the “Act”)) (the “Project”) located in Hartford, Connecticut, through the issuance of its bonds, notes or other obligations, including term loans, in the aggregate principal amount of \$122,500,000 (the “Obligations”).

**WHEREAS**, the Obligations the Authority has previously issued included its Parking and Energy Fee Revenue Bonds, 2008 Series D (the “Prior Bonds”) pursuant to its Special Obligation Indenture of Trust, dated as of July 21, 2004, with U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented (as amended and supplemented, the “Indenture”), in an aggregate original principal amount of \$22,500,000 (capitalized terms used in this resolution and not otherwise defined having the same meaning ascribed to such terms in the Indenture), and it is advantageous to refund such Prior Bonds with a new series of bonds issued under the Indenture.



**WHEREAS**, the Authority proposes to issue a further series of its Parking and Energy Fee Revenue Bonds (2018 Refunding Bonds) (the “2018 Series Bonds”) pursuant to the Indenture, in an aggregate principal amount of not more than the remaining outstanding principal amount of the Prior Bonds, for purposes of paying the cost of refunding the Prior Bonds and, together with any net premium received on the sale of the 2018 Series Bonds, paying costs of issuance of the 2018 Series Bonds.

**WHEREAS**, the 2018 Series Bonds are proposed to be issued pursuant to a supplemental indenture (the “Supplemental Indenture”) in the form or substantially the form distributed to this Board.

**WHEREAS**, a portion of the proceeds of the 2018 Series Bonds will be placed in escrow under an Escrow Trust Agreement in order to provide for the defeasance of the Prior Bonds in accordance with the Indenture.

**WHEREAS**, pursuant to the Act and resolutions of the State Bond Commission, the Authority entered into a Contract for Financial Assistance, dated as of July 21, 2004, as amended (as amended, the “Contract for Financial Assistance”) between the Authority and the State of Connecticut (the “State”) in which the State agreed to make payments to the Trustee for the account of the Authority in an amount equal to the full amount of Debt Service payable on the bonds issued under the Indenture, including the Prior Bonds, on each Interest Payment Date or Principal Installment Date; provided that the aggregate amount of contract assistance to be paid by the State shall not exceed \$9,000,000 in any year, unless the Contract for Financial Assistance was amended with the approval of the State Bond Commission.

**WHEREAS**, the Contract for Financial Assistance provides that if the Authority shall issue Additional Bonds under the Indenture, and/or redeems bonds outstanding under the Indenture, the Authority and the State shall adopt an amendment to the Contract for Financial Assistance to state the amount of Debt Service payable by the State under the Contract for Financial Assistance, which amendment shall be in the form or substantially the form distributed to this Board.

**WHEREAS**, the Authority has prepared a preliminary official statement for the purpose of presenting information to investors in connection with the offering and sale of the 2018 Series Bonds in the form or substantially the form distributed to this Board.

**WHEREAS**, the Authority proposes to issue and sell the 2018 Series Bonds to Janney Montgomery Scott LLC, as underwriters, pursuant to a bond purchase agreement (the “Bond Purchase Agreement”) in the form or substantially the form distributed to this Board.

**WHEREAS**, the 2018 Series Bonds are expected to be issued on terms such that the interest thereon shall be excludable from gross income for federal income tax purposes, and for the purpose of establishing such terms and giving assurance as to future compliance with the Internal Revenue Code of 1986, as amended, the Authority proposes to enter into a tax regulatory agreement in the form or substantially the form distributed to the Board.

**WHEREAS**, the 2018 Series Bonds are to be payable from Pledged Revenues, consisting of parking revenues of the Authority from the garage facilities associated with the Convention Center Project, including the two garage facilities which are part of the Front Street Development Project, and energy fees payable pursuant to an Energy Services Agreement dated July 21, 2004 (the “Energy Services Agreement”), between the Authority and Adriaen’s Landing Hotel LLC (“Hotel”), an affiliate of Waterford Group LLC, for cooperative operation, maintenance, and use of a single central utility plant as part of the Project, which is proposed to be amended to reflect the reduction in debt service effected by the proposed refunding.

**WHEREAS**, pursuant to Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as part of the offering of the 2018 Series Bonds, the Authority proposes to enter into a Continuing Disclosure Agreement in the form or substantially the form circulated to the Board.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Authority as follows:

**Section 1.** The Board approves the terms of the 2018 Series Bonds, and authorizes their issuance in a principal amount not in excess of the remaining outstanding principal amount of the Prior Bonds, with such changes thereto as the proper officers shall determine, and delegates to the proper officers of the Authority the determination of the interest rate, purchase price, terms of redemption, and principal maturities and amounts, as they shall deem advisable, provided such terms achieve net present value debt service savings.

**Section 2.** The Board determines it is advisable and in the best interest of the Authority to authorize, and does hereby authorize, the Authority to enter into:

1. the Supplemental Indenture for the 2018 Series Bonds;
2. Amendment No. 3 to the Contract for Financial Assistance with the State;
3. the Bond Purchase Agreement;
- 4.. the Continuing Disclosure Agreement;

each such agreement to be in the form, or substantially the form, as has been distributed to the Board of Directors, and authorizes the proper officers of the Authority to execute and deliver each such agreement in such form, with such further changes and additions as such officers shall approve, such approval to be conclusively evidenced by the execution and delivery of such agreements by such officers, and further authorizes the proper officers of the Authority to execute and deliver a tax regulatory agreement such that the 2018 Series Bonds may be issued so as to be federally tax-exempt, and an escrow agreement with an escrow agent to effect the defeasance of the 2008 Series D Bonds pursuant to the terms of the Indenture.

**Section 3.** The Board, having reviewed the form of preliminary official statement relating to the 2018 Series Bonds, authorizes the use of such preliminary official statement and supplements in connection with the public offering of the 2018 Series Bonds, with such further changes and additions as the proper officers shall deem advisable, and authorizes the proper officers, in the name of the Authority, to deem the preliminary official statement and such supplements final when appropriate and execute a final official statement and such supplements, and any further amendment or supplement thereto, in connection with and after the sale of the 2018 Series Bonds.

**Section 4.** The proper officers of the Authority are hereby authorized to execute and deliver an amendment to the Energy Services Agreement with the Science Center and the Hotel to reflect the reduction in debt service effected by the refunding.

**Section 5.** The proper officers of the Authority are hereby authorized to do and perform such acts, and execute and deliver, in the name of the Authority, such additional instruments, agreements and certificates as they deem necessary or appropriate to carry into effect the intent of the foregoing resolutions, and as shall not be inconsistent with the foregoing resolutions.

**Section 6.** For purposes of this resolution, the “proper officers” of the Authority shall be the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Executive Director and the Deputy Director of the Authority, and each or any of them.

**Section 7.** This resolution will take effect immediately.

**The following motion was moved by Andy Bessette, seconded by David Robinson and approved.**

*“The CRDA Board hereby unanimously authorizes the restructuring of the Bonds with the noted changes as stated.”*

### **Housing**

#### **103-21 Allyn Street Contingency Loan**

Michael Freimuth provided a brief overview of the changes to the 103-21 Allyn Street project as stated below:

**Background:** The conversion of this multiple building complex into 66 units, located just west of the XL Center and abutting several other CRDA conversions has been structured and re-structured several times over the last two years. The building lost its initial financing, has incurred significant holding costs, experienced several construction design problems but is now close to locking down all its financing.

<b>Funding:</b>	United Bank	\$5.54M first loan
	CRDA 2 <sup>nd</sup>	\$6 M
	Hist Credits	\$5.4 M
	Def Dev Fee	\$1.32M
	Equity	<u>.227M</u>
		18.467M TDC

**Issue:** Construction must begin now in order to meet the ‘place in service’ requirements. However, closing cannot occur as there remains an approximately \$600k gap in the capital stack due to three factors: 1/ the historic credits can only be bridged by the lender at 90% of value; 2/there is a bridge lender requirement to increase the hard cost contingency; and 3/interest rates have been increasing on non-CRDA financing.

**Request:** Can CRDA provide contingency funding to cover the remaining historic credit bridge and increased contingency of \$600,000? The funds would be available as a loan per same terms as initial CRDA agreement (3% construction period interest, perm financing 3% P&I, 30 yr amortization, 10 yr note). The funds would only be drawn if needed (construction cash flow, existing contingency and possible savings will all determine use), will be secured by historic credits when monetized and by building security and will be repaid as credits are monetized in advance of any developer fee.

The following motion was moved by Andy Bessette, seconded by Joanne Berger Sweeney and approved.

*“The CRDA Board hereby authorizes the contingency funding for the 103-21 Allyn Street project as stated.”*

Adjourned at 1:45

*“The minutes of the August 8, 2018 CRDA Board Meeting were moved by Evonne Klein, seconded by Marcia Leclerc and approved at the September 20, 2018 CRDA Board Meeting.”*