

**Capital Region Development Authority**  
**100 Columbus Boulevard**  
**5<sup>th</sup> Floor**  
**Hartford, CT 06103**  
**Thursday, February 20, 2020**  
**6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Erik Johnson; David Jorgensen; David Lehman; Melissa McCaw; Seila Mosquera-Bruno; David Robinson; Mayor Leclerc; Joanne Berger Sweeney

**Board Members Absent:** Joseph Giuliatti

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

**Guests:**

Goman & York Property Advisors, LLC - R. Michael Goman, Principal; Denise Robidoux, Sr. Vice President & Managing Director

CSL International - Adam Kurns, Director, Paige Robinett, Sr. Analyst

**Minutes**

The minutes of the January 16, 2020 CRDA Board Meeting were moved by Mayor Marcia Leclerc, seconded by David Jorgensen and approved with Seila Mosquero-Bruno abstaining.

**Presentations**

**Hartford Area Multi-Family Housing Study**

Mike Goman, Principal at Goman & York presented the Hartford Area Multi-Family Housing Study. Goman & York has been tasked by the CRDA to conduct a market study of the multi-family residential rental market in the Hartford region.

- The study's primary goals were to review current and proposed competitive multi-family residential rental developments to establish:
  - current market pricing, trends and amenities,
  - absorption rates,
  - anticipated return on investment and operating costs (ROI),
- Provide a forecast and analysis of market demand and conditions for multi-family residential rental development in the Hartford region in the coming years.

The Board reviewed the Executive Summary and an enthusiastic Q&A ensued.

**XL Center - Market Demand & Financial Feasibility Study**

Adam Kurns, Director of CSL International presented the XL Center Market Demand & Financial Feasibility Study.

The market demand study was tasked in relation to the potential renovation of the XL Center in downtown Hartford. The report summarizes the research and analysis and is intended to assist project stakeholders in making informed decisions regarding potential future renovations to the Arena.

The Board, along with Mr. Kurns, reviewed the executive summary which outlines the key highlights of a feasibility study for a renovated XL center.

A lively discussion ensued between Board Members and Mr. Kurns regarding the findings in the study.

The report can be found on the CRDA website at [CRDACT.NET](http://CRDACT.NET).

### **Mayors Reports**

Mayor Bronin reported that HCL Technologies is moving to Hartford, partnering with Stanley Black and Decker.

Mayor Leclerc reported that UTC had a ribbon cutting unveiling a \$40M engine compressor testing facility.

### **Finance**

CRDA's CFO Joseph Geremia, gave the following update for the Quarterly Financial Report and Monthly Financial Report.

#### **Fiscal Year 2020 Financial Statements for the Six Months Ending 12/31/2019**

##### *Balance Sheet*

- Current cash decreases reflect CTCC capital reserve activity and timing differences with both the CTCC and XL Center event advanced deposits
- Restricted investments decrease reflects release of escrowed capital improvement funds for Dillon Stadium renovation
- Accounts receivable increase reflects operating activity at the XL Center
- Current housing loan's receivable decrease reflects reserve for 50 Morgan St renovation
- Non-current housing loan's receivable increase reflects housing construction drawdowns from 101 Pearl St, 370 Asylum St, 103 - 121 Allyn St, 28 High St, 100 Trumbull St, 246 Lawrence St, as well as the Swift Factory, the Borden, and the Colt North Armory projects
- Accounts payable net decrease reflects activity 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
- Bond administration expense decreased due to bond refinancing in FY2019
- Development costs reflect the Church St garage video board installation
- Interest income increase due to housing loans accrued interest (179 Allyn St, 777 Main St, 390 Capitol Ave, 370 Asylum St, 81 Arch St, Borden)
- Interest expense decrease due to bond refinancing in FY2019

Public Officials liability insurance renewed through February 2021

**Fiscal Year 2019 Operating Statistics**

CT Convention Center – December 2019/January 2020

Jan. stats: 138 event days held YTD with YTD attendance at 178,100  
Qtr. 2 financials: Event revenue \$300,000 favorable to budget due to increase in F&B income  
Facility maintenance expenses \$115,000 unfavorable to budget  
Net Income \$200,000 favorable to budget  
Total year projection \$100,000 favorable to budget  
Capital Plan: Structure between 14 and 15 years old  
Next 3 year's major systems' repairs and replacement:  
Plumbing-hot water/sprinkler system (\$505,000), HVAC (\$215,000),  
Bldg. hardware/security (\$400,000), Lighting controls (\$175,000)

CRDA Parking Facilities – December 2019/January 2020

Jan. stats: Utilization favorable to budget at 80%  
Monthly rate customers unfavorable to prior year by 400 at 21,900 YTD  
Transient customers unfavorable to prior year by 12,800 at 251,100 YTD  
Qtr. 2 financials: Monthly rate customer revenue favorable to budget offset with unfavorable  
transient revenue to budget  
Expenses favorable compared to budget due to utilities and snow removal savings  
Net Income \$100,000 favorable to budget  
Total year projection \$100,000 favorable to budget

Church Street Garage - December 2019/January 2020

Jan. stats: Utilization favorable to budget at 76%  
Monthly rate customers favorable to budget by 450 at 8,200 YTD  
Transient customers unfavorable to budget by 2,500 at 6,900 YTD  
Qtr. 2 financials: Monthly rate customer revenue and event revenue slightly unfavorable to budget  
Expenses even with budget  
Net Income \$30,000 unfavorable to budget  
Total year projection even with budget

XL Center - December 2019/January 2020

Jan. stats: 78 event days held YTD with YTD attendance at 316,600  
Qtr. 2 financials: Event revenue \$800,000 unfavorable to budget, of which \$550,000 is attributed to  
a lower than budgeted number of concerts and two underperforming concerts,  
\$150,000 is attributed to unfavorable attendance at UCONN basketball and  
hockey, and \$100,000 is attributed to a decrease in F&B revenue over all events  
Hockey operations \$90,000 unfavorable to budget

Operating expenses \$515,000 favorable to budget due to event operating expense savings as well as savings in personnel due to vacant positions  
Other income \$100,000 unfavorable to budget due to slower sponsorship renewals  
Net income \$475,000 unfavorable to budget  
Total year projection \$275,000 unfavorable to budget

P&W Stadium at Rentschler Field - December 2019/January 2020

Jan. stats: 72 event days held YTD with YTD attendance at 80,300  
Qtr. 2 financials: Event revenue \$295,000 unfavorable to budget of which \$265,000 is attributed to lower than budgeted UCONN football attendance with the remainder attributed to the over-all F&B department  
Expenses \$50,000 favorable compared to budget due to personnel and maintenance savings  
Net income \$250,000 unfavorable to budget  
Total year projection \$325,000 unfavorable to budget  
Estimated fiscal year OPM deficit funding need of \$750,000  
Capital Plan: Structure between 17 and 19 years old  
Next 3 year's major systems' repairs and replacement:  
Roof membrane (\$750,000), HVAC units (\$700,000), Structural re-caulking (\$415,000), Parking lot repairs (\$400,000), Tunnel repair (\$100,000)

CT Regional Market

Stats: 82 warehouse units and restaurant – Occupancy: 78% with 13 tenants  
Activity: Farmers' Market applications being taken for 2020 season  
Management & operations transfer to CRDA completed  
Issued RFP for Property Management, Marketing, Leasing and Expansion Services  
Capital repairs and improvements continuing (bus station, boiler, water main)  
Financials: CRDA operating budget effective January 1, 2020  
FY2020 6-month draft budget attached  
Self-sustaining budget with net operating gain reinvested in property capital reserve  
FY2020 Budgeted revenue \$405,000 – FY2020 Budgeted expenses \$395,000  
FY2020 Budgeted Net Operating Gain of \$10,000

Dillon Stadium – Calendar Year - YTD December 2019

CY2019 stats: 43 Hartford Athletic events held with 49 community events held (Aug. – Dec. 2019)  
Financials: Operating expenses of \$100,000 favorable to first-season half-year budget of \$150,000  
Transferred approx. \$50,000 to capital reserve account for CY2019

In response to questions raised by Melissa McCaw, there was a discussion regarding the capital plans for Adriaen's Landing garages and the Church Street Garage along with a clarification of the fiscal year projected losses at the XL Center and the Stadium at Rentschler Field and any remaining event variables that may affect the projections.

David Lehman asked for a deeper dive of the future budgets for the Stadium at Rentschler Field.

CT Regional Market

Mr. Geremia presented the CT Regional Market FY2020 6 Month Budget. The Executive Committee recommended that the Operating Budget be forwarded to the Board of Directors for consideration.

| CT REGIONAL MARKET<br>FY2020 - 6-Month Budget |                       |
|---|-----------------------|
|   | <u>Budget</u>         |
| <b>Revenue:</b>                               |                       |
| Building A Office Total                       | 4,935                 |
| Buildings A through E Unit Total              | 318,655               |
| Other Leases/Revenue Total                    | 81,200                |
| <b>Total Revenue</b>                          | <u><u>404,790</u></u> |
| <b>Salaries:</b>                              | 42,062                |
| <b>Fringe Benefits:</b>                       | 27,340                |
| <b>Other Expenses:</b>                        |                       |
| Repair & Maintenance Services                 | 8,600                 |
| Repair & Maintenance Supplies                 | 3,750                 |
| Motor Vehicle Rental                          | 9,690                 |
| Motor Vehicle Repairs                         | 1,000                 |
| Water/Sewer                                   | 51,000                |
| Tenant Utility Chargebacks (water/sewer)      | (5,700)               |
| Electricity                                   | 20,100                |
| Oil #2 (Bldg A heat)                          | 7,500                 |
| Motor Vehicle Fuel/Gas                        | 2,000                 |
| Motor Vehicle Fuel/Diesel                     | 900                   |
| Salt: Road                                    | 7,000                 |
| Telephone - Cellular                          | 900                   |
| Telephone - Local/Long Distance               | 900                   |
| Internet                                      | 1,500                 |
| Security Contract                             | 88,291                |
| Waste/Trash Services                          | 2,000                 |
| Cleaning Services (grounds,lot,offices)       | 15,000                |
| Equipment Lease/Rental- Other                 | 1,250                 |
| Office Equipment Lease/Rental                 | 600                   |
| Pest Control                                  | 1,000                 |
| Office Supplies                               | 300                   |
| Postage                                       | 100                   |
| Clothing & Footwear                           | 10,000                |
| Controllable Property                         | 3,000                 |
| Natural Gas                                   | 3,120                 |
| Facility Mgmt Fee                             | 32,479                |
| Brokerage Fee                                 | -                     |
| CRDA Mgmt Fee                                 | 12,144                |
| Insurance                                     | 19,725                |
| Snow Removal                                  | 15,000                |
| Transition/Operating Reserve                  | 10,000                |
| <b>Total Other Expenses</b>                   | <u>323,148</u>        |
| <b>Total Expenses</b>                         | <u><u>392,550</u></u> |
| <b>Net Profit</b>                             | <u><u>12,239</u></u>  |

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

**WHEREAS**, section 10 of Public Act 18-154 directed the Commissioner of the Department of Administrative Services, on behalf of the Department of Agriculture, to convey to the Authority that certain parcel of land identified as the Hartford Regional Market located at 101 Reserve Road, Hartford (the “Regional Market”);

**WHEREAS**, pursuant to Section 32-602(d)(3) of the Connecticut General Statutes, with respect to Capital City Projects as defined in Section 32-600(2)(G) of the Connecticut General Statutes, the Authority has the power to formulate plans for, acquire, finance and develop, lease, purchase, construct, reconstruct, repair, improve, expand, extend, operate, maintain and market facilities, including the Regional Market;

**WHEREAS**, subsections (b) and (d) of section 32-602 of the Connecticut General Statutes enumerates CRDA’s powers, including, but not limited to, the following powers:

- To fix and revise, from time to time, and to charge and collect fees, rents and other charges for the use, occupancy or operation of such projects, and to establish and revise from time to time, procedures concerning the use, operation and occupancy of such facilities, including parking rates, rules and procedures, provided such arrangements are consistent with all applicable federal tax covenants of the authority, and to utilize net revenues received by the authority from the operation of such facilities, after allowance for operating expenses and other charges related to the ownership, operation or financing thereof, for other proper purposes of the authority, including, but not limited to, funding of operating deficiencies or operating or capital replacement reserves for either such facilities and related parking facilities as determined to be appropriate by the authority;
- To engage architects, engineers, attorneys, accountants, consultants and such other independent professionals as may be necessary or desirable to carry out its purposes; and
- To contract for construction, development, concessions and the procurement of goods and services and to establish and modify procurement procedures, from time to time, to implement the foregoing in accordance with the provisions of section 32-603;

**WHEREAS**, at its meeting of February 18, 2020, the Executive Committee reviewed the attached operating budget for the Regional Market for the period beginning January 1, 2020 through June 30, 2020 (the “Operating Budget”);

**WHEREAS**, the Executive Committee recommended that the Operating Budget be forwarded to the Board of Directors for consideration with a recommendation to approve, subject to available funding;

**WHEREAS**, the Board of Directors finds it desirable to adopt the Operating Budget for the remaining portion of Fiscal Year 2020, beginning January 1, 2020 through June 30, 2020;

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

1. That it has reviewed and hereby approves the attached Operating Budget, subject to available funds.

**Housing and Neighborhood Committee Report**

Michael Freimuth reviewed the status of the Housing and Neighborhood projects lists.

Brackett Knoll –City assistance with an MDC issue is critical for the project to proceed.

Albany Avenue – in the process of closing.

Quirk Middle School – work has begun

Albany & Woodland – Goes to City council on February 24<sup>th</sup>.

111 Pearl – is 100% leased

101 Pearl – no TCO yet

Arch St – 79% leased

Data Center (part of DoNo)– vacant for 12+ years – engineering team is engaged trying to see if there is a viable path forward to a reuse a portion of the building.

Allyn Street – Michael Freimuth updated the Board regarding the Allyn Street loan noting that \$200,000 of the \$261,000 operating reserve loan/LC approved by the Board in January 2020 would be covered by using Bond Commission funds, resulting in \$61,000 being covered by CRDA, capital reserve funds.

## Venue Committee

The Chairman of the Venue Committee, Andy Bessette, reported the following venue items for February:

### *XL Center*

UConn Hockey will play its last two home games at XL this month. The team is 6-6-1 at home and has averaged about 2,400 fans per game. The Hartford Wolfpack has averaged nearly 3,000 fans per game and is about two-thirds through its regular season schedule. The team is currently second in its division and fifth in the AHL standings.

UConn Men's and Women's basketball teams will each play one more game at XL this season. While both teams have struggled with attendance, the Men's team last Sunday defeated Memphis in front of a near sellout crowd - the largest crowd for UConn basketball since January 2018.

After a four-year break, XL will once again host the GK U.S. Classic women's gymnastics tournament on May 23<sup>rd</sup>. The popular event is the last opportunity for leading female gymnasts to qualify for the U.S. national championships.

### *Pratt & Whitney Stadium*

With the exception of events in the Stadium Club, the facility has been shuttered for the winter. As noted last month, CRDA staff and Spectra continue to work with UConn to identify ways to reduce expenses in light of a significant operating deficit.

A major announcement regarding an international soccer match is expected in the next few weeks. Bob Saint, CRDA Director of Construction Management indicated there were a few punch list items that are scheduled.

### *CT Convention Center*

As noted in the Finance report, the Convention Center has been performing ahead of budget projections in terms of both number of events and attendees per event.

### *Dillon Stadium*

Dillon Stadium has been closed for the winter, but the City, Spectra, Hartford Athletic and CRDA continue to meet to refine the scheduling process and address other operational issues for the upcoming season. Hartford Athletic's first home game is scheduled for March 21<sup>st</sup>.

Bob Saint presented the construction report for Dillon Stadium and XL.

*Dillon* - final punch list items are ongoing.

*XL* – RFP for a construction manager for the chiller project has been given notice of award however it has not yet been made public.

*Convention and Visitor's Bureau (CVB)*– legislation has been drafted to create a CVB dedicated to the Convention Center, XL and Hartford. Michael Freimuth indicated that the goal is to try to build it into

the operating budget of the convention center. There was a discussion regarding the number of employees needed to properly staff a CVB. Mr. Freimuth indicated that the legislation is needed to implement the idea. Once the CVB is established it will foster and grow and the Board will need to revisit revenues and staffing.

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

Michael Freimuth reported the following Regional & Economic Development update:

The Regional and Economic Development Committee has not met since our last Board meeting. Updates on all of the projects within the Committee's purview were presented in the Board packet, however the following are some of the highlights:

Showcase Cinema Site – Demolition at the former Showcase Cinemas property is just about complete. Contractors will return in the spring to plant grass on the site.

Goodwin College Drainage Improvements – Installation of new drainage lines as part of the Riverside Drive and Ensign Street projects is approximately 35% complete, with final completion expected in early September.

Silver Lane Road and Streetscape Improvements – The project engineer has raised questions about short-term sidewalk work conflicting with the long-term plan for the Silver Lane area. These questions need to be resolved before a scope of work is finalized and construction documents drafted. The Town is also pursuing additional sources of funding, which may impact the current scope of work.

Great River Park – Riverfront Recapture is in the process of selecting a firm for project engineering and design services for the project. They anticipate having a contract in place by April 1<sup>st</sup>.

Founders Plaza Garage – The Town, CRDA and the owner of Founder's Plaza are currently reviewing a proposal from Tecton for the next phase of planning and design work.

Wethersfield – The Borden – approximately 93% complete.

Bushnell Garage – site prep work has begun.

Parkville Market – March completion, later Spring opening.

### **Executive Director Report**

Quasi State Agencies – Monthly meetings with the Governor's office and other Quasi's have been occurring. Given that all quasi's are different in their legislative structures, missions, how they operate, etc. all quasi's have been asked to look at how they govern, manage ethics & conduct financial management. Using other quasi audits, Joe Geremia and Anthony Lazzaro are working on a comparison matrix of issues that will be presented to the Board at a later date. This matrix is likely to recommend changes to existing by-laws; procedure manuals, contracting compensation packages, etc. The Governor has asked that these changes get done by the Boards that currently exist. The CRDA Board will be apprised of the revised policies etc. as these changes start to take shape.

Bob Saint gave the following construction update:

101 Pearl Street – getting close to completion

Colt North Armory – approximately 95% complete

28 High Street – approximately 68% complete

100 Trumbull – approximately 40% complete

103-105; 109-111; 113-121 Allyn Street – approximately 76% complete

246-250 Lawrence Street – approximately 55% complete

Quirk/PAL - first phase completed by the end of next week

Swift Factory – started fitout

Bushnell So. Garage – hope to mobilize in early March – applied for foundation permit

### **Executive Session**

A motion to move to Executive Session was moved by Joanne Berger-Sweeney, seconded by David Jorgensen and approved. Executive Session was closed at 8:35pm with no further action.

Adjourned 8:35 pm.

The minutes of the February 20, 2020 CRDA Board Meeting were moved by Mayor Marcia Leclerc, seconded by David Jorgensen and approved on April 16, 2020, including the addition of the CT Regional Market FY2020 Six Month Budget, and with Alexandra Baum abstaining.