

Agenda
CRDA Board Meeting
Thursday, April 16, 2020

*****3:00pm*****

CONFERENCE CALL

(Conference call instructions will be sent under separate cover)

- | | |
|-----------------|---|
| 3:00pm – 3:05pm | <ul style="list-style-type: none">● Call to Order & Minutes<ul style="list-style-type: none">- Draft Minutes February 20, 2020 * |
| 3:05pm – 3:15pm | <ul style="list-style-type: none">● Housing & Neighborhood<ul style="list-style-type: none">- Capewell Loan/Note *- DoNo Parcel C * |
| 3:15pm – 3:20pm | <ul style="list-style-type: none">● Finance Report<ul style="list-style-type: none">- Monthly Financial Report |
| 3:20pm – 3:45pm | <ul style="list-style-type: none">● Covid-19 Discussion<ul style="list-style-type: none">- Impact on Venues – Operation & Budgets- Impact on other CRDA Assets – garages, Reg. Market, Front Street- Staff/CRDA |
| 3:45pm – 4:00pm | <ul style="list-style-type: none">● Executive Director<ul style="list-style-type: none">- Capital Bonding Approvals- Workout Resolution *- Construction Report – COVID19 impact- MOU with DAS/OPM/CRDA regarding CTCC- New Market Tax Credit – CRDA Application |
| 4:00pm | <ul style="list-style-type: none">● Adjourn |

** Vote item*

DRAFT
Minutes
February 20, 2020

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

Board Members Present: Chairwoman Suzanne Hopgood; Andy Besette; 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.

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.

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 desirous 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 24th.

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 23rd. 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 21st.

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 1st.

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.

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Housing & Neighborhood

Capewell Lofts Development
70 Pop LLC and CRDA Note

Issue: A discrepancy exists within the legal documents, notes and mortgage governing the use of cash proceeds available at the close of individual operating years for the Capewell Lofts complex. Such discrepancy has caused disagreement between CIL/70 Pop LLC and CRDA concerning the application of cash proceeds to retire principle and interest on the CRDA Note versus the distribution of a priority return to the historic tax credit investor (NGM Insurance Co) and/or capital reserve account.

History: During the final packaging of the overall development budget, the federal historic tax credit program was unexpectedly impacted by the Boardwalk lawsuit challenging some of the fundamental operating procedures of the program concerning partnerships and the return of capital resulting from the sale/purchase of the credits. Consequently, funds generated by the tax credits were at risk and changes had to be made very late in the project's financing. Such changes also had to be made without clear guidance from the court or the IRS. To ensure that the credits were available, and the financing package could be closed (after nearly a decade of false starts while the complex physically deteriorated further), it was agreed that a priority return would be allowed to the tax credit investor ahead of payment on the CRDA loan. This was agreed to by CRDA with the understanding that such priority, though effectively putting equity ahead of debt, would be necessary to lock in the investor and its funds.

Due to these changes occurring near the end of the financing packaging, a variety of documents covering the complex financing package including the CRDA Note and the Master Tenant Operating Agreement were executed with differences within the definitions of cash flow, net operating income and priority return differs. As a consequence, 70 Pop has made payments to the investor while CRDA had expected such cash being distributed towards servicing the CRDA Note. This has caused the confusion and disagreement in the servicing of the note and unless resolved by the parties, will continue until the five-year agreement, required by IRS rules, expires.

Solution: The simplest route to resolve this matter is to provide a CRDA Loan and Note Modification and provide consent for a modification to the Master Tenant Operating Agreement for the period of time required by IRS rules regarding the federal historic tax credit program and remaining in the investor agreement (through December 2022.)

RESOLUTION

The CRDA Board of directors approves modifications for the Loan/Note agreement and Master Lease agreement for 70 POP LLC (AKA Capewell Lofts) that clarify and adjust the payments to CRDA through 2022.

(2)

Downtown North (DoNo)

Parcel C

Background:

- The first parcel of development in the City of Hartford's Downtown North, other than the ballpark is Parcel C. The City selected RMS Companies as the developer for the area and the project at Parcel C was proposed as a 200 unit, new construction residential complex with a 300 car garage.
- There were a variety of legal challenges that prevented progress with the project that have now been resolved.
- The City Council recently approved a development agreement with RMS that governs the development and lease of the property, workforce housing and a payment in lieu of taxes agreement (PILOT).
- The State Bond Commission allocated \$12M to the project on Sept 20, 2018. In subsequent action, the State Bond Commission allowed the funds to be used either at Parcel C and/or Parcel D where demolition of the existing building has been planned. To date, CRDA has used \$200,000 of the funds for engineering investigation of the demolition of the Parcel D structure.
- The CRDA Board authorized the use of up to \$12M for the Parcel C development at its Sept 20, 2018 meeting subject to subsequent review by the Housing & Neighborhood Committee and the full board of the deal's terms.

Current Deal Structure:

- RMS now proposes a 270-unit residential complex (50 Jr 1Br, 130 1Br, 65 2Br) with a 330-car garage with a total development budget of \$56.1M. 27 units will be workforce housing defined by the city as available to tenants with up to 120% median income.
- The capital stack is \$36M bank financing, \$11.8M CRDA loan, \$1.7M bridge financing and \$6.6M equity.
- CRDA funds will be loaned at 3% interest only during construction and then once a certificate of occupancy is issued, CRDA construction loan will be converted to a 30 yr mortgage amortizing P&I at 3%.

RESOLUTION:

The CRDA approves a \$11.8 million loan to RMS Companies (or acceptable single purpose entity) at 3% interest only during construction converting to a permanent loan amortizing at 3% principle and interest for 30 years subject to all funds being secured by the developer and such due diligence and fiduciary requirements as deemed necessary by the executive director and CRDA counsel.

Financial Report

Financial Update – April 2020

Fiscal Year 2020 Operating Statistics

CT Convention Center – February/March 2020

Mar. stats: 178 event days held YTD with YTD attendance at 229,500
Feb. financials: Event revenue \$200,000 favorable to budget due to increase in F&B income
Facility maintenance expenses \$70,000 unfavorable to budget
Net Income \$140,000 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 – February/March 2020

Mar. stats: Utilization favorable to budget at 81%
Monthly rate customers unfavorable to prior year by 700 at 28,700 YTD
Transient customers unfavorable to prior year by 43,700 at 313,800 YTD
Feb. financials: Transient and hotel guest revenue unfavorable to budget slightly offset with favorable
monthly rate customer revenue to budget
Expenses favorable compared to budget due to utilities and snow removal savings
Net Income \$80,000 favorable to budget

Capital Plan: Structures between 14 and 15 years old

CTCC – \$4M Project (Waterproofing \$3.1M, Drainage \$300K, Misc \$600K)
\$1.3M completed (FY2018-FY2019) Remaining scheduled through FY2023
FSN – \$750K (Waterproofing \$400K, Drainage \$100K, Misc \$250K)
\$200K completed (FY2019) Remaining scheduled through FY2023
CSC and FSS to be reviewed FY2021 and bid FY2023 & Beyond

Church Street Garage - February/March 2020

Mar. stats: Utilization unfavorable to budget at 67%
Monthly rate customers unfavorable to budget by 600 at 9,900 YTD
Transient customers unfavorable to budget by 3,700 at 12,100 YTD
Feb. financials: Event revenue favorable to budget offset with unfavorable monthly rate customer
revenue to budget
Expenses favorable compared to budget due to utilities and snow removal savings
Net Income \$100,000 favorable to budget

Capital Plan: Structure between 27 and 56 years old

Concrete repairs (\$9.5M), Waterproofing (\$3.3M), Painting & Coating (\$1.3M),
Drainage & Misc. repairs (\$1.6M)
FY2021 (\$5M BC funded), FY2022 (\$2M Op funded), FY2023 & Beyond (\$9M unfunded)

XL Center - February/March 2020

Mar. stats: 101 event days held YTD with YTD attendance at 424,500

Feb. financials: Event revenue \$734,000 unfavorable to budget, of which \$642,000 is attributed to a lower than budgeted number of concerts and two underperforming concerts, \$145,000 is attributed to unfavorable attendance at UCONN basketball, and the remaining favorable variance of \$53,000 is attributed to the USA women's basketball and hockey games held

Hockey operations \$19,000 favorable to budget

Operating expenses \$708,000 favorable to budget due to event operating expense savings as well as savings in personnel due to vacant positions

Other income \$145,000 unfavorable to budget due to slower sponsorship renewals

Net income \$152,000 unfavorable to budget

P&W Stadium at Rentschler Field - February/March 2020

Mar. stats: 84 event days held YTD with YTD attendance at 86,700

Feb. financials: Event revenue \$324,000 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 \$76,000 favorable compared to budget due to personnel and maintenance savings

Net income \$263,000 unfavorable to budget

Future fiscal year major non-UConn event income:

FY2021 – NCAA lacrosse final four. Bids for 2 USA soccer games.

FY2022 – NCAA lacrosse final four. Bid for USA Ruby.

FY2023 – Bid for USA soccer game.

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

Issued RFP for Property Management, Marketing, Leasing and Expansion Services

Capital repairs and improvements continuing (bus station, boiler, water main)

CRDA operating budget effective January 1, 2020

Feb. financials: Operating revenue of \$110,000 with \$61,000 in operating expenses

Net income of \$49,000

Dillon Stadium – Calendar Year - March 2020

Calendar year revised operating expense budget of \$250,000

Feb. financials: Operating expenses of \$40,100 (16% of revised annual budget)

Capital reserve balance: \$21,000

FY2020 Independent Audit (Cohn Reznick)

Interim Audit:

April (virtual)

FYE Audit:

Mid July to Early September

FY2021 Budget Process

1. Venues prepared draft budgets (March through May)
2. CRDA staff review draft budgets with Venue staff followed by appropriate adjustments (May)
3. CRDA Board Finance Committee & members review draft budgets with CRDA staff and Venue staff
4. Full Board presented budgets for authorization (June)

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COVID-19

Discussion

COVID-19 Update – April 2020

CT Convention Center

FY2020 event gross revenue cancellations of \$2,707,000 consisting over 56 events with 84,400 in estimated attendance

Projected FY2020 loss \$1,314,800 unfavorable to budget with COVID-19 cancellations

No confirmed events scheduled until July

FY2021 event gross revenue cancellations of \$1,041,000 consisting over 8 events with 16,400 in estimated attendance

	FY2020	COVID-19	
	Adopted Budget	Adjusted Budget	Notes
Total operating expenses	8,163,085	8,163,085	
Expense savings due to COVID-19 closure		(288,607)	
Expenses due to COVID-19 emergency facility		193,200	waste removal, post cleaning, engineering supplies, R&M, battery backup system
Net revenues from events	4,354,785	2,944,553	
State/CRDA appropriation	3,808,300	3,808,300	
Net operating results	-	(1,314,825)	
COVID-19 operating impact		(1,314,825)	Projected financial funding need

CRDA Parking Facilities

\$1,425,000 in gross revenue loss due to event cancellations

Projected FY2020 loss \$1,067,500 unfavorable to budget with COVID-19 cancellations

Church Street Garage

\$486,000 in gross revenue loss due to event cancellations

Projected FY2020 loss \$625,000 unfavorable to budget with COVID-19 cancellations

XL Center

FY2020 event gross revenue cancellations of \$3,522,700 consisting over 16 events with 126,200 in estimated attendance

Projected FY2020 loss \$1,842,500 unfavorable to budget with COVID-19 cancellations

No confirmed events scheduled until August

FY2021 event gross revenue cancellations of \$1,275,000 consisting over 3 events with 39,000 in estimated attendance

	FY2020	COVID-19	
	Adopted Budget	Adjusted Budget	
Total operating expenses	7,429,565	7,429,565	
Net hockey operating expenses	464,155	847,846	lost 1.5 months of season with highest attendance and revenue capability
Expense savings due to COVID-19 closure		(591,808)	
Net revenues from events	5,622,194	3,971,776	
State/CRDA appropriation	800,000	800,000	
CRDA/Church St garage fund transfer	1,400,000	1,000,000	reduction in garage funding capacity due to lost parking revenues
Net operating results	(71,526)	(1,913,827)	
COVID-19 operating impact		(1,842,301)	Projected financial funding need

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P&W Stadium at Rentschler Field

FY2020 event gross revenue cancellations of \$488,400 consisting over 20 events with 47,800 in estimated attendance

Projected FY2020 loss \$393,200 unfavorable to budget with COVID-19 cancellations

Estimated fiscal year OPM deficit funding need of \$831,000 with additional \$100,000 from Stadium Enterprise Fund

25 events scheduled within May and June with 41,300 in projected gross revenues

	FY2020	COVID-19	
	Adopted Budget	Adjusted Budget	
Total operating expenses	2,356,649	2,356,649	
Expense savings due to COVID-19 closure		(85,467)	
Net revenues from events	1,568,873	1,090,234	
UConn stadium expense funding	250,000	250,000	
Stadium enterprise fund transfer		100,000	
Net operating results	(537,776)	(830,948)	Projected financial funding need
COVID-19 operating impact		(293,172)	

CT Regional Market

Farmers' Market opening delayed to May 1

Dillon Stadium

Season opening home game delayed to July

Executive Director

Capital Bond Approvals

CRDA
 FY2020/2021
 Capital Budgets
 PA 20-1: Effective 3/12/2020

Description	Section	FY2020	FY2021
Alterations, renovations and improvements to the XL Center	2(g) / 21(e)	27,500,000	37,500,000
Grant-in-aid to the municipality of East Hartford for the purposes of general economic development activities	13(g) / 32(f)(1)	10,000,000	10,000,000
CRDA economic development for projects outside Authority's boundaries	32(f)(2)	-	10,000,000
		<u>37,500,000</u>	<u>57,500,000</u>
Informational Purposes (not CRDA directed)			
CT Municiple Redevelopment Authority To capitalize the Connecticut Municipal Redevelopment Authority	82	-	45,000,000

Workout Resolution

CAPITAL REGION DEVELOPMENT AUTHORITY

Board Resolution - April 16, 2020

WHEREAS, on March 10, 2020, the Governor of the State of Connecticut issued declarations of public health and civil preparedness emergencies, proclaiming a state of emergency throughout the State of Connecticut as a result of the coronavirus disease (“COVID-19”) outbreak in the United States and confirmed spread in Connecticut;

WHEREAS, on March 15, 2020, the Governor of the State of Connecticut issued Executive Order 7C, as amended by Executive Order 7X, cancelling all public school classes, and consequently school lunch programs until May 20, 2020;

WHEREAS, on March 16, 2020, the Governor of the State of Connecticut issued Executive Order 7D prohibiting the on-premises consumption of food and beverage (alcoholic and non-alcoholic) at Connecticut bars, restaurants, and private clubs;

WHEREAS, on April 10, 2020, the Governor of the State of Connecticut issued Executive Order 7X providing protection for residential renters impacted by the COVID-19 outbreak, including sixty (60) day grace periods for April Rent and May Rent;

WHEREAS, many of the tenants at the Connecticut Regional Market provide food to public school lunch programs, restaurants, bars, and private clubs in the Hartford region;

WHEREAS, many residents of Connecticut are experiencing or will experience a significant loss of income as a result of business closures, reduced work hours or wages, or layoffs related to COVID-19, all of which affect their ability to pay their rent, and thus leave them vulnerable to eviction and increased amounts owed in the form of penalties, interest, and late fees, all of which cause potential risks to public health and safety; and

WHEREAS, the Board of Directors finds it desirable to take the following actions in response to the COVID-19 outbreak and Governor Lamont’s respective Executive Orders;

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

1. That it authorizes the Executive Director with the approval of the Regional Committee to review and modify rental agreements with the respective tenants at the Connecticut Region Market on a case-by-case to reflect the impact of the COVID-19 outbreak on their respective businesses;
2. That it authorizes the Executive Director with the approval of the Housing Committee to review and modify various loan agreement with CRDA borrowers on a case-by-case basis to reflect the impact of the COVID-19 outbreak on the respective rent rolls; and
3. That this resolution expires on September 30, 2020, unless modified the Board of Directors.

Convention Center MOU

REVIEW CHECKLIST

DocuSigned by: <u>Anne Peterson</u> D3EE59A821B44FD...	4/11/2020
Anne Peterson – Staff Attorney	Date
DocuSigned by: <u>Shane Mallory</u> 5D2E207B2D5545D...	4/11/2020
Shane Mallory – Administrator	Date

Comments: DAS-CRDA-Connecticut Convention Center-MOU

- The Connecticut Convention Center may, at the direction and permission of DAS, CRDA, and the Governor’s Unified Command, be used by private healthcare systems to provide emergency health services.
- This MOU will encompass all or portions of the Connecticut Convention Center, including the related parking facilities.
- This MOU shall terminate within fourteen (14) days after the Governor revokes the current public health and emergency preparedness emergencies, or at such earlier or later date as the Parties agree, or the Unified Command determines is appropriate.
- The Parties agree that Service Costs shall be reimbursed from disaster assistance funds to the extent that such funds are available. In the event CRDA, in consultation with DAS and OPM, reasonably determines that disaster assistance funds are not available, DAS and/or OPM agree to provide alternative funding for the unreimbursed Service Costs.

MEMORANDUM OF UNDERSTANDING

Between

THE CAPITAL REGION DEVELOPMENT AUTHORITY

And

**THE STATE OF CONNECTICUT
DEPARTMENT OF ADMINISTRATIVE SERVICES**

THIS MEMORANDUM OF UNDERSTANDING (the “MOU”) is entered into this ____ day of April, 2020, by and between the Capital Region Development Authority, a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut (“CRDA”) authorized by sections 32-601 and 32-602 of the Connecticut General Statutes and the State of Connecticut Department of Administrative Services (“DAS”) authorized by sections 4a-1, 4a-2, and 4b-1 of the Connecticut General Statutes, pursuant to the provisions of Connecticut General Statute Section 4b-29, as amended, and Governor Lamont’s Executive Orders 7J and 7U. (CRDA and DAS may collectively be referred to herein as the “Parties”).

WITNESSETH:

WHEREAS, on March 10, 2020, the Governor of the State of Connecticut issued declarations of public health and civil preparedness emergencies, proclaiming a state of emergency throughout the State of Connecticut as a result of the coronavirus disease (“COVID-19”) outbreak in the United States and confirmed spread in Connecticut; and

WHEREAS, during the current public health crisis, additional accommodations and facilities beyond what is currently available to DAS may be necessary to address the effects of COVID-19, including but not limited to, emergency housing, health care, and medical treatment; and

WHEREAS, CRDA is the de-facto owner and operator of Connecticut Convention Center, as defined in Section 32-600(3) of the Connecticut General Statutes; and

WHEREAS, the Governor has activated the State Response Framework in accordance with the National Incident Management System (NIMS), including full activation of the Governor’s Unified Command, State Emergency Operations Center, and, as part of the COVID-19 response operations, the Governor’s Unified Command desires to have a mechanism in place by which DAS may arrange with CRDA for the use of its Connecticut Convention Center for emergency health services and other activities in response to the COVID-19 emergency; and

WHEREAS, under NIMS, DAS is the state agency lead for Emergency Support Function 3, Public Works; and

WHEREAS, the Connecticut Convention Center may, at the direction and permission of DAS, CRDA, and the Governor's Unified Command, be used by private healthcare systems ("Healthcare System") to provide emergency health services; and

WHEREAS, in accordance with Governor Lamont's Executive Order 7U, the Connecticut Convention Center shall be considered a health care facility for purposes of civil liability;

NOW THEREFORE, in consideration of the foregoing recitals and mutual agreements and undertakings set forth below, the parties hereto hereby agree as follows:

1. PREMISES

This MOU will encompass all or portions of the Connecticut Convention Center, including the related parking facilities.

2. USE

The Connecticut Convention Center may be used to provide emergency shelter and housing, emergency health care and related services, and such other services as may be deemed necessary by DAS and/or the Governor's Unified Command in response to the COVID-19 emergency.

At the expiration or other termination of this MOU, DAS will surrender the Connecticut Convention Center in the same or improved condition as that existing at the beginning of the Term, except for reasonable wear and tear based upon good maintenance practices. DAS, or their contractors, shall be responsible for the removal of all its medical fixtures, including medical equipment and personal property within seven (7) days of the expiration of this MOU.

3. COSTS

CRDA, DAS, and the State Emergency Operations Center shall participate in the procurement of labor, equipment, or materials required to prepare and maintain the Connecticut Convention Center for the uses contemplated by this MOU and shall track any and all costs associated therewith (the "Service Costs"). Service Costs shall include, but not be limited to: utility costs, staff/vendor labor and material expenses, police or private security expenses, repairs or replacement due to damage to either state or CRDA property, reinstalling existing property that may have been removed as part of the facility conversion and other related cost incurred as a result of this MOU.

The Parties agree that Service Costs shall be reimbursed from disaster assistance funds to the extent that such funds are available. In the event CRDA, in consultation with DAS and OPM, reasonably determines that disaster assistance funds are not available, DAS and/or OPM agree to provide alternative funding for the unreimbursed Service Costs.

To the extent that Service Costs require immediate funding (i.e., funding Convention Center payroll), DAS and/or OPM agree to provide such funding within ten (10) days of receipt of written notice from CRDA.

4. TERM

The term of this MOU shall commence upon the date this MOU is approved by the Office of Policy and Management, and shall continue for an indefinite time until terminated as set forth herein. This MOU shall terminate within fourteen (14) days after the Governor revokes the current public health and emergency preparedness emergencies, or at such earlier or later date as the Parties agree, or the Unified Command determines is appropriate. This MOU shall not be binding on the Parties unless and until it is approved by the Office of Policy and Management.

5. OTHER AGREEMENTS

- a. The Parties agree that DAS or the Healthcare System may install temporary equipment, furniture and other tangible personal property as necessary to provide the emergency response services set forth herein. DAS, the State Emergency Operations Center, and/or the Healthcare System shall remove such temporary property at the termination of this MOU, in accordance with Section 2 of this MOU.
- b. The Parties agree that any CRDA staff or vendor that agrees to and does provide work under this MOU may provide the following services during the term of the MOU:
 - i. Maintenance of exterior of buildings
 - ii. Facility maintenance supporting building operations (e.g., HVAC)
 - iii. Contracted Security, if available, for the perimeter of the accessed spaces, supplemented by other sources as needed
- c. Center for Disease Control ("CDC") required protective equipment to avoid virus transmission will be provided within available inventory to all CRDA staff and contractors performing work with respect to services under this MOU that would expose them to persons with the virus. CRDA staff will not be required to perform work without CDC required protective equipment. Additionally, DAS agrees that the Healthcare System shall provide training to the staff and contractors regarding protocols, policies, and information required to conduct contracted activities during the public health emergency.
- d. If the CRDA cannot provide appropriate staff/contractor levels to support this MOU, DAS, the Governor's Unified Command, the State Emergency Operations Center and the CRDA will collaborate to supplement the work with other staff, including if necessary, outside vendors.
- e. DAS in collaboration with the Healthcare System will engage contracted food services and cleaning services for medical and all related areas.
- f. DAS, in collaboration with the Healthcare System and CRDA, will provide the Healthcare System with secure wireless and hardwired internet services while in service at the Connecticut Convention Center.

- g. In the event that any damages occur at the Connecticut Convention Center to public or private property by reason of this MOU, CRDA will invoice DAS for such reasonable repair or replacement; except that no such invoice will be sent for damage to the facilities caused by the negligent, reckless or intentional acts of the officers, employees or agents of CRDA.

6. AMENDMENTS

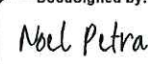
No changes, amendments, or modifications of any of the terms or conditions of this MOU shall be valid unless reduced to writing and signed by the Parties hereto, and approved by the Office of Policy and Management.

IN WITNESS WHEREOF, this MOU has been duly executed by the following parties:


CAPITAL REGION DEVELOPMENT AUTHORITY

DocuSigned by:
 By: 
46A8E5E8B804430
 Name: Michael Freimuth
 Title: Its Executive Director
 Date: 4/11/2020

DEPARTMENT OF ADMINISTRATIVE SERVICES

DocuSigned by:
 By: 
59274CBBCF1A41C...
 Name: Noel Petra
 Title: Its Deputy Commissioner
 Date: 4/11/2020

OFFICE OF POLICY AND MANAGEMENT

DocuSigned by:
 By: 
E3B840B022D7468...
 Name: Paul Hinsch
 Title: Its Director of Asset Management
 Date: 4/11/2020

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