

Agenda
CRDA Board Meeting
Thursday, May 21, 2020

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

Go-To-Meeting

- | | |
|-----------------|--|
| 3:00pm – 3:00pm | ● Call to Order & Minutes
- Draft Minutes April 16, 2020 * |
| 3:00pm – 3:05pm | ● Housing & Neighborhood |
| 3:05pm – 3:15pm | ● Finance Report
- Monthly Financial Report
- FY2020-21 Budget Strategies |
| 3:15pm – 3:30pm | ● Venue
- Covid-19 Reopening Discussion – operational issues
(Ben Weiss, Spectra/Mike Costelli, Waterford) |
| 3:30pm – 3:30pm | ● Regional Projects |
| 3:30pm – 3:45pm | ● Executive Director
- Construction Report
- Regional Market
○ Management Contract *
- CRDA Initiatives Update |
| 3:45pm | ● Miscellaneous & Adjourn |

* *Vote item*

DRAFT MINUTES

April 16, 2020

Capital Region Development Authority

100 Columbus Boulevard

5th Floor

Hartford, CT 06103

Thursday, April 16, 2020

3:00 pm – Conference Call

(The Board Meeting was held via telephone with public accessibility)

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Erik Johnson; Joseph Giulietti; David Jorgensen; Alexandra Daum; Konstantinos Diamantis; Seila Mosquera-Bruno; Mayor Marcia Leclerc; David Robinson; Joanne Berger Sweeney

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

Minutes

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.

Housing & Neighborhood

CRDA Executive Director Michael Freimuth gave a brief explanation regarding amending the Capewell Lofts Note. The following modifications are being requested for the Loan/Note agreement and Master Lease agreement for 70 POP LLC (AKA Capewell Lofts).

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.)

The following motion was moved by Seila Mosquera-Bruno, seconded by Joanne Berger Sweeney and approved.

“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.”

Mr. Freimuth explained the changes in the structure of the DONO – Parcel C project as follows:

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 Sep. 20,2018. In subsequent action, the State Bond Commission allowed the funds to be used either at Parcel C and/or 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 September 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%.

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

“The CRDA approves an \$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.”

Finance

CRDA’s CFO Joseph Geremia, gave the following update for the Fiscal Year 2020 Operating Statistics.

Financial Update – April 2020

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)

Andy Bessette suggested building budgets that assume different scenarios against “normal time” with reduction deficits of 75%; 50%; 35% and even 25%. This exercise would be helpful in the event that people don’t come back out to venues or events until there is a vaccine, testing or a treatment, perhaps not until 2021. Michael Freimuth agreed to examine this and put together the budgets as requested by the Board.

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	Notes
	Adopted Budget	Adjusted Budget	
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 Adopted Budget	COVID-19 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

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 Adopted Budget	COVID-19 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 May 16

Board Members agreed with Mayor Bronin that, in this environment, it may be a good time to start improvements to the XL Center.

Executive Director Report

Michael Freimuth indicated that prior to the disruption of the Legislature, the following Capital Budget approvals were made. The following is a list of items approved by the Legislature, however these need Bond Commission approval.

Capital Bonding Approvals

CRDA

FY2020/2021

Capital Budgets

PA 20-1: Effective 3/12/2020

Description	Section	FY2020	FY2021
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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)	-	<u>10,000,000</u>
		37,500,000	57,500,000
Informational Purposes (not CRDA directed) CT Municipal Redevelopment Authority To capitalize the Connecticut Municipal Redevelopment Authority	82	-	45,000,000

Michael Freimuth along with CRDA Legal Counsel Anthony Lazzaro described the following Board Resolution that authorizes the Executive Director to make decisions regarding businesses impacted by COVID-19.

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

Board Resolution

***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 and Economic Development 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 and Neighborhood Development Committee to review and modify various loan agreements 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 by the Board of Directors.*

Mr. Freimuth presented the following MOU to the CRDA Board members regarding the use of the CT Convention Center being used as a private Healthcare Facility.

The MOU was approved by the CRDA Executive Committee on April 9, 2020.

The MOU governs the use of the CT Convention Center as an emergency hospital. The convention center has been turned over to DAS and Unified Command to manage the facility as a hospital. In the event that it becomes operational, it will be managed by Hartford HealthCare.

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

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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.

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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.

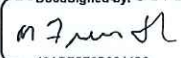
- g. In the event that any damages occur at the Connecticut Convention Center to public or private property by reason of this MOU, CRDA will invoice DAS for such reasonable repair or replacement; except that no such invoice will be sent for damage to the facilities caused by the negligent, reckless or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

6. AMENDMENTS

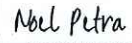
No changes, amendments, or modifications of any of the terms or conditions of this MOU shall be valid unless reduced to writing and signed by the Parties hereto, and approved by the Office of Policy and Management.

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

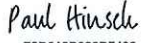
CAPITAL REGION DEVELOPMENT AUTHORITY

By: 
DocuSigned by:
46A8E5E8804430
 Name: Michael Freimuth
 Title: Its Executive Director
 Date: 4/11/2020

DEPARTMENT OF ADMINISTRATIVE SERVICES

By: 
DocuSigned by:
59274C88CF1A41C...
 Name: Noel Petra
 Title: Its Deputy Commissioner
 Date: 4/11/2020

OFFICE OF POLICY AND MANAGEMENT

By: 
DocuSigned by:
E3B619D922D7468...
 Name: Paul Hinsch
 Title: Its Director of Asset Management
 Date: 4/11/2020

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Bob Saint highlighted a few points related to Construction and the impact of COVID-19.

Construction Report – COVID19 Impact

- Reduction in labor force
- Delays of materials – especially out of state custom manufactured products
- Reduced productivity due to preventative measures
- Delays with inspections
- Difficulty getting design team members on-site to resolve issues
- Most of the impact to date has been relatively small.
- CM's have safety plans related to Covid-19, these plans are changing daily in response to the changing environment.

New Market Tax Credit – CRDA Application

Michael Freimuth explained to the Board that CRDA is working on a new initiative to find some new funds. CRDA is working with the towns of Hartford and East Hartford to put together an application to become a community development entity, that is a U.S. Treasury designation that allows CRDA to activate and participate in the New Market Tax Credit Program. The program focuses on commercial and mixed-use projects, and it is a way of raising equity for programs to marry up with CRDA funds. There is an application cycle underway and a team is being assembled.

Mayor Leclerc thanked Michael Freimuth for the continued work and would like to say that she appreciates the hard work that CRDA is doing and continuing to work on the projects despite the environment and difficulty of what everyone is currently going through. She added that she will echo Mayor Bronin's sentiments that if ever there was a time to start improvements to the XL Center, the time is probably now. It will get people back to work and may show signs that there is hope in the future.

Adjourned 3:59 pm.

Housing & Neighborhood

CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Leased ¹
777 Main	285	\$84.5M	\$296K	\$17.7M	\$62K	80/20	\$7.5M equity \$10.2M 2nd mortgage	1/30/2013	3/13/2013	3/28/2014	Renting	93%
204 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$750K	\$28.8K	100	initial constr. note \$3.8M ³ convert to 2nd mortgage at \$750,000	3/21/2013 4/25/2013	6/21/2013	10/29/2013	Renting	96%
179 Allyn	63	\$14.89M	\$233K	\$6.5M	\$103K	80/20	\$3.25M equity, \$3.25M 2nd Loan	3/21/2013	6/21/2013	11/15/2013	Renting	94%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	Bridge HTC ³ construction financing/converted to mortgage note	6/4/2013	6/21/2013	12/5/2013	Renting	94%
Capewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20		1/15/2014	2/28/2014 11/16/2014	6/30/2015	Renting	87%
390 Capitol	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, .5%, 20 yr.	6/19/2014	3/17/2015	9/22/2015	Renting	97%
36 Lewis	6	\$1.8M	\$306K	\$300K	\$50K	100	construction/perm loan 1-.3% 30 yr.	6/19/2014	7/25/2014	4/8/2015	Renting	100%
38-42 Elm	6	\$1.24M	\$206K	\$349,350 ⁴	\$61.5K	100	loan 3% 30 yr.	6/19/2014	7/25/2014	2/25/2015	Renting	100%
1279-83 Main	10	\$1.35M	\$135K ⁶	\$265K ⁶	\$26.5K	100	loan 3% 25 yr.	5/21/2015 6/16/2016	7/28/2015	9/9/2016 9/20/2019	2020	
370 Asylum	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan <3%, 20 yr.	6/18/2015 2/18/2016	3/24/2016	9/29/2017	Renting	93%
Radisson	96	\$19.5M	* 2	\$6.5M	\$67.7K	100	hotel conv. const. note	10/15/2015	12/11/2015	3/31/2016	Renting	21%
81 Arch	53	\$20.34M	\$380K	\$5.6M	\$103.7K	100	30 yr. 1% loan	10/20/2016	11/15/2016	11/7/2017	Renting	81%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Mar-20	15%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/3/2017	Renting	99%
103 Allyn	66	\$21.1M	\$319K	\$6.6M ⁷	\$103K	100	construction/perm loan 5 yr.	12/8/2016 2/1/2017	2/1/2017	10/31/2018	Spring 2020	
105-7 Wyllys	9	\$2.5M	\$277K	\$800K	\$88.8K	100	construction/perm loan 2-.3% 30 yr.	5/18/2017 3/21/2019	11/29/2017 6/26/2019	8/31/2019	2021	
Colt Armory	48	\$13.6M	\$283K	\$2.88M	\$60K	100	construction/perm loan 3% 20 yr.	5/18/2017	11/29/2017	7/2/2018	Spring 2020	58%
28 High	28	\$5.5M	\$196.4K	\$1.9M	\$67.8K	80/20	loan 3% 30 yr.	2/2/2018	2/16/2018	8/29/2018	Spring 2020	
100 Trumbull	16	\$1.5M	\$93.7K	\$960K	\$60K	100	loan 3% 20 yr.	9/21/2017	2/16/2018	4/12/2018	2018/19/20	
246-250 Lawrence	12	\$1.5M	\$125K	\$521K	\$43.4K	100	Historic bridge loan & perm loan 3% 20 yr.	10/18/2018	12/11/2018	1/4/2019	Late 2020	
Colt "u"	26	\$7M	\$269K	\$1.5M	\$57.6K	100	loan 3% 20 yr.	1/10/2019	12/18/2019		TBD	
Pratt I	129	\$29.8M	\$231K	\$12M	\$93K	80/20	\$5.5M bridge loan; \$6.5M construction/perm loan 2.75% 30 yr.	10/17/2019	12/18/2019		TBD	
Summary	1571 ⁵	\$386.12M	\$241K	\$102.28M	\$62.5K median \$64K avg.	87/13	1366 market /205 affordable					

4/30/2020

¹ deposits and leases
² \$75K/unit est. residential + 188 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 1744 w/ Front St. & Recap deals
⁶ \$140K from Housing Capital Fund
⁷ \$200K reserve via Bond Commission

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CRDA Housing Approved - Varied Funding Sources

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Occupancy
Front Street	121	\$35.7M	\$310K	\$12M	\$99.1K	Mkt	DECD grant	N/A	12/12/2007	12/17/2013	Renting	85%
Silas Deane	120	\$27M	\$225K	\$5M	\$41.6K	Mkt	Urban Act	N/A	9/30/2016	5/24/2018	Renting	
289 Asylum	8	\$1.474M	\$184K	\$450K	\$56K	Mkt	Replenished Capital Funds Condo deal	12/8/2016 03/22/2018	N/A	6/13/2018	Renting	100%
241 Asylum 115-117	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	12/8/2016	N/A	5/7/2018	Renting	100%
Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	\$200,000 Hist. Bridge Loan Heritage Homes - Affordable	5/24/2018	6/1/2018	8/13/2019	2020	SOLD
86-88 Hawthorne	2	\$830K	\$418K	\$50K	\$25K	Aff	Heritage Homes (NINA) Aff.	5/24/2018	6/1/2018	8/13/2019	2020	
80-82 Hawthorne	2	\$830K	\$418K	\$50K	\$25K	Mkt	Heritage (NINA) Market	5/24/2018	6/1/2018	8/13/2019	2020	
Summary	261											

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CRDA Neighborhood Projects

Project	Description	TDC	CRDA Amount	CRDA Funds	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Bowles Park	Demolition of 410-unit housing project & construction of 91 new rental and owned units on Granby Street (Blue Hills neighborhood)	\$40m	\$5,000,000	FY16 Neighborhood	\$5m grant for demolition	9/9/2016	9/15/2016	9/30/2016	Phase I complete & leasing underway.
Brackett Knoll	Construction of 14 two-family owner-occupied homes on Naugatuck Street	\$3.7m	\$1,555,000	FY16 Neighborhood (Promise Zone)	\$630,000 grant for site acquisition/improvements; CRDA to use \$925,000 to construct required road	11/10/2016	12/8/2016	2/1/2017	Road construction starting. Housing component awaiting DOH funding approval.
Swift Factory	Renovation of historic factory into "Community Food and Job Creation Hub" serving the Northeast, Upper Albany and Clay Arsenal neighborhoods	\$32.7m	\$4,300,000	FY16 Neighborhood (Promise Zone)	\$4.3m loan - minimum debt service calculated using an initial 1% APR and be paid monthly upon stabilization. CRDA to receive 70% of net available cash after payment of first lien debt service & other required distributions. Payment shall continue over a 20-year term until CRDA has received all of its capital with 3% IRR. Funds contingent upon execution of tenant leases (a) for no less than 50% of leasable project space or (b) no less than 50% of projected rental revenue.	3/10/2017	3/16/2017	5/12/2017	Construction nearing completion;
Albany Ave/ Main Street	High Speed internet cabling connection to North End Business	TBD	\$525,000	FY16 Neighborhood (Promise Zone)	Funds used to match Federal Promise Zone Funding and compliment Albany Ave. Streetscape project	6/15/2017	6/15/2017	11/29/2017	Construction complete.
Dillon Stadium	Management and renovation of Stadium, including replacement of field, replacement or refurbishment of bleachers, upgraded seating, lighting & sound system, upgrades to concessions, restroom and locker facilities, building code and ADA upgrades and new site entrance. Additional upgrades to be made at neighboring Colt Park.	\$10m	\$10,000,000	FY17 Neighborhood	CRDA to oversee renovations and hold construction contracts. Work at Dillon to be done in conjunction with Hartford Sports Group (HSG) and their architect. Scope of Colt Park renovation to be developed in conjunction with City of Hartford.	1/12/2018	2/8/2018	2/16/2018	Games began 7/13/19
Charter Oak Health Center	Renovation of vacant building into specialty health clinic	\$1.9 m	\$450,000	FY 16 General	Grant for exterior work, historic restoration & site work	NA	6/21/2018	9/20/2018	Construction completed
690-714 Albany Ave.	Renovation of 8 unit / 3,500 sf storefront bldg	\$3.8m	\$2,500,000	FY16 General	Equity investment in renovation	NA	6/21/2018 3/21/2019	7/25/2018	On hold
Quirk Middle School / PAL	Renovation of former middle school	\$7.5m	\$7,500,000	\$3.9 = FY16 General \$3.6 = FY16 Neigh (PZ)	Includes \$500,000 for implementation of Neighborhood Security Fellows training program			7/25/2018	Construction underway
Heritage Home	Assistance via NINA to increase home ownership in Asylum Hill area	TBA	\$2,500,000	FY17 Neighborhood	Loans and grants	5/11/2018	5/24/2018	6/1/2018	Construction underway.
Riverfront Recapture	Phase I development of extension to Hartford Riverwalk north of Riverside Park		\$1,000,000	FY15 Neighborhood	Grant-in-Aid			9/20/2018	Bridge loan repaid; Property acquired; Design contract executed;

\$35,330,000

5/18/2020

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Finance

Financial Update – May 2020

Fiscal Year 2020 Operating Statistics

CT Convention Center – March/April 2020

Apr. stats: 178 event days held YTD with YTD attendance at 229,500
Mar. financials: Event revenue \$135,000 unfavorable to budget
Facility maintenance expenses \$86,000 unfavorable to budget
Net Income \$87,000 unfavorable to budget
Total year projection \$1,794,500 unfavorable 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 – March/April 2020

Apr. stats: Utilization at 79% unfavorable to budget by 1%
Monthly rate customers unfavorable to prior year by 800 at 31,800 YTD
Transient customers unfavorable to prior year by 88,700 at 313,800 YTD
Mar. financials: Revenue unfavorable to budget by \$349,000
Expenses favorable compared to budget due to utilities and snow removal savings
Net Income \$137,000 unfavorable to budget
Total year projection \$1,053,800 unfavorable 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 - March/April 2020

Apr. stats: Utilization 3% favorable to budget at 75%
Monthly rate customers favorable to budget by 525 at 11,600 YTD
Transient customers unfavorable to budget by 4,100 at 9,300 YTD
Mar. financials: Revenue unfavorable to budget by \$12,000
Expenses favorable compared to budget due to utilities and snow removal savings
Net Income \$14,000 unfavorable to budget
Total year projection \$658,000 unfavorable 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 - March/April 2020

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

Mar. financials: Event revenue \$859,000 unfavorable to budget, of which \$697,000 is attributed to a lower than budgeted number of concerts and two underperforming concerts, \$99,000 is attributed to unfavorable attendance at UCONN basketball, \$167,000 is attributed to family events, and the remaining favorable variance of \$104,000 is attributed to the USA women's basketball and hockey games held

Hockey operations \$145,000 unfavorable to budget

Operating expenses \$796,000 favorable to budget due to event operating expense savings as well as savings in personnel due to vacant positions

Other income \$184,000 unfavorable to budget due to lower sponsorship renewals

Net income \$393,000 unfavorable to budget

Total year projection \$1,703,500 unfavorable to budget

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

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

Mar. financials: Event revenue \$357,000 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 \$100,000 favorable compared to budget due to personnel and maintenance savings

Net income \$23,000 unfavorable to budget

Total year projection of \$936,000 loss unfavorable to budget by \$399,000

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 opened for 2020 season on May 2

Selected Property Management company

Capital repairs and improvements continuing

CRDA operating budget effective January 1, 2020

Mar. financials: Operating revenue of \$210,143 even with budget

Operating expenses of \$100,710 favorable to budget due to savings in facility mgmt. fee, snow removal, and repairs & maintenance

Net income of \$109,433 favorable to budget by \$90,863

Dillon Stadium – Calendar Year - April 2020

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

Mar. financials: Operating expenses of \$60,300 (24% of revised annual budget)

Capital reserve balance: \$21,000

Venues' COVID-19 related issues

Mgmt. companies working with event promoters, leagues, and schools for event programming

CRDA working with mgmt. companies on re-opening procedures and capital requirements

CRDA working with OPM on venue cash flow requirements

Venues' Projected State Tax Loss Impact due to COVID-19 (Mar.13 through Jun. 30)

Impact by Tax Type

Employer Payroll Tax	\$ 47,449
Sales & Use Tax	\$365,951
State Admissions Tax	<u>\$497,204</u>
Total Taxes	\$910,604

Impact by Venue

Convention Center	\$199,914
Parking Facilities	\$ 70,883
XL Center	\$511,552
Rentschler Field	\$108,250
Church St Garage	<u>\$ 20,005</u>
Total Taxes	\$910,604

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 budgets with CRDA staff and Venue staff (June)
4. Full Board presented budgets for authorization (June 18)

Venue



MEMORANDUM

TO: Mike Freimuth, Executive Director, CRDA

FROM: Mike Costelli, General Manager, CT Convention Center

DATE: 5/19/2020

RE: Re-Opening Considerations

Mike,

The following is a sampling of some of the issues and concerns we are currently addressing in preparing for re-opening the building.

Please keep in mind it is not all encompassing, as there are many other items and protocols that we are considering. As well as awaiting further State mandated requirements specific to the Meetings and Facilities Industry.

I. Staff

- Documentation for return to work (liability, confirmation of training, etc.)
- Training Plan (overall and department specific)
- PPE requirements
- Scheduling (ramp up based on business requirements, etc.)
- Determine what associates may not be ready to return
- Breakroom, restroom, locker room protocols
- Evaluate time clock (currently touchscreen)
- Evaluate potential uniform challenges

II. Building/General

- Signage for Covid specific issues
- Appropriate protocols for entrances and exits
- Public space furniture (placement and type)

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- Capital Investment Plan (UV lights for escalators, air quality control, automatic doors, function room tables, cleaning equipment, etc.)
- Review all new and developing State mandated requirements
- Develop S.O.P. for public access (temperature taking, liability releases, etc.)
- Develop new staffing levels for required cleaning and policing of Covid specific regulations
- Develop new room capacities
- Traffic patterns for public space
- Review any new necessary requirements and certifications for outside third-party contractors

III. Sales

- Client contact (ensure communication)
- Handling of contracted space changes based on new requirements
- Food and Beverage changes (menus, minimums, guarantees, etc.)
- Increased costs due to new protocols (what is appropriate to be passed along vs. absorbed)
- Evaluate marketing plan (trade shows, travel, etc.)
- Current rental agreements (may require additional language to address new concerns)
- Rental rates
- Food and Beverage minimums (need to adjust)
- Room capacities and set style
- Booking of short-term business policy (what is realistic)
- Payment and deposit schedules (due dates)
- Review plans with all partners (Hotels, CTCSSB, etc.)

IV. Food and Beverage

- Equipment needs
- Service requirements (plate covers, service ware, pre-sets, etc.)
- Menus (no more buffets?)
- Concessions (how to service, packaging, POS, etc.)
- Booth services (show floor)
- Bars (spacing, cash management, containers, ice, etc.)

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May 21 CRDA Board Meeting

XL Center / Pratt & Whitney Stadium / Dillion Stadium

Below is a snapshot of some of the considerations and operational areas we are focusing on as we develop our plan for reopening the venues. As guidelines are recommended/mandated, our plan will adjust accordingly.

- A. Parking
 - a. Lot time openings
 - b. Tailgating/gathering in lots
 - c. Parking configuration adjustments
 - d. Parking lot staff and use of proper PPE and/or use of Plexi booths; Additional training
- B. Guest Ingress
 - a. Considering assigning entrances based on ticket/seat location
 - b. Utilize ground markings/signage/stanchions to promote distancing while patrons wait for entry
 - c. Utilization of every other door to add to distancing during ingress; prop doors open where possible to reduce touch points
- C. Security Screening/Guest Experience
 - a. Staff training regarding new guidelines
 - b. Adjustments to mag/security checkpoints and set up
 - c. Bag Policy and touch point reduction
 - d. Floor markings and signage to maintain patron distancing as lines form
 - e. Proper Staff PPE and Training
 - f. Patron Sanitizing locations and Sanitizing teams/staff assigned to specific areas
- D. Concourse Management
 - a. Concourse patron traffic flow and management
 - b. Use of stanchions, particularly in front of concessions, to assist with lines and proper distancing
 - c. Elevator management/protocols
 - d. Adjustment to typical concourse patron congregation locations (including typical foob/bev service points)
- E. Seating Bowl
 - a. Model scenarios/event seating with distance seating
 - b. Management of seats in the event we are using a distancing model
 - c. Adjust protocols to address congestions at top of down aisles
- F. Merch
 - a. Line management/stanchions/ signs
 - b. Touchless payment options
 - c. Staff PPE and distance training
- G. Food/Bev/Lounges
 - a. Menus; considering single use and/or digital
 - b. Limit touch points between staff and patron

- c. Considering Plexi partitions at concessions
- d. Staff Training (focus on hygiene and sanitation); Appropriate PPE
- e. Tables/chairs at dining locations
- f. Packaged products (condiments, beverages, utensils, etc)
- H. Cleaning Protocols
 - a. Cleaning Logs
 - b. New policies, procedures, equipment
 - c. Staff training
 - d. Increased cleaning staff pre, during and post event
 - e. Certification program
- I. Guest Initiatives
 - a. Communication on new policies
- J. Building Infrastructure
 - a. Enhancements to air quality/HVAC
 - b. Increased signage
 - c. Escalators/UV handrails
 - d. Room capacity adjustments
 - e. Reduction in touch points (doors, touchless payments, etc)
- K. Employee Initiatives
 - a. Guidelines/education/training on ways to reduce risk
 - b. Exposure protocols; Sick protocols
- L. Ticketing
 - a. Delivery method for tickets
 - b. Ticket scanning/purchasing
 - c. Staff/Sellers PPE
- M. Marketing
 - a. Communication Plan
- N. Sales Opportunities
 - a. New revenue opportunities/sponsorship activation opportunities

2020/21 Event Outlook

- AHL
- UConn
- Concerts
- Family Shows
- Other

Regional Projects

CRDA Redevelopment Projects

Project	Description	Promise Zone?	TDC	CRDA Amount	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Park & Main (South Green)	Development of 108 units of market-rate housing and related retail/commercial space	N	\$25.9m	\$ 8,400,000	Loan at 3% interest amortizing over a 20-year term		9/20/2018	9/20/2018	City Council has approved; Closing documents being prepared
DoNo - Housing	Construction of 150-200 apartments on DoNo Parcel C and Demolition of City-owned building on Parcel D	N	\$45.9m	\$ 12,000,000	Loan at 3% interest amortizing over a 20-year term		9/20/2018	9/20/2018 12/11/2018	Code study and water testing completed. Dive team to conduct video inspection of partially-flooded garage lower level.
DoNo - Healthy Hub	Grocery Store	N	\$22.7m	\$8,500,000	Loan and cash flow note		9/20/2018	9/20/2018	Site selection process underway
DoNo - Arrowhead Block	Establishment of fund to assist neighborhood property owners with exterior refurbishments	N	-	\$4,000,000	Loan and equity		9/20/2018	9/20/2018	Prioritization of projects underway with City

5/18/2020

\$ 32,500,000

CRDA Regional and Economic Development Projects

Project	Description	TDC	TDC Per Unit	CRDA Managed Amount	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Hartford Regional Market	Planning & design for redevelopment & improvements		n/a	\$1,050,000	Grant-in-aid			7/25/2018 12/13/2018	Farmers Market opened 5/2 to smaller crowds; COVID-19 / social distancing challenges being addressed; New property manager selected via RFP; Formal leases distributed to exiting tenants.
Front Street District	Paving & crosswalk improvements at Front/Columbus intersection, storm drainage improvements and waterproofing & related garage improvements at Front St. North Garage		n/a	\$3,000,000	Direct CRDA expenditure			7/25/2018	Garage storm drain improvement work was scheduled to start Spring of 2020.
East Hartford - Showcase Cinemas	Acquisition, demolition and redevelopment of former multiplex site		n/a	\$12,000,000	Grant-in-aid			7/12/2016 6/1/2018	Demolition complete Town to issue RFP for developer shortly;
East Hartford - Drainage Improvements near Goodwin College	Installation of new drainage lines to accommodate new development in Goodwin area		n/a	\$4,000,000	Grant-in-aid		6/21/2018	7/25/2018	Phase I and Phase II work expected to be completed September 2020
East Hartford - Silver Lane Improvements	Installation of new sidewalks, crosswalks and streetscape improvements recommended in CRCOG Silver Lane study		n/a	\$1,011,887	Grant-in-aid (Balance of funds given to OPM for EBNB project)			4/4/2009	Sidewalk design complete. Easement maps to be drafted, along with DEEP Flood Management Cert application for ped bridge over Willow Brook
East Hartford - Founders Plaza	Master Planning & Garage design to allow for residential development in area		n/a	\$500,000	Grant-in-aid			6/1/2018	Discussions continue with Town, developer planning consultants and CRDA
East Hartford - Great River Park	Improvements to Great River Park, including repairs & improved access to and within the park, particularly for disabled visitors		n/a	\$1,340,000	Grant-in-aid			9/20/2018	Agreements signed with Riverfront Recapture. Pre-con meeting to be scheduled shortly.
East Hartford - Neighborhood Property Improvements	Abatement and demolition of four blighted structures, including a former Town fire station and three residential properties		n/a	\$ 1,000,000	Grant-in-aid			9/20/2018	MOU signed with Town.
East Hartford - Horizon Mall	Infrastructure improvements and site work for outlet mall		n/a	\$ 12,000,000	Urban Act Grant		9/15/2016	7/12/2016	Mall development cancelled 3/18
Newington - National Welding Site	Administration of abatement and demolition of site; Assistance with development of site	TBD	n/a	\$ 2,000,000	DECD Brownfields Grant		1/15/2013	n/a	Town pursuing TOD zoning & train station
Wethersfield - 1278 Silas Deane ("The Border")	Construction of 120 housing units	\$27m	\$225k	\$ 5,000,000	Urban Act Grant		n/a	9/30/2016	Certificate of Occupancy expected around 5/31/20; Leasing effort underway.
Bushnell South Garage	Garage	\$17m	N/A	\$17,000,000	CRDA Prop.			9/20/2018	Design docs complete; Environmental remediation in late May; Concrete foundations in early June; Substantial completion by 1/5/21.
Parkville Market	Community Market	\$5.1m	N/A	\$3,500,000	Construction / Bridge Loan		12/20/2018	1/10/2019	Certificate of Occupancy received. Self opening for family & friends on 5/13

Executive Director

MANAGEMENT SERVICES FOR THE CT REGIONAL MARKET

Selection Process:

- A formal public Request for Proposals (“RFP”) for management services at the Connecticut Regional Market was issued on February 26, 2020.
- CRDA received one (1) submission; however, the proposal was reviewed by staff and deemed acceptable. The proposal is from the RM Bradley Management Corporation and comprised the following terms and conditions:

Terms & Conditions:

- Fee – The greater of 4% of Collected Gross Revenue or \$3,000 per month. Additional maintenance personnel will be dispatched, as needed, for an hourly charge of Eighty Dollars (\$80).
- Property Management Functions - Monthly accounting services, property manager allocation, preparation of service contracts with third party vendors, and general oversight of the property.
- Duration – The term of the proposed agreement is three (3) years.

MOTION

The CRDA Board of Directors hereby authorizes the Executive Director to negotiate and execute a Service Agreement with RM Bradley Management Corporation on the terms and conditions presented above.

CRDA Initiatives/Project Updates

Regional/Economic Development

- E. Hartford - Founders Plaza planning conversations continue with developer, town, planners, CRDA
- E. Hartford - Silver Lane/Theaters - RFP for developer to be issued shortly by Town
- Windsor Locks - rail station funds approved, CRDA working with Town regarding TOD project and federal funding
- W. Hartford - MOU to work with the community on several projects in discussion, Mayor to meet with CRDA board at future date
- Wethersfield - first phase of Silas Dean/The Borden project in lease up
- Swift - lease up issues due to reversal of two tenants exist

Markets

- Parkville market achieved certificate of occupancy and had soft opening for family and friends (May 13)
- Regional Agriculture Market: farmers market opened to smaller crowds May 2, social distancing/parking/COVID operational changes
 - Longer term redevelopment program in planning with various size, pricing, physical location issues being tested
 - Property management RFP and contract award
 - Formal leases distributed to existing tenants

Housing

- 690 Albany project (8 units) on hold
- Overall portfolio: Rents/occupancy levels held through month of April
- Projects in construction that targeted Spring 2020 lease up are of mixed impact
 - 28 High and 103 Allyn - COVID related construction delays impacting lease up revenue forecast
 - 101 Pearl came on later than expected, slower lease up but higher rents than initially forecast, strong leasing in early May
 - Colt North Armory, received c/o April 1, over 58% leased in one month
- 289 Asylum Ave - fully leased (converted from condo format), construction loan needs to be reworked into perm financing
- New projects being explored in Colt Park area, Parkville, Albany Ave
- Closing table: Park/Main; Colt "U", DoNo Parcel C

Budgets

- All venue operating budgets being stressed tested....each budget line being re-analyzed - zero based budget approach
- COVID related operating changes may impact capital budgeting prior to re-opening

Other Initiatives

- Expansion of UConn campus into city's innovation tech program
- CRDA participation with City of Hartford arts/culture re-opening
- Renewal of UConn agreements for XL
- XL design work
- By Law changes, operational policies under review per Quasi Agency directives
 - Bushnell South redevelopment
 - garage under construction
 - Initial planning effort with Spinnaker, Bushnell, City, CRDA underway
- New Market Tax Credit

Miscellaneous

Hartford apartment leasing slowed by COVID-19 crisis

By Joe Cooper

A pair of long-awaited apartment conversion projects in downtown Hartford wrapped up in recent weeks, adding more than 300 new living units to the center city's steadily growing residential market.

However, the early April debuts of Spectra Pearl at 101 Pearl St. and the North Armory at Colt Gateway were overshadowed as COVID-19-related business closings caused financial uncertainty for some prospective renters and marketing challenges for building operators.

Leasing at both properties has been slower than initially projected this spring, landlords say, as a handful of potential deals with residential and commercial tenants fell through due to the public health emergency.

HBJ Photo | Joe Cooper

Spectra Pearl at 101 Pearl St. in downtown Hartford.

"The challenge is it's still a secret. A lot of people don't know it's done because there aren't feet on the street now," said Jeffrey D. Ravetz, principal of New York City developer Girona Ventures, referring to the completion of the 101 Pearl St. apartments.

Girona partnered with Wonder Works Development and Construction Corp. in the \$50-million conversion of the former office buildings at 101 and 111 Pearl St. into apartments. They also own hundreds of other apartments downtown on Trumbull Street and Constitution Plaza, all under the Spectra banner.

It only took six months to lease up the 101 studio, one- and two-bedroom units at 111 Pearl St., which debuted just over a year ago.

Because that building leased quicker than anticipated, Ravetz said he expected the 157 units at 11-story 101 Pearl St. to be fully occupied by this fall. But that likely won't happen since it has 20 apartments, or 13% of all units leased.

"When we leased 111 Pearl St. we leased it during what we viewed to be a challenging period," Ravetz said of disruptions on-site caused by ongoing construction at neighboring 101 Pearl. "101 should have at least been able to lease up at the same rate of six months."

Photo | Contributed

A lobby at 101 Pearl St.

Ravetz said three prospective commercial tenants, including at least one food-oriented business, were negotiating lease terms to occupy most of the 15,400 square feet of retail space at 101 and 111 Pearl, but those deals have been put on ice.

"We had three tenants that had other locations and wanted to be in the epicenter of downtown Hartford and our projects were going to have 258 tenants right on top of their heads," Ravetz said, noting that he's still bullish on future leasing. "At some point this will be further and further in our rear-view mirrors and we will be in better times."

Colt Gateway, the final piece of a \$120-million redevelopment of the former Colt gunmaking facility adjacent to Interstate 91 on Huyshope Avenue, has experienced similar leasing challenges.

"Ashley Percy, a leasing manager at Colt Gateway, says the property has leased 26 of the 48 studio, one- and two-bedroom units at the five-story North Armory building. That hasn't met leasing goals, but Percy said she's still pleased with the level of inquiries for space at the North Armory, converted for \$14 million by the development team of Hartford-based CG Management Co. and majority partner Chevron Corp.

"Without COVID-19 we were hoping to be 90% leased by June," she said. "But it really hasn't impacted us the way I thought it would. We've been able to lease a couple units a week, and we are still getting good traffic."

Photos | Contributed

The North Armory at Colt Gateway apartments debuted in early April.

Leasing, marketing during a pandemic

Colt Gateway and Spectra Pearl are turning to virtual marketing strategies to promote available apartments via social media, email, videoconferencing and other online marketing tools. In-person tours, at a safe social distance, are also provided upon request.

Colt's North Armory, which compliments 129 apartment units at the complex's South Armory, has implemented new maintenance protocols that involve regular deep cleanings of the property. Other rule changes include staggering move-in dates to ensure incoming residents are not sharing common areas, stairwells or elevators, Percy said.

The Colt complex is usually busy this time of year with commercial tenants that include insurance-software and services provider Insurity and Hooker Brewery. But the property is much quieter now that nonessential businesses there are either closed or working remotely.

"I definitely think things are slower around our community," Percy said. "There's definitely a different vibe around the property but still good."

At 101 Pearl, Spectra is also adopting new rules for cleaning common areas, a two-floor fitness center and a 6,000-square-foot rooftop lounge that houses outdoor and indoor seating, a kitchen and outdoor theater area. Other common area amenities being maintained include a bocce court, art studio, pet spa, meditation room, yoga studio and virtual golf/hockey/baseball simulator.

Amenity spaces at Spectra apartments, now equipped with hand sanitizer stations and wall signs announcing maximum capacity rules, are expected to be available again the same day Connecticut plans to gradually reopen the state — May 20.

"I know that my cleaning expense is going way up," Ravetz joked. "Amenity spaces used to be a big attraction. Now it's a little complicated."

Spectra also continues to rely on virtual, self-guided tours, which it typically only used for tenants coming from overseas or out of state, said senior property manager Laurie Waddell.

Although leasing at 101 Pearl has been more modest than expected, Waddell said overall inquiries are up, in part, because people are hoping they

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will get a discount on rent during the pandemic. Spectra is also fielding numerous calls from New York City residents looking for three-month leases to flee Manhattan until the COVID-19 crisis subsides.

Waddell said several New York residents have signed leases at Spectra properties downtown, including at least one healthcare worker.

"We are seeing more leads than we did at the same time last year," she said, adding that lease renewals are also up year-over-year. "We definitely see people wanting a deal."

Joe Cooper is HBJ's web editor and real estate writer. He pens "The Real Deal" column about commercial real estate.

Colt, 101 Pearl apartment rents

The North Armory at Colt has 16 studios, 20 one-bedroom and a dozen two-bedroom units. Units are leasing between \$1,195 for studios and up to \$2,350 for the largest two-bedroom apartments.

101 Pearl St. has 121 studios, 35 one-bedroom units and one, two-bedroom unit. Rents range from about \$1,000 for studios up to roughly \$2,000 for the largest two-bedroom unit.

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