

Capital Region Development Authority

100 Columbus Boulevard

5th Floor

Hartford, CT 06103

Thursday, May 21, 2020

3:00 pm – Conference Call

(The Board Meeting was held via GoToMeeting with public access)

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Erik Johnson; Joseph Giuliatti; David Jorgensen; Alexandra Daum; Konstantinos Diamantis; Seila Mosquera-Bruno; David Robinson

Board Members Absent: Mayor Marcia Leclerc; Joanne Berger Sweeney

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

Guests: Ben Weiss, General Manager, XL Center/Pratt & Whitney Stadium/Hartford Wolf Pack Business Operations - Spectra Venue Management
Michael Costelli, General Manager, CT Convention Center – Waterford Venue Management

Minutes

The minutes of the April 16, 2020 CRDA Board Meeting were moved by David Robinson, seconded by Andy Bessette and approved on May 21, 2020.

Housing & Neighborhood

Erik Johnson noted that the Committee had not met but that it will soon convene to discuss several projects impacted by COVID issues.

Finance

CRDA CFO Joseph Geremia reported on the following 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 svgs
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)

<u>Impact by Tax Type</u>		<u>Impact by Venue</u>	
Employer Payroll Tax	\$ 47,449	Convention Center	\$199,914
Sales & Use Tax	\$365,951	Parking Facilities	\$ 70,883
State Admissions Tax	\$497,204	XL Center	\$511,552
Total Taxes	\$910,604	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 3, 2020)
4. Full Board presented budgets for authorization (June 18)

Venue

Michael Freimuth introduced Ben Weiss from Spectra Venue Management to give Board members insight into guidelines for reopening the venues including XL Center/P&W Stadium/Dillon Stadium.

Below is a snapshot of some of the considerations and operational areas that are the focus of how a plan is being developed for reopening the venues. As guidelines are recommended/mandated, the plan will be adjusted 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

Michael Freimuth introduced Mike Costelli from Waterford Venue Services to present some of the re-opening considerations for the CT Convention Center.

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)
- 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, CTCSB, 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.)

Executive Director Report

Joseph Geremia gave a brief explanation regarding the selection of a property manager to handle the day to day operations at the CT Regional Market.

The process and terms and conditions are outlined below:

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.

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

“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.”

Michael Freimuth highlighted a few projects:

- Planning exercises on Founders Plaza are underway
- Working on Silver Lane improvements through Bob Saint’s office continues
- Windsor Locks train station was approved/ CRDA has been working with the town on redevelopment options of the Train station.
- West Hartford – CRDA is engaged with West Hartford for a possible project. The Mayor would like to present to the Board in the near term.
- Wethersfield – the first phase has opened up
- Parkville Market – had a soft opening
- Regional Ag Market – Farmer’s Market is open
- 690 Albany – currently on hold
- 101 Pearl – construction difficulties delayed leasing
- Allyn St – project is running late
- High Street – project is running late
- Colt North Armory - is leasing

Other:

UCONN/CRDA – CRDA is in communication with UConn to increase their participation in encouraging new innovative tech start-ups in downtown Hartford.

UConn Athletics – CRDA is working with UConn Athletics in an effort to get some understanding of their calendars for next year and structuring a new long-term relationship with XL.

By-laws – CRDA will need to take on some new by-laws as a result of contemplated Quasi-agency rule changes and directives.

Construction Update

Bob Saint presented a brief update on some construction projects:

High Street - moving along, project has been impacted by delivery issues

East Hartford drainage – progressing

Bushnell garage – progressing

Quirk West - out to bid

Bracket – attempting to get site work to advance on the road at Brackett

XL chiller replacement – working hard to try to make ice in September

Adjourned 3:50pm.

The minutes of the May 21, 2020 CRDA Board Meeting were moved by David Jorgensen, seconded by David Robinson and approved at the June 25, 2020 CRDA Board Meeting.