

Agenda
CRDA Board Meeting
Thursday, September 17, 2020

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

Go-To-Meeting

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|-----------------|--|
| 3:00pm – 3:05pm | <ul style="list-style-type: none">● Call to Order & Minutes<ul style="list-style-type: none">- Draft Minutes June 25, 2020 * |
| 3:05pm – 3:10pm | <ul style="list-style-type: none">● Mayors Reports |
| 3:10pm – 3:30pm | <ul style="list-style-type: none">● Audit & Annual Report Adoption<ul style="list-style-type: none">- FY2019-20 Audit Report – Presented by Cohn Reznick<ul style="list-style-type: none">· CRDA and Rentschler Field Stadium- Annual Report * |
| 3:30pm – 3:55pm | <ul style="list-style-type: none">● Venue Update<ul style="list-style-type: none">- Budget & Operations Proposed Changes- Rentschler<ul style="list-style-type: none">· MLS Agreement- Dillon Stadium- Connecticut Convention Center- XL Center |
| 3:55pm – 4:00pm | <ul style="list-style-type: none">● Finance Report<ul style="list-style-type: none">- Monthly Financial update |
| 4:00pm – 4:10pm | <ul style="list-style-type: none">● Housing & Neighborhood Committee<ul style="list-style-type: none">- COVID related Loan modifications *- Allocation<ul style="list-style-type: none">· Pratt St. Initiative<ul style="list-style-type: none">◦ Phase II - Temple St. (new allocation) *◦ Phase I - 99 Pratt/196 Trumbull St. (modification) * |
| 4:10pm – 4:15pm | <ul style="list-style-type: none">● Regional & Economic Development Committee<ul style="list-style-type: none">- Regional Market Leases |
| 4:15pm – 4:30pm | <ul style="list-style-type: none">● Executive Director<ul style="list-style-type: none">- NMTC Application Grant *- CUP - EMCOR Extension- Bushnell South- planning effort- Bushnell South Parking Garage- Front Street - Ted's Closing- Construction update |
| 4:30pm | <ul style="list-style-type: none">● Adjourn |

DRAFT
Minutes

June 25, 2020

**Capital Region Development Authority
100 Columbus Boulevard
5th Floor
Hartford, CT 06103
Thursday, June 25, 2020
(reschedule from June 18, 2020)
3:00 pm – Conference Call**

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

Board Members Present: Chairwoman Suzanne Hopgood; Mayor Luke Bronin; Joseph Giuliatti; David Jorgensen; Alexandra Daum; Seila Mosquera-Bruno; David Robinson; Mayor Marcia Leclerc

Board Members Absent: Andy Bessette; Joanne Berger Sweeney; Melissa McCaw

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

Guests: Mayor of West Hartford Sherri Cantor; Town Manager of West Hartford Matthew Hart

Minutes

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

West Hartford Presentation

Mayor Cantor, along with Mr. Hart introduced themselves and provided a brief introduction about the Town of West Hartford. The town is considering the purchase of the former UConn Campus and would like CRDA to consider possibly working with the town to develop the site in the future.

Finance

CRDA CFO Joseph Geremia reported on the following June 2020 Financial Operating Statistics and the CRDA 2020 Budget Summary with Executive Director Michael Freimuth also commenting.

CT Convention Center – April/May 2020

May stats: 178 event days held YTD with YTD attendance at 229,500
Apr. financials: Event revenue \$615,000 unfavorable to budget
Expenses \$234,000 favorable to budget with facility maintenance unfavorable to budget offset with savings in personnel due to furloughed staff
Net Income \$381,000 unfavorable to budget
Total year projection \$1,099,200 unfavorable to budget

Cash Flow: Payables aged at 120 days
CRDA advance of \$750,000
Cash flow to last to early Sept. if FY21 appropriation available in July

CRDA Parking Facilities – April/May 2020

May stats: Utilization at 75% unfavorable to budget by 5%
Monthly rate customers unfavorable to prior year by 1,500 at 33,700 YTD
Transient customers unfavorable to prior year by 125,800 at 314,600 YTD
Apr. financials: Revenue unfavorable to budget by \$740,000

Expenses \$356,000 favorable compared to budget due to savings in utilities, snow removal, and personnel due to furloughed staff
Net Income \$384,000 unfavorable to budget
Total year projection \$954,900 unfavorable to budget

Church Street Garage - April/May 2020

May stats: Utilization 2% favorable to budget at 74%
Monthly rate customers favorable to budget by 345 at 12,500 YTD
Transient customers unfavorable to budget by 6,300 at 8,500 YTD
Apr. financials: Revenue unfavorable to budget by \$112,000
Expenses \$28,000 favorable compared to budget due to savings in utilities, snow removal, and personnel due to furloughed staff offset with increased facility maintenance
Net Income \$84,000 unfavorable to budget
Total year projection \$224,000 unfavorable to budget

XL Center - April/May 2020

May stats: 101 event days held YTD with YTD attendance at 424,500
Apr. financials: Event revenue \$1,078,000 unfavorable to budget, of which \$799,800 is attributed to a lower than budgeted number of concerts and two underperforming concerts, \$99,100 is attributed to unfavorable attendance at UCONN basketball, \$88,400 is attributed to family events, with the remaining unfavorable variance attributed to F&B over all events, offset slightly with a \$104,300 favorable variance attributed to the USA women's basketball and hockey games held
Hockey operations \$214,700 unfavorable to budget
Operating expenses \$931,300 favorable to budget due to event operating expense savings as well as savings in personnel due to vacant position furloughed staff
Other income \$231,400 unfavorable to budget due to lower sponsorship renewals
Net income \$592,800 unfavorable to budget
Total year projection \$1,449,300 unfavorable to budget

Cash Flow: Payables aged at 150 days
CRDA advance of \$750,000
Cash flow to last to mid-August if FY21 appropriation available in July

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

May stats: 84 event days held YTD with YTD attendance at 86,700
Apr. financials: Event revenue \$398,900 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 \$156,000 favorable compared to budget due to personnel and maintenance savings
Net income \$264,500 unfavorable to budget
Total year projection of \$903,700 loss unfavorable to budget by \$365,900

CT Regional Market

Stats: 82 warehouse units and restaurant – Occupancy: 78% with 13 tenants
Activity: Farmers' Market opened for 2020 season on May 2
Property Management company to start in July
Capital repairs and improvements completed with available funds
CRDA operating budget effective January 1, 2020
Apr. financials: Operating revenue of \$262,900 even with budget

Operating expenses of \$142,400 favorable to budget due to savings in facility mgmt. fee, snow removal, and repairs & maintenance
 Net income of \$120,500 favorable to budget by \$95,700

Dillon Stadium – Calendar Year - April 2020

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

Apr. financials: Operating expenses of \$71,200 (28% actual vs. 33% of revised annual budget)

Capital reserve balance: \$21,000

Fiscal Year 2021 Budgets

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)
4. Full Board presented budgets for authorization (June 25)

CRDA State Appropriation Allocation Request

	<u>CRDA</u>	<u>CTCC ¹</u>	<u>XL Center ²</u>	<u>Total</u>	<u>Rentschler³</u>
FY21 Appropriation	\$1,390,821	\$6,379,875	\$4,796,198	\$12,566,894	\$952,098
FY20 Appropriation	\$1,390,821	\$4,058,300	\$800,000	\$6,249,121	\$537,776

¹ - CTCC funding includes convention services subsidy program funding of \$50,000.

² - XL Center funding supplemented with \$1M of excess revenues from Church St garage.

³ - P&W Stadium at Rentschler Field financial results are reported within the operations of the Office of Policy and Management contained in the Consolidated Financial Statements for the State of Connecticut and are not included within the Financial Statements of CRDA.

CT Convention Center FY21 Operating Budget: \$6,329,875

The Connecticut Convention Center net event revenues through building rental income and through event services income for rental of equipment and decorating. The remaining net event revenues represents net food and beverage income with catered events representing 85% and concession income representing 15%.

Expenses are divided into operating expenses, fixed costs, and debt service. Operating expenses consists of all payroll-related expenses as well as administrative, financial, marketing, and security. Fixed costs consist of maintenance, utilities, insurance, and management fees.

FY21 Net Operating Loss of \$6,329,875 without CRDA appropriation.

FY20 Projected Net Operating Loss of \$4,907,875.

Convention Services Subsidy Program FY21 Operating Budget (expenses): \$157,500

Contractual event subsidies are used at the CT Convention Center as a marketing tool to draw business to the city and the Convention Center that has significant economic impact to the state. The event inducements, or event subsidies, or event rebates, are used by groups to offset expenses such as transportation, convention center costs or marketing of the convention. There are guidelines on their use and a formal approval process within the convention center and CRDA.

The convention subsidy program is funded through three sources. The program receives a state appropriation subsidy, parking subsidy from the CRDA Parking Facilities due to the increased revenue generated by booking these city-wide events, and interest income.

FY21 Net Operating Loss of \$68,500
FY20 Projected Net Operating Gain of \$170,242

Front Street District FY21 Operating Budget: \$12,271

The Front Street district is funded through two sources. The district receives PILOT revenues from HB Nitkin, the district's retail operator, and rental revenue for space owned by CRDA. Operating expenses consists of insurance, median and bridge maintenance, utilities, snow removal, and misc. expenses.

FY21 Net Operating Gain of \$12,271
FY20 Projected Net Operating Gain of \$437

The operations and budgets for the Central Utility Plant, CRDA Parking Facilities, and Bond Indenture/Trustee budgets are related to the economic activity generated by the CT Convention Center. Their revenues are netted together with excess funds sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

Central Utility Plant (CUP) FY21 Operating Budget (expenses): \$2,887,397

The central utility plant ("CUP") is governed by an energy sharing agreement, administrated by CRDA, between the Connecticut Convention Center, the Marriott Hotel and the Connecticut Science Center whereby each party is required, among other things, to fund a certain portion of the CUP's operations, debt service and capital needs.

FY21 Net Operating Gain of \$0
FY20 Projected Net Operating Gain of \$0

CRDA Parking Facilities FY21 Operating Budget: \$3,362,602

The CRDA Parking Facilities include the garages located at the Connecticut Convention Center, the Connecticut Science Center, and the two garages on Front Street, Front Street North and South garages. These garages generate revenues through monthly parking contracts, employee parking, and residential parking contracts. Additional revenues are generated through convention center and hotel events, transient parking, and parking along Front Street.

FY21 Net Operating Gain of \$3,362,602
FY20 Projected Net Operating Gain of \$3,755,930

Bond Indenture/Trustee FY21 Operating Budget: \$3,193,734

Revenues from the CRDA Parking Facilities and the CUP are deposited with the Trustee. CRDA then allocates a Board-approved budget to fund the expenses of the operations, capital needs, and the costs associated with the bond debt service. Of these funds, \$960,000 is allocated towards the 5-year capital plan of \$4.5 million. Excess funds are sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

FY21 Net Operating Gain of \$2,615,005
FY20 Projected Net Operating Gain of \$3,193,734

CT Regional Market FY21 Operating Budget: \$26,841

The Regional Market is funded through three sources. The market receives lease revenue for refrigerated agricultural space, farmers' market fees, and billboard revenue. Operating expenses consists of maintenance, utilities, security, facility management fees, and transitional expenses as well as expenses associated with the farmers' market and costs associated with one full-time DoAg employee.

FY21 Net Operating Gain of \$26,841
FY20 Projected Net Operating Gain of \$135,917

CRDA Office FY21 Operating Budget: \$26,918

The CRDA office is funded through numerous sources. The Authority receives a state appropriation, program administrative fees through its management of capital projects at its venues and throughout the region as well as origination fees through the residential housing program. The Authority also generates interest on its residential housing loans as well as accrued interest on its residential housing loans and non-residential housing investments due to the Authority in the future.

Expenses are for payroll and benefits which is transferred to the State Treasurer and fees including legal, auditing, information technology, and consulting. Administrative expenses also include insurance and office expenses which includes marketing, telephone, and office supplies.

FY21 Net Operating Gain of \$26,918
FY20 Projected Net Operating Loss of \$20,281

XL Center FY21 Operating Budget: \$5,796,198

The XL Center generates operating revenues through rental income, ticket fees, and ancillary income comprised of food and beverage income and from novelty and club income. Net ticket revenue is not retained by and is not reflected in the venue's financials. Events held at the XL Center include concerts, UCONN men's and women's basketball, UCONN hockey, misc. sporting events, and family events. The AHL hockey operations are recorded as a net subsidy.

Operating expenses are facility overhead costs as well as administrative, financial, marketing and sales expenses.

FY21 Net Operating Loss of \$5,796,198 without depreciation [Funded through State appropriation and excess revenues from Church St. garage (CHSG)].
FY20 Projected Net Operating Loss of \$3,503,537 [offset with CHSG revenues and State appropriation].

Church Street Garage FY21 Operating Budget: \$62,139

The Church Street Garage generates revenues through monthly parking contracts, corporate validations, transient parking, and through events held at the XL Center.

Expenses are payroll and benefits, insurance, security, utilities, maintenance, and snow removal.

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

FY21 Net Operating Gain of \$62,139 [Includes \$1M equity draw for XL Center supplemental funding]
FY20 Projected Net Operating Gain of \$237,187 [Includes \$1M equity draw for XL Center supp. funding]

Pratt & Whitney Stadium @ Rentschler Field FY21 Operating Budget: \$952,098

Financial results of the Stadium at Rentschler Field are reported within the operations of the Office of Policy and Management contained in the Consolidated Financial Statements for the State of Connecticut and are not included within the Financial Statements of CRDA.

Pratt & Whitney Stadium revenues and expenditures are managed through an Operating Account and an Enterprise Fund, a special revenue fund of the State of Connecticut specifically dedicated to the stadium. This mechanism assures that revenue from non-UConn events and other event revenues are dedicated to the venue's operating expenses and the facility does not have to seek support from the State general fund. Non-UConn events must produce revenues in excess of expenses and any earnings are retained by the Enterprise Fund for the facility.

The Stadium generates operating revenues through rental income, ticket fees, and ancillary income comprised of food and beverage income and from parking fees. Net ticket revenue is not retained by and is not reflected in the venue's financials. Events held at the Stadium include UCONN football, international soccer games, as well as catered and parking lot events. UCONN football attendance based on UCONN athletic department projections.

Operating expenses are facility overhead costs as well as administrative, financial, marketing and sales expenses.

FY21 Net Operating Loss of \$952,098 [Includes \$250,000 UCONN operating assessment]
FY20 Projected Net Operating Loss of \$936,386 [Includes \$250,000 UCONN operating assessment]

The following Board Members shared thoughts/concerns regarding the budgets and venue re-opening:

- Mayor Bronin shared concerns about the use of CRDA cash reserves for City of Hartford redevelopment, being used to underwrite Venue cash needs instead. Alexandra Daum concurred.
- Mayor Bronin also indicated that he would like to use this timeframe of no events to do everything that can be done to do the renovations at XL so that it can come back stronger after COVID-19. The ownership issue, with the atrium, needs to be resolved swiftly so that the investments in the building can be done using the funding that is already set aside to do the work. David Robinson concurred with the Mayor's assessment.
- David Robinson inquired as to whether the budgets are conservative or aggressive.
- David Robinson also inquired about opening timeframes.
- Chairwoman Hopgood asked about the number of employees affected by layoffs.
- Bob Patricelli inquired about COVID funds that may be available regarding reopening.

Michael Freimuth and Joseph Geremia addressed the concerns of the Board Members.

The following motion was moved by David Jorgensen, seconded by Mayor Leclerc and unanimously approved.

"The CRDA Board of Directors hereby authorizes the State Appropriation FYE2021 Allocation request and the eleven FYE 2021 Budgets under the scenarios recommended by management subject to available funds known as: CT Convention Center; Convention Services Subsidy Program; Front Street District; Central Utility Plant (CUP); CRDA Parking Facilities; Bond Indentures/Trustee; CT Regional Market; CRDA Office; XL Center; Church Street Garage; and P&W Stadium at Rentschler Field."

Executive Director Report

Pearl Street Projects - Chairwoman Hopgood recommended that a tour of the Pearl Street Projects be set up for any interested Board member, with possible dates forthcoming.

Regional and Economic Development Projects Committee - Chairwoman Hopgood made the following motion, seconded by Mayor Leclerc. *"Bob Patricelli is added to the Regional and Economic Development Projects Committee."*

Project Closings - Michael Freimuth reported that the financing for the Park and Main and Wyllys Street projects closed.

July 16 Board Meeting - The scheduled July 16th Board Meeting is Call of the Chair and may be needed to restructure projects affected by COVID. Please keep this date open.

Adjourned 4:15pm.

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Audit & Annual Report Adoption

- Sent via email 9/15/2020

Venue Update

FY21 Major Venue's Operating Recommendations/Options

Preparing for major venues to re-open

Presenting:

1. Re-opening recommendations
2. Critical factors towards re-opening
3. Additional areas of savings

Venue-specific re-opening plans to be discussed with
Venue Committee

Connecticut Convention Center



FY21 Forecast Revision Comparison

	Approved Budget	Forecast A	Budget vs Forecast A Variance	Forecast B
	Open September	Open January	(Loss)	Closed Thru June
Number of Events	84	26	(58)	-
Total Attendance	115,616	48,037	(67,579)	-
Rent Revenue	1,399,712	499,561	(900,151)	-
Catering F&B Revenue	1,082,120	327,241	(754,879)	-
Rental Reach	30,160	-	(30,160)	-
Catering Reach	119,600	-	(119,600)	-
Total Reach	149,760	-	(149,760)	-

Connecticut Convention Center



FY21 Forecast Revision Comparison

	Forecast A	Forecast B	Variance
	Open	Closed Thru	Favorable /
	January	June	(Unfavorable)
<u>OPERATING INCOME</u>			
Rent	499,561	-	(499,561)
Event Services Income (net)	28,437	(47,789)	(76,226)
Other Income	9,790	7,238	(2,552)
F&B Income (net)	(780,109)	(388,745)	391,364
TOTAL OPERATING INCOME	(242,321)	(429,296)	(186,975)
<u>OPERATING EXPENSES</u>			
Salaries & Wages	2,096,408	1,752,314	344,094
Taxes & Benefits	1,181,405	1,035,701	145,704
Operations	55,593	29,635	25,958
Administrative & General	87,683	72,058	15,625
Finance	20,722	17,622	3,100
Security	27,485	24,190	3,295
Sales & Marketing	270,603	269,308	1,295
TOTAL OPERATING EXPENSES	3,739,898	3,200,828	539,071
GROSS OPERATING PROFIT	(3,982,220)	(3,630,124)	352,096
<u>FIXED CHARGES</u>			
Facility Maintenance	507,736	368,553	139,184
Utilities	649,442	550,637	98,805
CUP Utilities	937,060	893,493	43,566
Insurance	95,880	95,880	-
Management Fee	215,529	134,706	80,823
Incentive Fee	-	-	-
Other Fixed Expenses	63,621	63,621	-
TOTAL FIXED CHARGES	2,469,267	2,106,889	362,378
NET OPERATING INCOME	(6,451,487)	(5,737,012)	714,474
<u>NET OPERATING CASH FLOW</u>			
Accrued Maintenance (2)	55,657	55,657	-
Debt Service (1)	639,706	639,706	-
Property Insurance Reserve	-	-	-
Reserve for Replacement	-	-	-
NET OPERATING CASH FLOW	(7,146,850)	(6,432,375)	714,474

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Connecticut Convention Center

FY21 Forecast Revision Comparison

Assumptions Used:

- Elevator and escalator maintenance paused
- Landscaping performed with internal staff
(Eliminate third-party purchases)

Recommendations:

- Continue operating with minimal staff through May 2021
- Prepare for reopening venue in July 2021



P&W Stadium at Rentschler Field

FY21 Operating Options



Recommendations:

Continue operating with minimal reimbursed staff through Nov./Dec. 2020 (end of Toronto FC soccer season)

Staff layoffs (Asst. Groundskeeper & Asst. F&B manager) Dec. 2020 through Mar. 2021 (Savings: \$43,500)

Prepare for reopening venue in May 2021 for NCAA Lacrosse finals

Prepare facility for UConn football 2021/2022 season

FY21 Operating Options

Recommendations:

Increase operations staff by 2 FTEs in preparation for December 2020 AHL season (Cost: \$90,700)

Decrease day shift security by 1 FTE (Savings: \$22,100)

If AHL season occurs (@ 100% expense coverage):
Prepare for reopening venue in December 2020

If AHL season does not occur:
Operate with minimal staff

Staff layoffs (2 operations staff [Savings: +/- \$90,700] & 2 facility workers [Savings: \$105,000])
Reduce 2 FTEs to 2 PTEs (Acctg & Box Office [Savings: \$95,000])
Total Savings: \$290,700

Prepare for reopening venue in September 2021
Continue capital renovation plans/activity

FY21 Operating Options



4 Critical Operation Factors

1. Third-party/Vendor/Management agreements
2. AHL Affiliation fee/Contractual obligations
3. UConn 3 sport's calendars
4. COVID-19 Phase III indoor capacity

Finance Report

- **FY2019-2020 Audit Report - see link in email (sent 9-14-2020)**
 - **CRDA & Rentschler Field Stadium**
- **FY2019-2020 Annual Report - see link in email (sent 9-14-2020)**
- **Monthly Financial Update**



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Development Authority*

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Financial Update – September 2020

Fiscal Year 2020 Audit and Annual Report

CRDA audit completed with an unqualified opinion
Annual Report completed and ready for filing upon approval
Rentschler Field audit completed with an unqualified opinion

Fiscal Year 2020 Operating Statistics

CT Convention Center – July 2020

Stats: no events scheduled until Jan. 2021 due to state COVID-19 restrictions
July financials: Expenses even with budget

Cash Flow: Payables aged at 90 to 120 days (\$400,000)
CRDA advance of \$750,000
Cash flow: Sept. – payroll only, Oct. to Nov. – all payables with Q2 appropriation

CRDA Parking Facilities – July/Aug 2020

Aug stats: Utilization of 42% unfavorable to budget by 17%
Monthly rate customers unfavorable to budget by 1,300 at 3,800 YTD
Transient customers unfavorable to budget by 18,500 at 7,500 YTD
July financials: Revenue unfavorable to budget by \$192,000 due to downtown opening delay until Jan. '21
Expenses \$138,000 favorable compared to budget due to savings in utilities, vehicle ID tag purchases, credit card fees, and repairs & maintenance
Net Income \$54,000 unfavorable to budget

Church Street Garage - July/Aug 2020

Aug. stats: Utilization of 58% unfavorable to budget by 14%
Monthly rate customers unfavorable to budget by 400 at 1,800 YTD
Transient customers unfavorable to budget by 1,750 at 925 YTD
July financials: Revenue unfavorable to budget by \$33,000
Expenses \$11,000 favorable compared to budget due to savings in utilities and security
Net Income \$22,000 unfavorable to budget

XL Center - July 2020

Stats: no events scheduled until Oct. 2020 due to state COVID-19 restrictions
July financials: Operating expenses \$42,000 favorable to budget due to personnel savings

Cash Flow: Payables aged at 90 -120 days (\$2.2M)
Payables: City: \$1.16M, Spectra Corp.: \$700,000
CRDA advance of \$750,000
Cash flow: Sept. – no payroll, limited payables, Oct. – payroll and limited payables with Q2 appropriation

P&W Stadium at Rentschler Field - July 2020

Stats: UConn football season cancelled due to COVID-19 restrictions

July financials: Expenses \$17,000 favorable compared to budget due to personnel savings

Cash Flow: Payables aged at 120 to 150 days (\$800,000)

Cash flow: no payroll or payables

Payables: XL for payroll: \$300,000, Spectra Corp.: \$200,000

CT Regional Market

Stats: 82 warehouse units and restaurant – Occupancy: 78% with 13 tenants

Activity: Farmers' Market opened for 2020 season on May 2

July financials: Operating revenue of \$64,000 slightly favorable to budget

Operating expenses of \$40,200 favorable to budget due to savings in repairs & maintenance

Net income of \$23,800 favorable to budget by \$20,900

Dillon Stadium – Calendar Year - July 2020

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

July financials: Operating expenses of \$121,200 (48% actual vs. 58% of revised annual budget)

Capital reserve balance: \$271,000

Central Utility Plant (CUPP) Contract

NEMSI contract extension for CUP operations and maintenance

September 30, 2020 to Dec. 31, 2020

Housing & Neighborhood Committee

Covid Related Housing Loan Modifications

Whereas the Board was concerned that the Covid pandemic could impact both the construction and the operation of residential projects supported by CRDA and in anticipation of such impacts, the CRDA Board of Directors at its April 16, 2020 meeting authorized the Executive Director with the approval of the Housing and Neighborhood Committee of the Board to review and if need be modify CRDA housing loans impacted by Covid on a case by case basis;

Whereas the Housing and Neighborhood Committee met on August 4, 2020 and September 10, 2020 to review several requests from borrowers and has upon its review authorized modifications to several loans that have been impacted by the pandemic;

Whereas the Housing and Neighborhood Committee approved the forbearance of interest for six months for 201 Ann Street, a small housing project that experienced a sudden decrease in occupancy due to Covid relocations of foreign tenants working in Hartford, such deferral of interest being \$6000;

Whereas the Housing and Neighborhood Committee approved the forbearance of three months of interest for 28 High Street that experienced delays in construction and consequently the lease up of the property, such deferral being \$13,145, and authorized the executive director to extend the conversion date of March 2020 to October 2020 of the construction note into a permanent note;

Whereas the Housing and Neighborhood Committee reviewed the status of 101 and 111 Pearl Street loans as 111 Pearl Street was experiencing higher operating expenses in part because it was carrying operating costs of adjoining but incomplete 101 Pearl, because lease up and occupancy were underperforming due to Covid at 111 Pearl, and recognizing that there was a need to attract more equity to meet construction cost overruns and the slower lease up/stabilization of 101 Pearl, such increased capital not being available from CRDA or other lending sources, the committee approved a forbearance of interest costs for 101 Pearl with such costs added to the principle of the 101 Pearl note totaling \$126,112, and modified its loan terms for 101 and 111 Pearl by decreasing the construction term interest rate from 3% to 1% and establishing a modified interest rate on the mortgage from the current 1% per annum with 2% accruing to 1% per annum with the understanding that additional equity totaling \$2.5 million will be invested in the project to cover its expenses, both construction and operating, with such equity allowed to achieve a preferred rate of return from operations but also with the CRDA notes being paid down up to fifty percent at the respective refinance points contained in the primary financing for each property;

Now therefore the Board ratifies such modifications as approved by its Housing and Neighborhood Committee for the Agency's loans to 201 Ann St, 28 High Street, and 101/111 Pearl Street.

**PRATT STREET INITIATIVE
PHASE II**

Background: The Pratt St Initiative is a multi phase program that includes the conversion of the former commercial properties on Pratt Street; the renewal and expansion of the Temple Street Lofts and Student Housing Complex; and new development on Talcott St (former G Fox warehouse/garage). The developer partnership includes Lexington Partners, Laz Investments and Shelbourne Global Solutions.

Phase 1 was approved by CRDA on Oct 17, 2019 and the State Bond Commission on December 18, 2019 and calls for the conversion of two vacant properties (99 Pratt and 196 Trumbull) into 129 units of new housing. CRDA loans totaling \$12M are matched by \$14M in conventional bank financing, \$3.8 M in equity and historic credits.

Phase 2 is the conversion/reconstruction of the former 'townhomes' on Temple Street originally launched and operated as 42 student units into 88 conventional units as well as the addition of one unit at the adjoining 'lofts' building (former Sage Allen store) for a total of 47 new units to accompany another 77 existing units as well as upgrades to various building systems. This phase will be named "Sage Allen Apartments and Townhomes". There will be 10% affordable units within the new mix of 166 apartments.

Proposal: The buildings have been acquired and design is in place. The townhomes with 42 4BR units (student configuration) will be converted to 88 units (58 studios, 13 1BR, 5 2BR and 12 4BR). The lofts will be increased by one unit, updated with new common areas and general building upgrades, and will contain 78 units (21 studios, 39 1BR, 18 2BR) for a total project budget of \$32.17 million.

Development Budget:

Bank Financing	\$23,000,000
Equity	7,175,000
CRDA Loan	<u>2,000,000</u>
Total:	\$32,175,000

Resolution: The executive director is authorized to make a loan to the Pratt Street Initiative Partnership (or such acceptable single purpose entity) for the purpose of converting and modernizing the former Temple St lofts and apartments located at 18 Temple Street into 166 units, an expansion of 47 new units reconfigured into 79 studios, 52 1BR, 23 2BR, and 12 4BR with 10% of the units to be affordable with such loan not to exceed \$2,000,000 with an interest rate of 2.75% beginning upon construction completion but no later than one year, amortizing over 30 years and subordinate to the first mortgage subject to 1/ all financing being secured; 2/ approval by the State of Connecticut Bond Commission and 3/ such fiduciary terms as deemed appropriate by the executive director and CRDA counsel.

**PRATT STREET INITIATIVE
PHASE I**

99 Pratt St/196 Trumbull Street
\$12M bridge and perm loans - 129 units

Background: Phase 1 of the Pratt St Initiative was approved by CRDA and State Bond Commission in October 2019 and encompassed two buildings and both short term CRDA bridge loans and longer term mortgages. The project rebuilds two vacant historic properties across from the XL Center into 129 housing units while preserving/repositioning the retail at the street level. CRDA financing was subject to the securing of all additional funds including primary bank financing, historic credits, private equity as well as presenting final budgets/construction costs. In the interim, the final construction costs have increased from \$29.8M to \$32.7M but bank financing has been secured by the developers. Additionally, the developers have completed the renovation of the smaller 196 Trumbull building with private funds and wish to focus the CRDA loans to just the more expensive and larger 99 Pratt Street component.

Proposal: CRDA dollars would not increase from those already committed and would be used for 99 Pratt and its 97 units and adjoining retail space. Further, an interest to secure/guarantee the CRDA loan in the adjoining 196 Trumbull will be created thereby giving CRDA the same level of collateral and resulting number of new units as the initial deal. The CRDA assistance now would be configured into a \$3M bridge loan and a \$9M permanent loan with the shorter term bridge loan being repaid upon the project's initial refinancing (year 5) following primary debt and the remaining equity after historic credit reimbursements. This is a change from the initial bridge loan at \$5.5M that was to be repaid by historic credits from both buildings. The initial permanent loans were based on cash flow mortgages with up to \$2.75% interest, 30 years with a 10 year term. This has been changed to a single loan with a minimum 1% interest, 30 year amortization, 10 year term.

<u>Combined two buildings (initial)</u>	<u>196 Trumbull</u>	<u>99 Pratt</u>
129 units	32 units	97 units
Bank \$14.2M	\$3.8M	\$10.4M
CRDA \$12.0M	-	\$12.0M
Tax Credits \$287k	\$287k	-
Equity \$6.2M	\$4.83M	\$ 1.3M

Resolution: The loans totaling \$12M for 196 Trumbull St and 99 Pratt St providing 129 units will now be reconfigured into two loans, totaling \$12 million in the form of a short term bridge note of \$3M and a longer term permanent note of \$9M for 99 Pratt Street and a security/guarantee interest in 196 Trumbull to CRDA to supplement the collateral of 99 Pratt. Such loans will be amortized at 30 years with a 1% interest rate with a ten year term, subject to the \$3M bridge loan being repaid at the refinancing of the primary note and equity for 99 Pratt Street, expected to be in year 5.

Regional & Economic Development Committee

-Regional Market Leases

Executive Director

**GRANT-IN-AID AGREEMENT
FROM
THE CAPITAL REGION DEVELOPMENT AUTHORITY
TO
THE CITY OF HARTFORD**

RECITALS

WHEREAS, the Capital Region Development Authority (“CRDA”) is a body politic and corporate created to stimulate new investment within the capital region;

WHEREAS, the City of Hartford (the “City”), by and through its Mayor, Luke Bronin, has requested a grant-in-aid in the amount of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) from CRDA’s Housing Initiative Fund (the “Funds”);

WHEREAS, the Funds shall be used to assist the City, in its sole discretion, in capturing federally awarded New Market Tax Credit (“NMTC”) allocations;

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and mutual representations, warranties, agreement, covenants, and guaranties set forth herein, CRDA and the City hereby agree as follows:

1. CRDA hereby agrees to provide a grant-in-aid in the amount of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) to the City, to be used at the City’s sole discretion, to assist in the capturing of federally awarded NMTC allocations;
2. This grant-in-aid shall be made in one payment during the period beginning August 18, 2020 and ending December 31, 2020;
3. Such payment shall not commit or bind CRDA to any future funding of the City or its endeavor to obtain NMTC allocations;
4. In the event the City does not utilize the Funds by December 31, 2020, the City shall return all unexpended Funds to CRDA; and
5. This Grant-In-Aid Agreement is for the exclusive benefit of the parties hereto and no rights of third-party beneficiaries are created hereby.

IN WITNESS WHEREOF, the undersigned have duly executed this Grant-In-Aid Agreement as of the day and year first below written.

CAPITAL REGION DEVELOPMENT AUTHORITY,
a body corporate and public constituting a public
instrumentality and political subdivision of the
State of Connecticut

By: _____

Name: Michael W. Freimuth

Title: Executive Director

CITY OF HARTFORD, a Connecticut municipal
corporation

By: _____

Name: Luke Bronin

Title: Mayor

City of Hartford Corporation Counsel
Approved as to legality and form

Corporation Counsel

MOTION REGARDING THAT CERTAIN
MEMORANDUM OF UNDERSTANDING WITH
THE CITY OF HARTFORD
RELATING TO
NEW MARKET TAX CREDIT ALLOCATIONS
(the “MOU”)

The CRDA Board of Directors hereby authorizes the Executive Director to execute such MOU in substantially the same form as attached hereto.

Miscellaneous



RENDERING | CONTRIBUTED

A rendering of potential apartments that could be built on the former Showcase Cinemas site in East Hartford.

\$50M apartment proposal at Showcase Cinemas site leads E. Hartford development project trio

By Greg Bordonaro
gbordonaro@hartfordbusiness.com

For most development directors in Connecticut, having one major project in the pipeline is a big deal.

East Hartford Development Director Eileen Buckheit has three. But don't expect all of them to come online soon. That's not the way economic development — especially in the Land of Steady Habits — works.

Buckheit, who has been in her current role for seven-and-a-half years, said getting major developments off the ground can take up to a decade or longer, and in the meantime it takes many small steps — from making changes to plans of conservation and development to gaining local approvals and funding sources — to get major projects off the ground. And that's precisely what she's been

working on in her time in East Hartford, which has three major development projects in the works: potential redevelopment of the former Showcase Cinemas site into apartments; a new commercial building being erected by Goodwin University as part of a larger master plan; and the addition of a large potential apartment community at Founders Plaza.



Eileen Buckheit, Director, East Hartford Development

"My philosophy is to keep marching forward, keep pushing and taking the next step," Buckheit said. "These are projects that we've been building for the last 7.5 years."

Buckheit said the town faces a few obstacles to economic development.

First, it doesn't have a ton of open space so new projects tend to be redevelopments of already existing sites. Second, there is some pushback against new apartments, particularly at the site of the old Showcase Cinemas, where long-established residents think a big-box retailer should go.

"East Hartford is transitioning into something that is more urban, but it's facing a lot of resistance," she said. "But if all these projects happen, it's a game changer for us."

Here's an update on the three major developments in East Hartford:

Former Showcase Cinemas site

After remaining a vacant eyesore for nearly 14 years, the town of East Hartford in early 2020 finally razed the former Showcase Cinemas building on Silver Lane in hopes of clearing the path for a potential mixed-use residential development.

The town recently completed a request for proposals and received one bid to potentially redevelop the site. East Hartford Development Co.

LLC — led by Domenic Carpiolato, a principal at Rhode Island-based real estate development company Carpiolato Group — responded to the RFP proposing a \$50-million, mixed-use residential development, Buckheit said.

Phase one would include construction of 204 market-rate apartments (131 one-bedroom and 74 two-bedroom units) and 72,000 square feet of commercial space that could be ready for development next year.

A second phase would include an additional 108 apartments (76 one-bedroom and 32 two-bedroom units) on acreage that leads to Forbes Street.

Both phases would have access to modern amenities, including a clubhouse, pool, dog park, etc.

Buckheit said the land is most suitable for apartments, even though some town residents would prefer to see another theater or big-box retail. "That logic is flawed," she said. "Big box is not where the retail market has taken us."

Buckheit said the town hasn't had new apartment construction since the 1970s putting it behind its neighboring communities — including Manchester, Glastonbury and Hartford — which have all built new residential projects that have attracted Millennials and empty-nesters.

The redevelopment of the site is critical to the revitalization of the Silver Lane neighborhood, Buckheit added.

She points to the success Hartford has had in building new apartments that have been leased up. She said East Hartford would differentiate itself by offering more of a suburban lifestyle.

The town bought the Showcase Cinemas property in early 2019 for \$3.3 million. The Capital Region Development Authority (CRDA) is helping out on the project.

Goodwin University commercial building

Goodwin University recently secured Rebel Dog Coffee Co. as the second tenant for its \$8-million, 25,000-square-foot commercial building meant to expand and revitalize the East Hartford school's riverside campus.

Rebel Dog Coffee, which operates locations in Plainville and Farmington, signed a lease to occupy roughly 2,500 square feet of ground-level space at the three-floor commercial building.

The coffee shop will be located next to East Hartford-based American

Continued on page 4 >>

East Hartford

General

Land area (sq. miles)	18	Government	
Median age	38	Total revenue (2017)	\$214,691,000
Population	53,241	Per capita tax	\$2,444
Median household income	\$52,049	Actual mill rate	49.92
Unemployment rate	13%	Grand List	\$2,811,967,294

Economy

Top employment industries	Units	Employment
Administrative and waste services	106	3,839
Professional, scientific, and technical services	167	3,356
Health care and social assistance	103	2,446

Top taxpayers (2018)	Units	Employment
United Technologies Corp.		\$502,111,500
Goodwin College		\$126,708,080
Eversource		\$49,364,430

Major Employers

Pratt & Whitney	
Goodwin College	
Riverside Health Center	
Town of East Hartford	
Coca-Cola Bottling Company of Northern New England	

Housing stock

Median price	\$159,800
Median rent	\$979

Source: AdvanceCT

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Still, developers are showing interest in the potential development and a new stormwater drainage system is being installed that will make it possible to build more and larger buildings along the Connecticut River.

That should help entice developers to the area, Buckheit said.

Goodwin owns the majority of the Connecticut River neighborhood it inhabits on and around Riverside Drive.

Founders Plaza

East Hartford's most notable office building — the half-century-old Founders Plaza office tower on Pitkin Street — is being eyed for a mixed-use residential-retail center with up to 2,000 new apartment units.

The town has partnered with building owner First Merchant Group (led by Larry Nirenberg), CRDA and Tecton Architects on a district master plan to create a new "live, work, play" urban destination, which the town currently lacks.

The plan estimates an initial buildout of 250 or so residential units, with a potential to develop up to 2,000 units in the future.

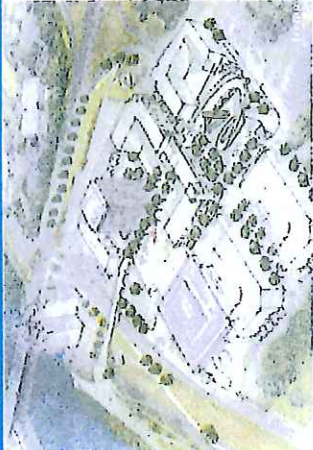
The 12.5-acre site is covered by parking lots suitable for infill development that could take advantage of being a stone throw's away from downtown Hartford, Buckheit said.

"When Founders Plaza was built in the 1970s it was supposed to be higher-density development, but it never came to fruition," she said. "It's a very important gateway to us."

Buckheit views the project — now called "East Bank" — as a public-private partnership that she would like to see happen sooner, rather than later, although the COVID-19 pandemic has likely delayed things a bit.

There is no official project timeline right now. "We are trying to walk very carefully on this," she said. "It's an ambitious and important plan."

RENDERING | CONTRIBUTED



A rendering of the vision to build up to 2,000 apartments around the Founders Plaza office tower.

>> Town Profile continued.

Eagle Financial Credit Union, which was the first tenant to commit to the mixed-use development.

Both companies are expected to begin operating when the building debuts sometime this fall, said Bryant Harrell, Goodwin's vice president for physical facilities, IT and security. Up to four more tenants — including retailers, medical offices and other businesses — could occupy the remaining available space on the second and third floors.

According to plans, the commercial site on Main and Ensign streets will feature flexible space for the 4,000 daily student population and some 600 faculty/staff at Goodwin. It will also provide on-site parking and access to the CT transit bus route.

While Goodwin is a not-for-profit college, the building is projected to add about \$1.3 million to East Hartford's tax rolls over an eight-year period and is part of the school's larger 10-year master plan of development.

In 2018, Goodwin announced an ambitious redevelopment vision that included construction of a 60-slip marina and riverfront hotel and restaurant, and those projects are still in play, Harrell said, though the pandemic has slowed progress.