

Capital Region Development Authority

100 Columbus Boulevard

5th Floor

Hartford, CT 06103

Thursday, October 15, 2020

3:00 pm – GoToMeeting

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

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; David Jorgensen; Alexandra Daum; David Robinson; Robert Patricelli; Joanne Berger Sweeney

Board Members Absent; Seila Mosquera-Bruno; Mayor Marcia Leclerc; Melissa McCaw; Joseph Giulietti

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

Minutes

The minutes of the September 17, 2020 CRDA Board Meeting were moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

Mayor Report

Housing - Mayor Bronin mentioned keeping an eye on the housing market of people that moved out of the cities, including college students that moved home with parents. There may be a way to market to that group of people that may not want to return to New York or Boston.

XL - Mayor Bronin reiterated his support to move forward with the XL renovation project.

Regional Market – the Mayor encouraged Mr. Freimuth not to limit the regional market to the current role that it plays. He expressed that it is strategic land and he would like to see the regional market draw more foot traffic and activate an area that is more pedestrian. He would like to see it live up to its full potential.

Albany and Woodland – the City is working hard to try to make something happen at Albany and Woodland.

DoNo – official groundbreaking was held today, October 15 at 2pm.

Tax Deed sale – The City has a tax deed sale coming up.

Finance

CRDA CFO Joseph Geremia reported the following financial update for October 2020.

Fiscal Year 2021 Operating Statistics

CT Convention Center – Aug. 2020

Stats: no events scheduled until Jul. 2021 due to state COVID-19 restrictions

Aug. financials: Net Loss of \$1.061M favorable to budget by \$72,200 due to COVID-19 shutdown
Total year projection of \$6.432M loss unfavorable to budget by \$2.424M

CRDA advance of \$750,000

CRDA Parking Facilities – Aug./Sept. 2020

Stats: Utilization of 43% unfavorable to budget by 16%
Monthly rate customers unfavorable to budget by 1,800 at 5,900 YTD
Transient customers unfavorable to budget by 27,100 at 11,900 YTD

Aug. financials: Revenue unfavorable to budget by \$321,200 due to facility limited openings thru Jul. 2021
Expenses \$206,000 favorable compared to budget due to savings in utilities, security, vehicle ID tag purchases, credit card fees, and repairs & maintenance
Net Income \$115,200 unfavorable to budget
Total year projection \$700,000 unfavorable to budget

Church Street Garage – Aug./Sept. 2020

Stats: Utilization of 58% unfavorable to budget by 14%
Monthly rate customers unfavorable to budget by 600 at 2,700 YTD
Transient customers unfavorable to budget by 2,500 at 1,500 YTD

Aug. financials: Revenue unfavorable to budget by \$51,200
Expenses \$102,000 favorable compared to budget due to savings in utilities and security
Net Income \$51,000 favorable to budget
Total year projection \$264,000 unfavorable to budget

XL Center – Aug. 2020

Stats: no events scheduled until Sept. 2021 due to state COVID-19 restrictions

Aug. financials: Operating expenses \$246,800 favorable to budget due to savings in personnel and repairs & maintenance
Net Loss of \$886,400 favorable to budget by \$257,900 due to COVID-19 shutdown
Total year projection of \$4.444M loss unfavorable to budget by \$447,800

Cash Flow: Payables aged at 90 to 150 days (\$2.988M), 81% over 120 days
Payables: City: \$2.194M, Spectra Corp.: \$330,000
CRDA advance of \$750,000
Cash flow: Oct. 2020 thru Feb. 2021 – payroll and limited payables

P&W Stadium at Rentschler Field – Aug. 2020

Stats: Toronto FC scheduled for 6 games through Nov. 2020
UConn football season cancelled due to COVID-19 restrictions

Aug. financials: Operating expenses \$97,700 favorable compared to budget due to savings in personnel and repairs & maintenance
Net Loss of \$311,100 favorable to budget by \$95,800 due to COVID-19 shutdown
Total year projection of \$993,300 loss unfavorable to budget by \$41,200

Cash Flow: Payables aged at 90 to 120 days (\$884,000), 47% over 120 days
Cash flow: limited payables and no payroll
Payables: XL for payroll: \$320,000, Spectra Corp.: \$240,000, State police: \$90,000

CT Regional Market

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

Activity: Farmers' Market opened for 2020 season on May 2 operating through Oct. 2020

Aug. financials: Operating revenue of \$118,000 slightly favorable to budget

Operating expenses of \$135,100 slightly unfavorable to budget due to security services and farmers' market labor
Net loss of \$17,100 unfavorable to budget by \$4,900

Dillon Stadium – Calendar Year – Aug. 2020

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

Aug. financials: Operating expenses of \$148,500 (60% actual vs. 67% of revised annual budget)
Capital reserve balance: \$261,000

Andy Bessette inquired about Dillon Stadium expenses. Mr. Geremia explained that although the season is over, their budget is based on the entire calendar year and there remain expenses for the year. Dillon has only used 60% of their budget so they should fall within their restructured budget of \$250,000 for the year. Mr. Bessette asked if the playoff game helped CRDA financially. CRDA does not take in any revenue based on how many games they play. Mr. Geremia explained that CRDA is responsible for the field, making sure the Stadium is up and running for those games as well as coordinating the community events.

Suzanne Hopgood asked if community events were on hold. Kim Hart responded that the City of Hartford has closed all of their fields to community and private events. The only events that will take place at Dillon are managed activities, such as school groups, as opposed to community events.

Venue Update

Andy Bessette deferred to Michael Freimuth to update the Board regarding the cost reductions for the venues. Mr. Freimuth reported the following:

Rentschler Field - Rentschler Field will be closed, after the Toronto games, until late Spring. There are restrictions regarding how many fans will be allowed in the building, for the games, based on both MLS and State COVID restrictions, perhaps a capacity of 5,000 people.

Convention Center – Staff is trying to secure re-bookings and longer term events. The building is quieted down until next fall.

Dillon – Dillon Stadium wrapped up after the USL playoff. Subject to COVID restrictions, the stadium will reopen in the Spring for the next season. Managed activities such as school groups are the only events that may take place.

XL – Due to the unknown of COVID restrictions, CRDA and UCONN have agreed that games will not take place at XL this year.

There have been unconfirmed reports that the AHL season may start in January or February, versus the normal season starting in October. What is not currently known is how the league will open their season, i.e. complete league or broken into divisions, fanless or fans, etc.

The CRDA has communicated with MSG explaining that if it is going to be a practice league and no fans, then MSG will have to help with building expenses because it cannot be run under the current agreements.

Bob Saints team is preparing construction packages to be bid on late 2020, early 2021 for activity in late February, early March. A cost estimator has been retained and design teams are running through multiple variations. The construction manager RFP to oversee multiple tasks is underway. A

construction calendar has been set up on the assumption the building will be shut down. The construction will be in the public areas while the building is quiet and if projects go into the latter part of the year and the building opens, the construction will move to back of house so events will not be disrupted. It is unclear how much can be done as it will be a function of the Bond Commission and whether more funds can be authorized. Plans, studies, appraisals and title work are all in the process of being updated.

Last month Bob Patricelli asked if staff would put together a calendar of different scenarios for XL. Staff is working on that and will put it before the Venue Committee to vet some ideas.

Bob Patricelli asked if Mr. Freimuth could put some numbers together regarding the gap between Bond Commission funds and how much more is likely to be needed. Mr. Freimuth responded that the \$100M lower bowl strategy is the best scenario, which would make the lower bowl a premium bowl, allowing pressure to be taken off the concourse. The \$100M should buy what the plan entails however there are two new elements that were not in the original budget that need to be considered. One is security demands today are far different than when the analysis was started, i.e. what has happened in soccer stadiums in Europe and concerts in Las Vegas. It will require people being screened inside the building and staff being trained with equipment made to accommodate security and screening. The second is COVID, which will require further health screening.

Andy Bessette wondered if he should call Governor Lamont and explain that the CRDA Board fully supports the \$65M Bond Commission submission, and it would be appreciated if he passed it so the work can proceed at the XL Center.

David Robinson asked what the timing is around the construction. Mr. Freimuth responded that the work has been planned around a two-year construction window.

David Jorgensen asked where CRDA stands with Northland because it will affect the work being done while the building is shut down. Mr. Freimuth responded that Northland has not yet been reapproached.

Housing & Neighborhood Committee

Michael Freimuth noted that last month the Board approved some adjustments to projects that are in construction and have been affected by COVID. Mr. Freimuth presented the following project as one of the affected projects.

88 Allyn Partnership (aka 103-21 Allyn)

Background: Located in the former 'entertainment zone', the three-building complex known as 103-21 Allyn was acquired by Paul Khakshouri (owner of abutting Bond building) from the Lewtan Family estate. The \$21.1M project was funded by CRDA (\$6.6M), Peoples Bank (initially with United Bank) and federal and state historic credits. The property has been completed and has now begun leasing its 66 units (and 3750 sf retail) but was delivered six months late due to a variety of construction delays, in part caused by COVID (three week shut down, material delays, smaller work crews), a sudden late summer storm/flash flood (that damaged the basement requiring rebuilding and c/o delays), and a variety of historic preservation amendments necessitated by problems/conditions discovered during demolition and reconstruction that incurred considerable time for approval. As the building enters the rent up period, it is contending with a slower market due to COVID but has rented its first four units with other applications in review.

Proposal: The developer has asked for a three month deferral in interest payments to compliment a like deferral from Peoples Bank. Such deferral will ease cash flow during the lease up/operations period over the next fiscal quarter. The value of the deferral in interest is \$49,500.

The CRDA Housing and Neighborhood Committee approved this deferral at its October 2, 2020 meeting.

The following motion was moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

“The CRDA Board of Directors approves the deferral of interest on the CRDA mortgage to 88 Allyn Partnership LLC for the property at 103-21 Allyn for a period of three months beginning Oct 1, 2020. Such interest deferral being valued at \$49,500, with such value being added to the outstanding principle.”

Regional & Economic Development Committee

Chairwoman Hopgood inquired about and activity on the Regional & Economic Development Committee. Mr. Freimuth indicated that the Committee has not met in quite some time.

The following projects would come under this committee:

Regional Market – The Governor has asked for a plan for the Regional Market at 101 Reserve Road.

Founders Plaza – Redevelopment of Founders Plaza – housing development and parking.

Silver Lane – The old theater site.

Goodwin College – as the infrastructure work is done, they will be able to pursue a couple of projects that relied on the storm drainage system being built.

Wethersfield – possibility of a project off the Silas Dean Hwy.

West Hartford – talking to West Hartford about the former UConn campus.

Executive Director Report

Bushnell South Planning Project

Michael Freimuth and Bob Patricelli explained that CRDA has been asked to advance the Bushnell south area. The next step is how the project moves forward with Spinnaker and 55 Elm Street as well as other surrounding properties. The Bushnell South Garage should be completed in Spring 2021 and the following was presented and discussed regarding the next planning phase.

Whereas the City of Hartford, the Spinnaker Development Group, the Bushnell Theatre and the CRDA have had discussions for the redevelopment of land and buildings within the Bushnell South planning area, defined as that area between Buckingham Street, Bushnell Park/Elm Street, Trinity Street and Hudson Street in Hartford;

Whereas the entities wish to advance the planning effort and incorporate market data, infrastructure demands and neighborhood issues and state office operations into the overall program;

Whereas CRDA owns land, has developed a garage and is likely to acquire additional parcels/buildings within the are in the near term;

Whereas it is expected that CRDA will be a source of financing for the overall development;

Whereas it is appropriate for CRDA to participate in the funding of such a study in partnership with other entities engaged in the area;

The following motion was moved by Andy Bessette, seconded by Bob Patricelli and approved.

“Now therefore be it resolved, that the executive director is authorized to participate in such study and subject to funds being available, to contribute up to \$50,000 towards the overall planning exercise.”

Other Items Discussed

Kim Hart explained that the Hartford Minority Construction Council held their annual networking event and recognized CRDA as one of forty organization as partners in their efforts.

Mr. Freimuth reported that CRDA was recognized by National LISC as a Champion Public Partner for Neighborhood Development.

There has also been a request by the Dept. of Administrative Service (DAS) for CRDA to take two properties on Trinity, which are the smaller buildings located near the Arch.

CRDA Board Meetings will continue to be held on the third Thursday of the Month. Meetings will be held at 3:00pm as a virtual meeting until in-person meetings resume. The meetings may then revert to 6:00pm and be held at the CRDA office. Michael Freimuth asked that both times be held. The list of meeting dates for the upcoming year will be sent via email.

Adjourned 3:51pm

“The minutes of the October 15, 2020 CRDA Board Meeting were moved by Mayor Luke Bronin, seconded by Joanne Berger-Sweeney and approved at the November 19, 2020 CRDA Board Meeting.”