

**Capital Region Development Authority**

**100 Columbus Boulevard**

**5<sup>th</sup> Floor**

**Hartford, CT 06103**

**Thursday, January 21, 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, Mayor Marcia Leclerc, Garrett Eucalitto; Randal Davis; Andrew Diaz-Matos; Seila Mosquera-Bruno

**Board Members Absent:** Melissa McCaw

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

**New CRDA Board Members**

Chairwoman Hopgood introduced two new CRDA Board members appointed by Hartford Mayor Bronin effective January 21, 2021. The appointments are as follows:

- Randal Davis
- Andrew Diaz-Matos

Chairwoman Hopgood further recommended the new Board members to Committees as follows:

- Randal Davis – Regional and Economic Development Projects Committee
- Andrew Diaz-Matos – Venue Committee

**Minutes**

The minutes of the November 19, 2020 CRDA Board Meeting were moved by Mayor Marcia Leclerc, seconded by David Robinson and approved.

**Mayor Report**

Mayor Leclerc reported on the following:

Goodwin – opened their first commercial building with American Eagle as the anchor store.

Showcase Property – RFP was extended to January, bids are due January 28<sup>th</sup>.

Riverfront – work is moving along for improvements to the river-front

Senior Center – Expect a ribbon cutting in Spring

Prestige Park - Horst Engineering recently announced closure of their site in Massachusetts to begin their new building. The new headquarter is 180,000 sq. ft.

Mayor Bronin reported on the following:

- Park & Main – the prefab modular construction is partially complete
- Bushnell South parking garage construction is moving forward
- Arrowhead Café site – RFP has been solicited
- Hartford Public School Building – RFP has been solicited
- Pearl Street firehouse – RFP has been solicited

## Finance

CRDA CFO Joseph Geremia reported the following financial update for January 2021. Mr. Geremia referred to the report in the Board package and offered to take questions from Board members at any time throughout the month.

The Financial Advisory Committee (FAC) met on January 7, 2021 and approved the transfer of \$3M to cover the operational shortfalls at XL and Rentschler, \$1.5M for each venue. While Michael Freimuth discussed the budget transfer in the package, Mr. Geremia provided additional comments. Board members inquired as to how the allocation works with the Authority's initial budget forecast and the current projected shortfall.

### Fiscal Year 2021 Operating Statistics

#### CT Convention Center – Nov. 2020

Stats: no events scheduled until July 2021 due to state COVID-19 restrictions  
Nov. financials: Net Loss of \$2.340M favorable to budget by \$389,500 due to COVID-19 Shutdown.  
Total year projection of \$6.330M even with budget, with \$2.208M in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through May/June 2021  
[CRDA advance of \\$750,000](#)

#### CRDA Parking Facilities – Nov./Dec. 2020

Dec. stats: Utilization of 42% unfavorable to budget by 17%  
Monthly rate customers unfavorable to budget by 3,800 at 11,600 YTD.  
Transient customers unfavorable to budget by 50,100 at 22,600 YTD.  
Nov. financials: Revenue unfavorable to budget by \$900,300 due to facility limited openings thru Jul. 21.  
Expenses \$320,300 favorable compared to budget due to savings in utilities, security, vehicle ID tag purchases, credit card fees, and repairs & maintenance.  
Net Income \$580,000 unfavorable to budget.  
Total year projection of \$1.081M net income unfavorable to budget by \$2.282M.

#### Church Street Garage – Nov./Dec. 2020

Dec. stats: Utilization of 57% unfavorable to budget by 15%  
Monthly rate customers unfavorable to budget by 1,400 at 5,200 YTD  
Transient customers unfavorable to budget by 4,300 at 3,700 YTD  
Nov. financials: Revenue unfavorable to budget by \$157,200  
Expenses \$105,900 favorable compared to budget due to savings in utilities and security  
Net Income \$51,300 unfavorable to budget  
Total year projection even with budget of \$62,000 net income

#### XL Center – Nov. 2020

Stats: AHL 12 to 16 game season scheduled between February and May 2021 (fans TBD)  
No other events scheduled until Sept. 2021 due to state COVID-19 restrictions  
Nov. financials: Operating expenses \$1,022,100 favorable to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance.  
Net Loss of \$1,920,600 favorable to budget by \$877,700 due to COVID-19 shutdown.

Total year projection of \$6.215M loss unfavorable to budget by \$419,200, with \$2.496M in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through April/May 2021  
Payables aged at 90 to 120 days, except City of Hartford (\$2.194M)  
Received \$1.5M supplemental funding in January 2021  
[CRDA advance of \\$750,000](#)

#### P&W Stadium at Rentschler Field – Nov. 2020

Stats: Toronto FC played a seven game season (one with fans); NCAA Lacrosse event scheduled for May 2021  
UConn football season cancelled due to COVID-19 restrictions

Nov. financials: Operating expenses \$320,200 favorable compared to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance  
Net Loss of \$597,600 unfavorable to budget by \$551,500 due to COVID-19 shutdown  
Total year projection of \$990,000 loss unfavorable to budget by \$37,900

Cash Flow: Estimated available cash with aged payables through June 2021  
Received \$1.5M supplemental funding in January 2021

#### CT Regional Market

Stats: 82 warehouse units and restaurant – Occupancy: 88% with 16 tenants  
Activity: Farmers' Market opened for 2020 season on May 2 operating through Nov. 2020

Dec. financials: Operating revenue of \$425,600 favorable to budget by \$36,800  
Operating expenses of \$323,200 favorable to budget by \$56,400 due to savings in building maintenance and utilities offset with increases in security and farmers' market labor  
Net income of \$102,400 favorable to budget by \$93,200

#### Dillon Stadium – Calendar Year – Dec. 2020

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

Dec. financials: Operating expenses of \$222,300 favorable to revised budget by \$27,700  
Capital reserve balance: \$222,000

#### Debt Service Update

Through first six months of Fiscal Year 2021  
Funded \$2,163,300 towards budgeted \$3,113,200 in Parking facility, CUP, and Bond expense  
Operating funding  
Funded \$0 towards budgeted \$1,307,500 in Bond principal and interest funding

#### Venue Update

Andy Bessette explained that CRDA engaged Johnson Planning, that completed a Strategic Plan Study of the CT Convention Center in 2019, to advise CRDA on any key savings that could be obtained with venue management companies. Johnson advised that management fee savings in exchange for additional years on the contract term was the most common arrangement struck at other venues. Therefore, CRDA has negotiated deals with Spectra at XL and Waterford at the Convention Center. The following are the agreements presented to the Board review and approval.

The Venue Committee inquired about why something similar could not be done for Rentschler. Mike explained that the UConn Agreement with Rentschler expires in 2023 as does the Management Agreement with OPM. Due to this timing, CRDA is not in a position to expand it for a discount now until further discussions take place between UConn and OPM.

#### *XL Center*

The SPECTRA Venue Management Agreement Relating to the XL Center

- On April 26, 2013, CRDA entered into a ten (10) year Management Agreement with Spectra Venue Management (“Spectra”) relating to the management, food & beverage sales, and marketing of the XL Center and Rentschler Field (the “Agreement”).
- 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 as a result of the coronavirus disease outbreak in the State of Connecticut.
- As a result of such declarations, Spectra ceased holding and booking events at the XL Center for the immediate future.
- As a result, CRDA has incurred significantly larger deficits than originally forecasted at the XL Center.
- The parties desire to amend the Agreement to provide for certain financial relief to CRDA in return for a two (2) year extension of the Agreement with respect to the XL Center, only.
- In exchange for such two-year extension, Spectra will agree to forego its management fee for a six (6) month period occurring during FYE 2021 - FYE 2022.
- All other terms and conditions of the Agreements will remain unchanged.

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

***“The CRDA Board of Directors hereby authorizes its Executive Director to execute the amended Agreement on the terms provided above.”***

#### *Connecticut Convention Center*

The Waterford Venue Services Hartford LLC Agreements relating to the CT Convention Center were presented as follows:

- On July 1, 2017, CRDA entered into a five (5) year Management Agreement and a coterminous Catering & Concessions Agreement with Waterford Venue Service Hartford, LLC (“Waterford”) relating to the management, sales, and marketing of the of the Convention Center as well as its catering & concession services (collectively, the “Agreements”).
- 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 as a result of the coronavirus disease outbreak in the State of Connecticut.
- As a result of such declarations, Waterford ceased holding and booking events at the Convention Center for the immediate future.

- As a result, CRDA has incurred significantly larger deficits than originally forecasted.
- The parties desire to amend the Agreements to provide for certain financial relief to CRDA in return for a one (1) year extension of both Agreements.
- In exchange for such one-year extensions, Waterford will agree to forego its Catering & Concessions management fee for a four (4) month period during FYE 2021.
- All other terms and conditions of the Agreements will remain unchanged.

***The following motion was moved by Andy Bessette, seconded by Mayor Marcia Leclerc and approved.***

***“The CRDA Board of Directors hereby authorizes its Executive Director to execute the amended Agreements on the terms provided above.”***

*Wolfpack Amendment – Information purposes only*

Mr. Bessette explained the nuances of the following amendment that is being presented to Board Members regarding the Wolfpack 2021 Operating Agreement Amendment.

Background: The AHL season has been significantly disrupted by the Covid epidemic as has general operations at the XL Center. In a normal year, approximately 40 AHL games are held with an attendance averaging 3500-4000 per game. MSG pays team related expenses, XL operates the building and earns revenues from tickets, sponsorships and F&B. XL pays an affiliation fee as well.

Spring 2021: MSG/AHL will operate the team this year for a short three-month 30 game schedule. In consideration for the use of the XL, MSG will pay expenses related to training/practice events and games which will be fan-less, covering any incremental expenses associated with such use. There will not be an affiliation charge to the XL Center.

Status: The contract is between Spectra and MSG and the general terms have been agreed to by CRDA management. The Venue Committee reviewed this matter and concurred with Spectra decision to move forward along these lines for upcoming 'season'.

Mr. Freimuth indicated that besides Johnson Planning, who previously worked for CRDA on the convention center, looked at management give backs, discounts throughout the industry and that guided the negotiations with Waterford and Spectra, CRDA also retained Stone Consulting, who were sub-consultants that did the economic analysis of the XL Center in 2019. OPM and DECD both asked for a further extension of the analysis and some work was done on that.

Also Stafford Sports, which has worked with CRDA off/on for the last four years, has been negotiating with UConn on a long term UConn agreement for the XL facility that reflects a new seating and F&B structure that we hope to put into the building.

Board members inquired about COVID related use of funds for venues and asked if perhaps there was a chance to get reimbursed for some of the COVID related funds. Mr. Freimuth responded by saying that CRDA finance team monitors that and bills OPM which goes to the COVID accounts. That only can handle direct expenses linked to our operations that need to be reimbursed. They cannot make up for revenue shortfalls or things that fall under normal business.

## *Venue Studies*

The following was presented regarding COVID-Related Operations in CRDA Facilities:

### *CT Convention Center*

Testing – Hartford Healthcare has been operating a drive-through COVID testing site in the Convention Center stand-alone garage since November 12, 2020.

Vaccinations – Hartford Healthcare opened a vaccination site in the atrium of the Convention Center on December 12, 2020.

Surge Hospital – The Exhibition Hall is currently set up as an overflow hospital site with 600 beds. During the spring of 2020, a similar recovery hospital was erected with approximately 640 beds; it was dismantled in June of 2020.

### *Pratt & Whitney Stadium*

Food Distribution – Foodshare has operated a drive-through food distribution site in the paved lots behind the Stadium since April 2020. Distribution is currently down to one day a week.

Testing – Community Health Center (CHC) has operated a drive-through testing site in the grass lots on the north side of the Stadium since June 2020.

Vaccinations – With Foodshare in place, the Stadium was unable to accommodate CHC's request to use the site as for drive-through vaccinations. CHC instead reached out to Pratt and their parent company, Raytheon, to secure access to the former airfield located behind the Stadium and a mass vaccination site opened there on January 18<sup>th</sup>. The Stadium is providing logistical support, as well as space for vaccine freezer storage.

### *XL Center*

CRDA and Spectra staff have met with both testing and vaccine site organizers about utilizing the XL Center, however, all parties have agreed the site is unsuitable. Aside from the cost of opening the building, the arena floor is currently unavailable as the Wolfpack starts its 2020-21 season next month and AHL COVID protocols limit access to certain sections of the building. In addition, there is no easy access to the basement Exhibit Hall from the main entrance and parking is limited.

## **Housing & Neighborhood Committee**

Michael Freimuth presented the following housing projects that were discussed and approved at the November Housing and Neighborhood Committee:

### 246-8/250-2 Lawrence Street, Hartford, CT

**BACKGROUND:** Two six family vacant structures renovated by Wolverine Property (A. Gill developer, Lawrence Street Property LLC) using bank financing, a CRDA loan (\$521,000) and historic credits have been completed and are in lease up. However, the \$1.5M project ran into significant construction and material delays due to COVID as well as late SHPO sign off of historic work/certification. Consequently, the developer has not completed the monetization of the historic credits in time to retire the \$225,000 historic credit bridge loan component of the CRDA assistance.

PROPOSAL: The developer has asked for a six-month extension of the term expiration of the historic bridge loan (originally due Jan 4, 2021 and \$225,000) and will continue to pay interest on the loan during such a delay and the permanent portion of the note (\$296,000) will remain as originally awarded. Staff recommends approval of the request.

**The following resolution was moved by Andy Bessette, seconded by David Robinson and approved.**

*“The executive director is authorized to modify the term of the historic credits bridge loan by extending its expiration/due date from January 4, 2021 to July 1, 2021.”*

213/215 Lawrence Street, Hartford, CT

BACKGROUND: This three story, 3 unit building has been vacant and a neighborhood blight for nearly a decade and abuts the Lyceum Center located on Lawrence Street. City foreclosure and blight enforcement efforts have been underway and a Receiver, per new state statutes dealing with blighted properties has been appointed by the State Superior Court (August 2020) authorizing the receiver to step in, secure and clean the property and renovate it in a priority position to other claims on the real estate except municipal liens. The receiver, Wolverine Properties/A. Gill has been active in restoring properties in the area, has the appointment of the state court and support of the city to redevelop the property.

PROPOSAL: Use of a Receiver is new to the State of Connecticut blight fight and conventional mortgages are difficult to secure as a consequence. A. Gill/Wolverine Properties has requested CRDA to fund a first mortgage in lieu of conventional financing with the understanding that such mortgage would be protected by the court per the new statute. In doing so, the long vacant property will be put back into use and a template for tackling such properties will be established.

BUDGET: It is estimated that the renovation of the three units will cost \$462,000. The developer will provide equity of \$92,000 (approximately 20%) and requests a CRDA loan of \$370,000 at 3% interest amortizing over a 20-year term.

It is planned that the repayment of the historic credit bridge loan of \$225,000 from the same developer for nearby properties at 246-8 and 250-2 Lawrence be made available to fund the CRDA mortgage supplemented by \$145,000 in CRDA Housing Recapitalized funds.

**The following resolution was moved by Andy Bessette, seconded by Seila Mosquera-Bruno and approved.**

*“The executive director is authorized to make a loan to A. Gill/Wolverine Properties or such acceptable single purpose entity in the amount of \$370,000 at 3%, amortizing over a 20-year term, subject to the repayment of the \$225,000 historic bridge loan made to 246-8/250-2 Lawrence and \$145,000 of available funds from the CRDA Housing Recapitalization fund; and such terms and fiduciary conditions as deemed necessary by the executive director and CRDA counsel.”*

Projects Updates

Michael Freimuth gave the status on various CRDA housing projects. Mr. Freimuth explained that most of the housing projects that had occupancy dips due to COVID, in the summer, have come back up to the 90% range.

## **Regional & Economic Development Committee**

Mayor Leclerc reported the Committee convened with new members on January 14, 2021. Mr. Freimuth was able to give an update to the Committee on past projects and a few new projects that lay in wait. CT Regional Agricultural Market – There is an RFP out for Development and Planning that is due back on January 15, 2021.

Parkville Market – looking to expand into the neighboring building. CRDA will assist with access to DOT property adjacent to the market site for much needed parking.

Goodwin College Drainage Phase I and 2 – have been completed and maybe just some tidying up of paperwork is required.

Showcase Cinemas – demolition happened several months ago and the RFP is due back on the January 28, 2021.

Silver Lane sidewalk project – Currently getting wetland permitting. Discussions with OPM with regards to sidewalks has been completed so the project will continue to move forward.

East Bank project on Founders Plaza – the design team has been meeting on a regular basis. A new Master plan was presented to the parties this week by Tecton.

Riverfront Recapture – includes some new design elements that must go through DEEP and the Army Corp of Engineers to accomplish some improvements to the benches and the lighting project as well as using the town's new signage to put in wayfaring markers and new entrance signage at the Park.

Bushnell South Project – a firm has been selected to assist with developing the master plan and a contract is currently being negotiated.

Windsor Locks Project – the town has approached CRDA for assistance with blighted sights as well as a TOD project. Because the town lies outside of CRDA's defined work area, a statutory change will be required for us to provide any financial assistance or logistical support.

Bob Patricelli would like to let Mayor Bronin know that the Committee had a brief discussion of the farmer's market/regional market and added that he would like to know the Mayor's thoughts on finding a home for the market someplace more effective in the City, perhaps associated with Parkville Market. Mayor Bronin responded that he is strongly in favor of putting the market in a place that is more accessible by foot that helps to contribute to the vitality of a neighborhood. He added that Parkville area might be a little bit challenging because logistically it may be difficult due to getting trucks in/out, although maybe it could. He ended by saying that he definitely thinks there are sites throughout the City where it could absolutely work and where it would make a big difference.

## **Executive Director Report**

Ethics Requirements – Tony Lazzaro sent an email to Board members reminding them of State of Connecticut Ethics requirements, Statement of Financial Interest is included in this information. A refresher of some of the ethics rules may be done at an upcoming meeting either in person or virtual as an annual update.

## *Construction Report*

Robert Saint reported on the following construction items:

99 Pratt – Abatement has started.

Colt U Building – working through permits and expect to mobilize next week.

Park & Main – It is pre-fab so when the building goes up, everything will be in place and it will be quick. Plumbing is being connected and final finishes are being done in the Building B. Site prep is being done for Building A.

San Juan Center – drywall is complete and trim phase has started.

DoNo Parcel C – precast garage construction is largely finished and crews are installing the geo piles for the next phase.

Brackett – two houses are under construction and a third is about to begin. Water and sewer mains are in place. Working through final issues with MDC to get the laterals done. Installation of the gas line and paving will probably not happen until the Spring.

Riverfront Recapture – the old farmhouse has been dismantled and the environmental investigation of site continues.

Quirk West – parts of construction are moving well. Construction on main level looks like it will be complete in about 6 six weeks. Some parts of building open early Spring, other parts, late Spring.

Bushnell South Garage – due to COVID, paving, concrete work, painting put off until Spring. Other than those finishes, the building is substantially complete.

Adjourned 4:09pm

*“The minutes of the January 21, 2021 CRDA Board Meeting were moved by Marcia Leclerc, seconded by OPM Secretary McCaw and approved at the February 18, 2021 CRDA Board Meeting with the following correction. Michael Freimuth mentioned a typographical error that has since been corrected.”*