

Agenda
CRDA Board Meeting
Thursday, March 18, 2021

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

Go-To-Meeting

- | | |
|-----------------|---|
| 3:00pm – 3:05pm | ● Call to Order & Minutes |
| 3:05pm – 3:20pm | ● Presentation – Community Solutions – N. Hartford Investment Fund |
| 3:20pm – 3:25pm | ● Mayors Reports |
| 3:25pm – 3:30pm | ● Finance Report <ul style="list-style-type: none">- Monthly Financial update- Auditor Selection * |
| 3:30pm – 3:40pm | ● Venue Update <ul style="list-style-type: none">- XL Center- Rentschler- Connecticut Convention Center- Dillon Stadium |
| 3:40pm – 3:55pm | ● Housing & Neighborhood Committee <ul style="list-style-type: none">- 55 Elm Street *- NINA Hartford Heritage Homes Phase 2 – 80-82 Hawthorne *- Pratt Street – Phase 1 Modification *- DoNo Parcel B- Video - Allyn Street- Project Update |
| 3:55pm – 4:05pm | ● Regional & Economic Development Committee <ul style="list-style-type: none">- Regional Market RFP- Bushnell South- Project Update |
| 4:05pm – 4:15pm | ● Executive Director <ul style="list-style-type: none">- Construction Report |
| 4:15pm | ● Adjourn |

** Vote item*

New GoToMeeting link-Board meeting scheduled for 1hour 15 minutes (GoToMeeting does not use quarter hours)

CRDA Board Meeting {3-18-2021}
Thu, Mar 18, 2021 3:00 PM - 4:30 PM (EDT)

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/709449717>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3122](tel:+15713173122)

Access Code: 709-449-717

DRAFT
Minutes
February 18, 2021

**Capital Region Development Authority
100 Columbus Boulevard
5th Floor
Hartford, CT 06103
Thursday, February 18, 2021
3:00 pm – GoToMeeting**

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

Board Members Present: Chairwoman Suzanne Hopgood; Andy Besette; Mayor Luke Bronin; David Jorgensen; Alexandra Daum; David Robinson; Robert Patricelli; Joanne Berger Sweeney, Mayor Marcia Leclerc, Randal Davis; Andrew Diaz-Matos; OPM Secretary McCaw

Board Members Absent: Joseph Giuliatti; Seila Mosquero-Bruno

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

Minutes

The minutes of the January 21, 2021 CRDA Board Meeting were moved by Marcia Leclerc, seconded by OPM Secretary McCaw and approved. Michael Freimuth mentioned a typographical error that has since been corrected.

Mayor Report

Mayor Leclerc reported on the following:

Founders Plaza – continue to meet with owners to talk about future plans for taking parking lot space and using it for mixed-use space. Project has slowed due to COVID.

Rentschler Field – P&W has engaged CBRE to market the property, which is a great step for E. Hartford.

Riverfront improvements – continues to move forward.

Goodwin College – third phase is starting.

Board Members mentioned Mayor Leclerc's announcement not to run for Mayor of East Hartford in the upcoming November election. Mayor Leclerc responded by stating that she will continue to be a staunch advocate for Connecticut and the Greater Capitol area.

Mayor Bronin reported on the following:

Hartford YardGoats – there was an announcement that the YardGoats will be playing beginning in May (capacity limits and other safety precautions yet to be determined).

Hartford Healthcare – working with Hartford Healthcare to finalize plans, moving 600 employees into 100 Pearl Street. The move will include changes to the exterior of the building.

525 Main Street & Pearl Street Firehouse – making some strides but nothing finalized yet.

Albany & Main – planning work continues. RFP's are out on Arrowhead Café and Old Adult Ed Building on Washington St.

Property at the corner of Capitol & Broad - 1.25 acre parcel in a central location and is also in the Opportunity Zone will possibly be available for redevelopment.

Finance

CRDA Chief Financial Officer Joseph Geremia reported the following financial update for February 2021 referring to the report in Board package and mentioning that the majority of the venue projections are similar to those reported last month.

Fiscal Year 2021 Operating Statistics

CT Convention Center – Dec. 2020

Stats: no events scheduled until July 2021 due to state COVID-19 restrictions
Dec. financials: Net Loss of \$2.883M favorable to budget by \$570,00 due to COVID-19 shutdown
Total year projection of \$6.108M loss favorable to budget by \$220,000, with \$3.564M in undetermined funding sources
Cash Flow: Estimated available cash with aged payables through May/June 2021
CRDA advance of \$750,000

CRDA Parking Facilities – Dec. 2020/Jan.2021

Jan. stats: Utilization of 42% unfavorable to budget by 19%
Monthly rate customers unfavorable to budget by 4,600 at 13,300 YTD
Transient customers unfavorable to budget by 103,600 at 28,200 YTD
Dec. financials: Revenue unfavorable to budget by \$1,203,200 due to facility limited openings thru Jul. 21
Expenses \$396,900 favorable compared to budget due to savings in utilities, security, vehicle ID tag purchases, credit card fees, and repairs & maintenance
Net Income \$806,300 unfavorable to budget
Total year projection of \$895,600 net income unfavorable to budget by \$2.467M

Church Street Garage – Dec. 2020/Jan.2021

Jan. stats: Utilization of 56% unfavorable to budget by 16%
Monthly rate customers unfavorable to budget by 1,700 at 6,100 YTD
Transient customers unfavorable to budget by 4,800 at 4,600 YTD
Dec. financials: Revenue unfavorable to budget by \$198,400
Expenses \$142,800 favorable compared to budget due to savings in utilities and security
Net Income \$55,700 unfavorable to budget
Total year projection even with budget of \$62,000 net income

XL Center – Dec. 2020/Jan.2021

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
Dec. financials: Operating expenses \$1,292,700 favorable to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance
Net Loss of \$2,385,200 favorable to budget by \$992,900 due to COVID-19 shutdown
Total year projection of \$5.812M loss unfavorable to budget by \$16,200, with \$3.456M 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
Received \$1.5M supplemental funding in January 2021
CRDA advance of \$750,000

P&W Stadium at Rentschler Field – Dec. 2020/Jan. 2021

Stats: Toronto FC played a 7-game season (1 with fans); NCAA Lacrosse event scheduled for May 2021
UConn football season cancelled due to COVID-19 restrictions

Dec. financials: Operating expenses \$402,800 favorable compared to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance
Net Loss of \$486,200 unfavorable to budget by \$469,100 due to COVID-19 shutdown
Total year projection of \$1,245,800 loss unfavorable to budget by \$293,700 primarily due to loss of UConn football season and UConn field subsidy of \$250,000 removed from projection, with \$522,000 in undetermined funding sources

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

CT Regional Market (Same update as prior month)

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 (Same update as prior month)

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
Funding for Calendar Year 2021 due from Hartford Athletic

OPM Secretary McCaw stated that CRDA is carrying a net \$5.6M shortfall after the FAC transfer that was approved January 7, 2021. She asked if the updated projections require an adjustment to that assumption. If so, if you could send something over. Mr. Geremia responded that he has updated the projections and the amounts that are being reported reflect those projections and other adjustments as to whether or not the CRDA loans, to the facilities, will be able to be reimbursed by the State this year as well. They will be sent over to the analyst today. OPM Secretary McCaw indicated that a new letter will be issued tomorrow and it would be great if they could sync up.

Mr. Bessette inquired about the removal of the \$250,000 UConn field subsidy. Mr. Geremia responded by saying that UConn thinks that because there was no football played this year that they are not liable for the \$250,000 fee. CRDA management and Spectra Management, we tried to explain to UConn Athletic Department administration that the fee is for field maintenance so that the field would be maintained for next year however all attempts to collect have gone unheard.

OPM Secretary McCaw also responded by indicating that part of the challenge is that the State of CT is also helping to prop up the State educational institutions because of their losses in enrollment, dining and housing. The funds are coming from the same pocket, that is the Deficiency Bill. OPM provided considerable resources to support UCONN to get through the current year. It is definitely on OPM's radar screen. The goal is to get CRDA through FY21 with the deficiencies as currently projected and hopefully we can get back on a good path.

Michael Freimuth gave some insight into what the CRDA Finance Committee will be looking at for the next fiscal year as seen in what was recently presented in the Governor's FY2022 Budget. It is still not clear what CRDA should project for next fiscal year. The buildings will most likely start up and be running in the Fall, which will nevertheless create a tough First Quarter.

OPM Secretary McCaw continued stating that she "thought it was great to put that on record. There are a number of areas in the State where we don't yet have clarity on what capacity allowances will be and the impact of the vaccine rollout. To the extent to which consumer confidence is restored and we recognize you're a little behind the eight ball with being able to schedule events so from the OPM and the state perspective, we will continue to work with you. We left your State Budget flat and it's very difficult to project. As you have those updated assumptions, we will work with you to ensure that your needs are met through this temporary time-period."

Mr. Freimuth indicated that another difficulty is bringing back venue staff. When there are only a couple of events scheduled, it is hard to bring back staff when they will not be working at full capacity due to the uncertainty events. It could take a few months to ramp up the buildings to a full level of activity and how best to do this is a real challenge.

OPM Secretary McCaw commended CRDA on the strong results from the Regional Market, even amid a tough year. She indicated that it was a good move for the State and CRDA and said great work.

Venue Update

Andy Bessette reported the Venue Committee Update for February 2021. The Committee did not meet in February however the following updates on the venues are as follows:

Pratt & Whitney Stadium & CT Convention Center

The Stadium continues to host COVID testing and Foodshare distribution sites, while the Convention Center is hosting both testing and vaccination sites.

XL Center

Gymnastics – We are awaiting word from USA gymnastics as to whether the U.S. Classic Olympic-qualifier event scheduled for May 22nd will go forward. With COVID restrictions on the number of fans in attendance, the event may no longer be financially viable for the promotor. Another gymnastics event featuring current and former Olympic athletes has been scheduled for November, but will not move forward if the Tokyo Olympics are cancelled. Tickets for the "Gold Over America" tour will go on sale in the spring.

AHL -- The Hartford Wolfpack kicked off its 2021 season on February 7th. The team is scheduled to play 12 home games through early May. Games will be fanless for the foreseeable future.

Naming Rights – Spectra is finalizing an agreement with XL Caitlin for a reduction in this year's naming rights payment. The parties are also in discussions on a two-year extension to the naming rights deal, currently set to expire in 2023.

Building Renovation – SCI continues work on renovation plans, while discussions with Northland regarding the acquisition of the atrium space are ongoing.

Spectra Management Agreement – Mr. Freimuth stated that as members will recall, at our January meeting we approved a two-year extension of Spectra's XL management agreement until 2025. In order

to implement this change, we also need to extend our lease agreement with the City for the XL Center. That lease agreement allows for two 5-year extensions and the resolution on page 16 of your Board packet approves one such extension until 2028.

Mayor Bronin commented that there remains a substantial outstanding balance of unpaid police private duty bill, which is \$2.2M. He added that it is certainly his hope that before a renewal is executed, that CRDA/City of Hartford can get a resolution to this issue because it is a pretty significant receivable that Hartford is carrying.

Mr. Freimuth responded by stating that CRDA is working with OPM to resolve this issue.

The following resolution was moved by Andy Bessette, seconded by Joanne Berger Sweeney and approved with Luke Bronin and Randal Davis abstaining.

“WHEREAS, City of Hartford and the Capital Region Development Authority entered into that certain Second Amended and Restated Lease Agreement dated as of April 26, 2013 relating to certain land and facilities known as the XL Center located at One Civic Center Plaza, Hartford Connecticut (the “Lease Agreement”);

WHEREAS, pursuant to Article II, the term of the Lease Agreement expires June 30, 2023; however, CRDA has the right to exercise two successive periods of five (5) years each;

WHEREAS, Spectra Venue Management (“Spectra”) and CRDA entered into that certain Facilities Management Agreement dated April 26, 2013 relating to the Management of Rentschler Field and the Hartford Civic Center, as amended (the “Management Agreement”);

WHEREAS, on January 21, 2021, the CRDA Board of Directors authorized its Executive Director to execute an amendment the Management Agreement with Spectra that extends its term for two (2) additional years, thereby expiring June 30, 2025; and

WHEREAS, as a condition precedent to amending the Management Agreement in accordance with the Board’s authorization of January 21, 2021, the Board of Directors finds it desirable to exercise its right to extend the term of the Lease Agreement by one (1) five-year period, thereby expiring June 30, 2028.

Now therefore, be it resolved by the CRDA Board of Directors:

- 1. That it authorizes its Executive Director to exercise CRDA’s right to extend the term of the Lease Agreement by one (1) five-year period, thereby expiring June 30, 2028.”*

Housing & Neighborhood Committee

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

Project: 103-21 Allyn Street, Hartford (aka 88 Allyn Partnership)

The redevelopment of the former Lewtan buildings into 66 residential units has struggled during Covid, first in completion of construction and now with lease up. The buildings however are complete, have a

CO and are approximately 33% occupied. Nonetheless, the properties cannot carry their debt until they reach a higher occupancy and have asked for a forbearance of interest on the CRDA loan thru June 30, 2021. This would mirror a request that is under consideration at Peoples United Bank for a similar forbearance thru June 2021.

CRDA has a \$6.6M subordinate loan earning 3% interest and goes to permanent financing once the building stabilizes. PUB's first priority loan totals \$5.5M. Historic credits and equity balance out the \$21.1M project.

CRDA has taken several actions to assist the building to close construction and operating shortfalls, including granting a three-month forbearance in October 2020, increasing the affordability requirement to trigger additional historic credits, and creating a backstop escrow account. The action now requested will be designed to complement the terms of the primary lender with the goal to structure a total refinancing later in 2021 as the market improves and lease up reaches stabilization. An additional six-month forbearance is valued at \$99,540 which will be collected at refinancing as a fee due CRDA.

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

“The executive director is authorized to grant an additional six-month forbearance through June 30, 2021 for 103-21 Allyn Street (aka 88 Allyn Partnership) to match that of Peoples United Bank.”

Tenant Rent Deficiencies

Mr. Freimuth reported on the impact of COVID for CRDA Residential Projects.

CRDA Loan Servicing has reached out to our properties and continues to follow-up. Information was requested from 25 properties and 18 responses (72%) were received to date.

Almost all properties say they are generally doing well, reporting between 80% and 100% occupied (with the exception of 2 properties). Properties are between 70% and 100% of renters paying on time. Only 1 property needs to call some renters for payment.

Every property seems to be dealing with COVID a little differently. Some of the actions they are taking are: eliminate credit card fees, waive early termination or amenity fees, offer payment plans or move-in specials, and many are offering lease renewals with no rate increases. Almost every property is offering at least one of these options.

For possible evictions once the emergency orders expire, 8 properties said they may have 1 tenant each, 1 property has 3 potentially, and 1 property has 5 potentially. A total of 10 properties (40%) are awaiting some form of evictions process.

David Robinson inquired into the total number of likely evictions. Joseph Geremia estimated it to be less than 5%, perhaps as low as 1%. David Robinson and Suzanne Hopgood both noted that this was a relatively good report.

Projects Updates

The projects update was given referring to the updated reports.

28 High Street – On the market as of January 2021

1279 Main Street – coming on the market later this year

First Bld. Park and Main – on the market in late Spring

Radisson – has been foreclosed (CRDA \$5.2M interest was foreclosed) and the Authority is pursuing personal guarantees.

Mr. Freimuth indicated that he and Chair Hopgood took a tour of the homeownership program through NINA and he stated how nice the houses are. Chair Hopgood thanked The Hartford for their participation and said it was a great job all around. Mr. Freimuth offered to set up a tour for anyone interested. OPM Secretary McCaw indicated that she is interested in taking a tour as the Governor is looking to expand in the area of affordable housing and homeownership.

Regional & Economic Development Committee

Mayor Leclerc reported that although the Committee did not convene in February, the following update was given to ongoing projects:

CT Regional Agriculture Market – In November 2020, CRDA issued an RFP for Development Planning Services for the future of the Regional Market. Four proposals have been received – at least two of which are viable – and these are currently being reviewed by a selection committee. The committee hopes to select a firm in the next two weeks.

Bushnell South – Goody Clancy, the firm selected to develop a master plan for the area is now under contract and has begun meeting with stakeholders, including CRDA and the City.

East Hartford Projects

- Goodwin Drainage – The first two phases have been completed and engineering work will begin shortly on the third phase.
- Showcase Cinemas – Following demolition of the theater, the Town is currently in discussions with a potential developer for the site.
- Silver Lane Sidewalk Project – The project is currently working through some wetland permitting issues and hopes to issue bid documents in the late spring.
- Founders Plaza – The design team unveiled a new iteration of the proposed master plan and the parties are working through phasing and financing issues.

Great River Park – Design of the park improvements is nearly complete and Riverfront Recapture is working through permitting issues.

Executive Director Report

Michael Freimuth presented the 18-20/30 Trinity Street Property explaining that the State has declared them as surplus properties. These properties are at the Bushnell South area. DAS solicits state agencies that may have an interest in the property. If no interest then it defaults to the City of Hartford. If the City of Hartford is not interested, it goes to the marketplace. CRDA sees the properties as integral to Bushnell South. Mr. Freimuth will submit a response to OPM that CRDA is available to help market the redevelopment and try to package it as part of the State holdings in the area that have been conveyed.

Mayor Leclerc and Mayor Bronin expressed interest in CRDA being conveyed properties or have a role in marketing them.

OPM Secretary McCaw explained that “Governor Lamont’s dual goal is to put buildings back on the tax roles and to support the economic vitality of our cities throughout the State where we hold tax-exempt

property. CRDA's input on how to best do that will always be welcomed. I don't think it's a matter of holding the properties but certainly to the extent to which this Board wants to weigh in on how this fits in to some of the goals of CRDA and the revitalization of the City, that is certainly welcomed. These buildings do require a significant amount of investments to the tune of \$40+ M so we are looking for the best ideas and we welcome your input. But at the end of the day, we need to get out of holding on to valuable property that can be utilized and on the tax roles and helping the City to continue to grow and thrive."

Mayor Bronin responded by stating that the Governor is 100% aligned with the City's goals and CRDA's goals. "I would advocate for the properties to be conveyed to CRDA with an allowance for the maintenance because I think that would most likely provide the most flexibility and agility for getting them developed in the public private partnership. That would add a lot of process to any deal or conveyance that is necessary."

Chair Hopgood inquired about the Bushnell planning effort. Mr. Freimuth responded that CRDA built a scope of service with Bushnell, the City and Spinnaker, and the contracts are being held by the Bushnell. The first thing that needs to be done is to get their team up to speed and to map out a broader picture and get into the community and test it a little bit.

Mr. Freimuth referred to the projects update.

Construction Report

Robert Saint reported on the following construction items:

DoNo Parcel C – precast garage construction is up and pilings for the residential building are going in.

Park & Main – First building has been installed and is being fitted out.

Colt U Building – demolition has begun.

Brackett – waiting on MDC paperwork.

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

Chiller project – substantially complete.

Quirk West School – Working through budget issues related to AHU-9, BMS Control and Central Plant Repairs. Installation of new AHUs and duct work is in progress. The low voltage low bidder has declared bankruptcy so the package will be re-bid. On the main level, painting is nearing completion and acoustical ceiling grid installation is in progress.

David Jorgensen gave background regarding the Quirk West School/PAL project, noting that a new lease with the City is necessary and that he is working to secure additional funds to meet some of the properties problems that have been discovered thru the construction process. David Jorgensen hopes the City will assist with funds, with what is a city building, that also serves regional police needs.

Adjourned 4:10pm

Presentation

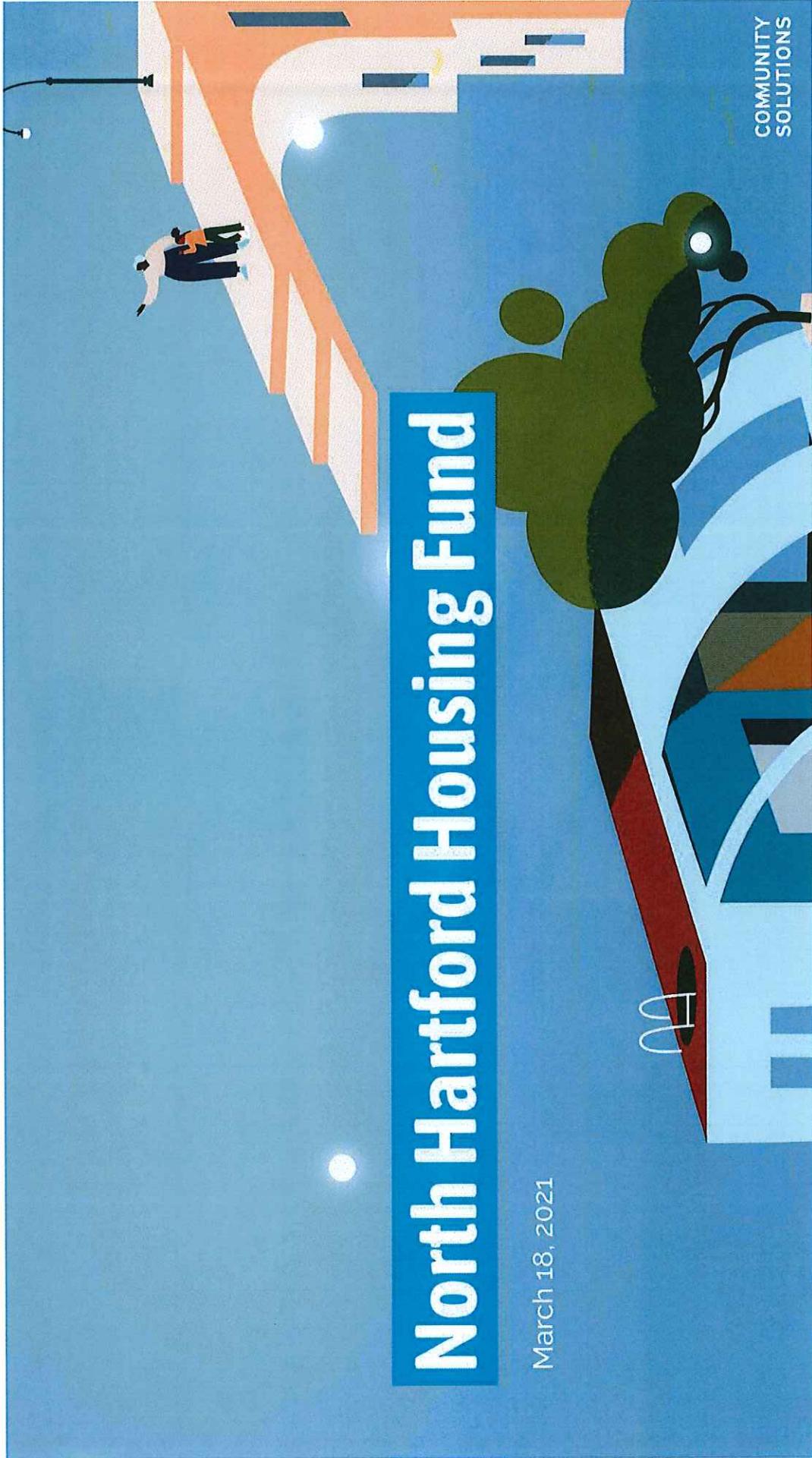
Community Solutions

North Hartford Investment Fund

North Hartford Housing Fund

March 18, 2021

COMMUNITY
SOLUTIONS

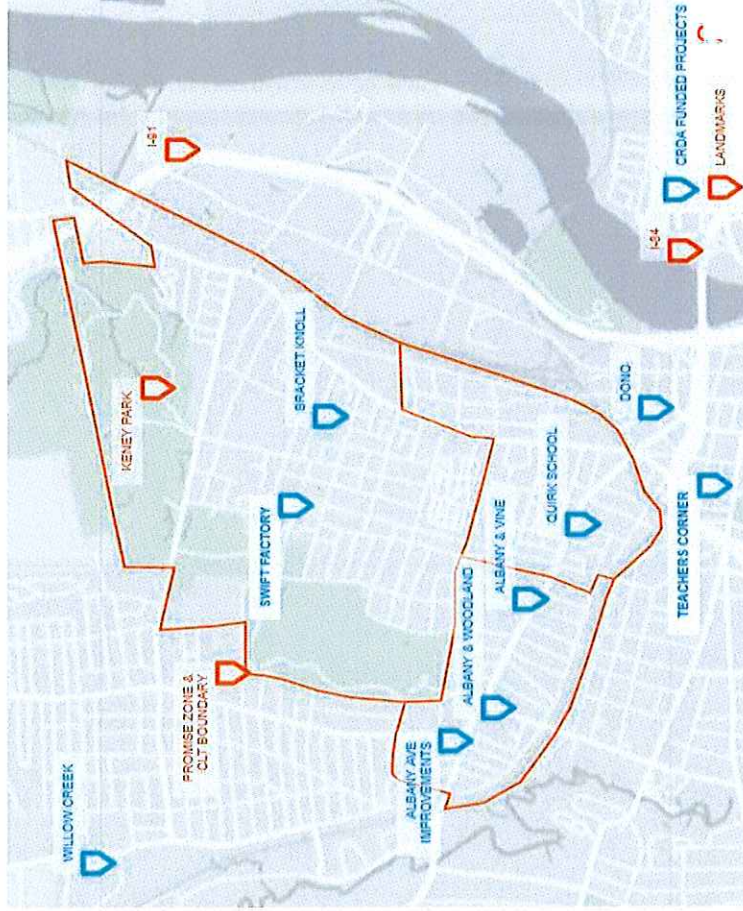
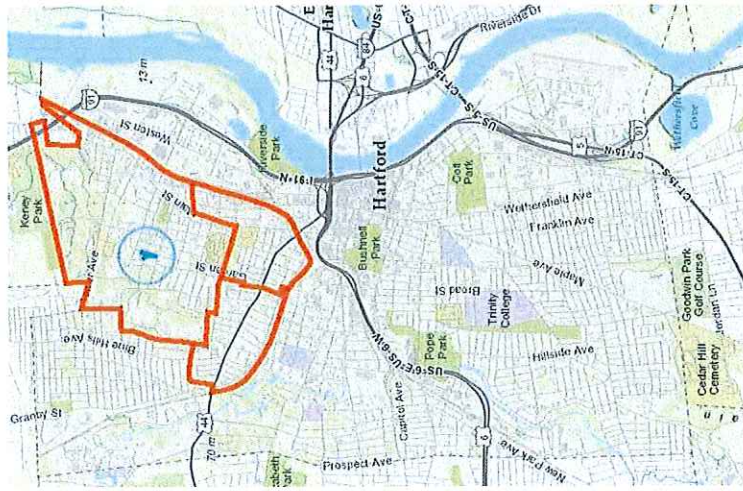


Location: North Hartford Promise Zone

Designated as Federal Promise Zone in 2015 (only one in New England, 1 of only 22 Promise Zones in the nation). Promise Zone Designation provides national focus and priority points on Federal grant applications.

North Hartford Promise Zone (NHPZ) identified 5 goals to improve the quality of life and accelerate revitalization:

- Create Jobs and Increase Economic Activity
- Reduce Serious And Violent Crime
- Improve Educational Opportunities
- Improve Health and Wellness
- Improve Homeownership And Rental Housing Assistance Programs

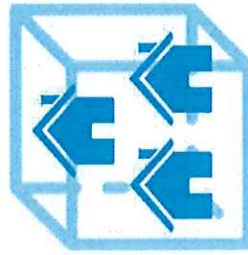


Overview: North Hartford Housing Fund

Community Solutions is seeking investment partners in a first-of-its-kind social impact housing model to be implemented in North Hartford, CT. The model is designed to address four predominant housing issues facing community residents: Poor quality housing, Long-term accessibility, High rates of eviction, Delinquent property management



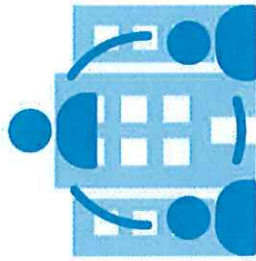
Raise and invest social impact capital to **acquire and rehabilitate 100 housing units in neighborhood**



Place all units into a newly formed **North Hartford Community Land Trust (NHCLT)** governed by a local Board of Directors composed of tenants, & community stakeholders



Retain ownership of land in trust for the community **and lease all units** at not more than 50% AMI rents



Employ local residents in the rehabilitation and management of units & provide additional resources to tenants, credit counseling and "rent ready" training

Social Impact Investment

\$3.4M in impact investment capital is required, which will leverage another \$6.3M in financing to stabilize the housing of very low income residents of North Hartford. The \$3.4M will be structured as mezzanine debt under the following terms:

- 2% annual return
- Receipt of all net income; annual return is paid first, all additional proceeds pay down principal
- Second lien position on all properties if desired
- Ten year repayment term; it is anticipated that the debt will be fully retired through refinancing of the senior debt to repay any outstanding principal.

CS will seek mortgage debt to fill out the rest of the capital stack (approx. 65% LTV). It is anticipated that this debt will amortize over twenty years, with a minimum of a ten-year term.

Property Acquisition & Rehab

Properties to be acquired are medium sized multifamily (focusing on 6 unit) buildings located within the NHPZ.

- Target average acquisition + rehab cost is \$86,528 per housing unit; based on a recent market survey.
- Target properties will include limited rehabilitation, and gut rehab properties acquired through the Hartford Land Bank
- Properties will be rehabbed to meet all code improve energy efficiency and mitigate negative health impacts
- Public/philanthropic resources will be used to upgrade energy efficiency and reduce operating costs. Options include:



Expanding Local Employment

Through the Swift Factory development CS established a strong pipeline and process for engaging local businesses in the construction process. Building off this success NHCLT aims to achieve local employment targets in the rehabilitation and management of NHCLT properties:

HOUSING REHABILITATION

- 30% of all construction spending will be with Hartford-based contractors
- 60% of all construction spending will be with Women/Minority Business Enterprises
- Preference will be given to contractors who employ Hartford residents

HOUSING MAINTENANCE

- All basic maintenance will be performed by NHCLT staff, 100% of whom will be Hartford residents
- NHCLT will maintain a list of preferred vendors for repairs outside of the scope of NHCLT staff; preference will be given to vendors who employ 50% Hartford residents; vendors who are Minority/Women Businesses; and vendors who employ minority or women workers



Finance Report

Monthly Financial Update

Auditor Selection *

Financial Update – March 2021

Insurance Update

Public Officials liability insurance renewed through February 2022

Fiscal Year 2021 Operating Statistics

CT Convention Center – Jan. 2021

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

Jan. financials: Net Loss of \$3.395M favorable to budget by \$532,200 due to COVID-19 shutdown
Total year projection of \$6.018M loss favorable to budget by \$312,400, with \$3.474M in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through April 2021
CRDA advance of \$750,000

CRDA Parking Facilities – Jan./Feb 2021

Feb. stats: Utilization of 42% unfavorable to budget by 19%

Monthly rate customers unfavorable to budget by 5,400 at 15,100 YTD

Transient customers unfavorable to budget by 116,400 at 34,300 YTD

Jan. financials: Revenue unfavorable to budget by \$1,521,000 due to facility limited openings thru Jul. 21
Expenses \$501,600 favorable compared to budget due to savings in payroll, utilities, security, vehicle ID tag purchases, credit card fees, and repairs & maintenance
Net Income \$1,019,800 unfavorable to budget
Total year projection of \$895,000 net income unfavorable to budget by \$2.467M

Church Street Garage – Jan./Feb 2021

Feb. stats: Utilization of 56% unfavorable to budget by 16%

Monthly rate customers unfavorable to budget by 2,000 at 6,900 YTD

Transient customers unfavorable to budget by 5,100 at 5,600 YTD

Jan. financials: Revenue unfavorable to budget by \$246,700
Expenses \$184,800 favorable compared to budget due to savings in payroll, utilities and security
Net Income \$61,900 unfavorable to budget
Total year projection even with budget of \$62,000 net income

XL Center – Jan./Feb 2021

Stats: AHL 12 game season scheduled between February and May 2021 (fans TBD)

No other events scheduled until Sept. 2021 due to state COVID-19 restrictions

Jan. financials: Operating expenses \$1,547,300 favorable to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance
Net Loss of \$2,751,500 favorable to budget by \$961,600 due to COVID-19 shutdown
Total year projection of \$5.812M loss unfavorable to budget by \$16,200, with \$3.456M in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through May/June 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 – Jan./Feb 2021

Stats: Toronto FC played a 7 game season (1 with fans); NCAA Lacrosse event scheduled for May 2021
UConn football season cancelled due to COVID-19 restrictions

Jan. financials: Operating expenses \$487,000 favorable compared to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance

Net Loss of \$572,200 unfavorable to budget by \$385,200 due to COVID-19 shutdown

Total year projection of \$1,245,800 loss unfavorable to budget by \$293,700 primarily due to loss of UConn football season and field maintenance fee due from UConn of \$250,000 removed from projection, with \$522,000 in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through June 2021

Received \$1.5M supplemental funding in January 2021

CT Regional Market Jan. 2021

Stats: 82 warehouse units and restaurant – Occupancy: 88% with 16 tenants

Activity: Farmers' Market opening for 2021 season on April 3

Jan. financials: Operating revenue of \$486,200 favorable to budget by \$43,300

Operating expenses of \$370,300 favorable to budget by \$79,400 due to savings in building maintenance and utilities offset with increases in security and farmers' market labor

Net income of \$115,900 with facility budgeted at breakeven for fiscal year

Dillon Stadium – Calendar Year – Jan. 2021

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

Jan. financials: Operating expenses of \$13,900 favorable to revised yearly \$250,000 budget by 2%

Capital reserve balance: \$234,500

Funding for Calendar Year 2021 – 50% of funding has been received from Htfd. Athletic

AUDITING SERVICES

Selection Process:

- A formal public Request for Proposals (“RFP”) for auditing services for the CRDA and its respective facilities was issued on January 25, 2021.
- CRDA received five (5) submissions, which were evaluated and ranked. The two highest scoring bidders proposed similar fee schedules for the three-year period. At the conclusion of the RFP process, CRDA selected Cohn Reznick as the preferred bidder. CRDA and Cohn Reznick have negotiated a proposed agreement under the following terms.

Terms:

- **Annual Fee:** Year 1 – Not-To-Exceed \$107,975;
Year 2 – Not-To-Exceed \$113,875; and
Year 3 – Not-To-Exceed \$114,750.
- **Duration:** In accordance with Section 32-603(4) of the Connecticut General Statutes, the term of the proposed agreement is three years.
- **Staff Recommendation:** Cohn Reznick – This recommendation is based upon the firm’s experience, the qualifications of the assigned staff, familiarity with similar projects, and demonstrated ability to complete audits timely.

MOTION

The CRDA Board of Directors hereby authorizes the Executive Director to execute an Engagement Letter with Cohn Reznick LLP consistent with the terms outlined above.

Venue Update

XL Center

Rentschler

Connecticut Convention Center

Dillon Stadium

Housing & Neighborhood

- 55 Elm Street *
- NINA Hartford Heritage Homes Phase 2 – 80-82 Hawthorne *
- Pratt Street – Phase 1 Modification *
- DoNo Parcel B
- Video - Allyn Street
- Project Update

PROJECT: **55 ELM STREET
HARTFORD, CT**

BACKGROUND: As part of the larger redevelopment known as Bushnell South, 55 Elm will be the restoration and conversion of the former state office building (private/leased) into 164 residential units as well as co-working space and a restaurant. (up to 70 units will be constructed so that they can be made available for hotel rooms should market justify such use). Total project development is \$63.3 M. of which CRDA assistance will be \$13.5M in the form of a \$7m construction/permanent loan and \$6.5M as a historic bridge loan, which upon repayment will be used for an additional phase of residential development within Bushnell South. The units are 80% market and 20% affordable

<u>PROPOSAL:</u>	Conventional Mortgage	\$ 32.5 M
	Equity	7.3 M
	Federal Hist Credits	10.0M
	State Historic Credits (bridged by CRDA)	6.5 M
	CRDA Perm Loan	<u>7.0 M</u>
	TDC	\$ 63.3 M

RESOLUTION: *The Executive Director is authorized to offer assistance to Spinnaker Real Estate Partners, LLC (or such single purpose entity as approved by CRDA) in the amount of \$13.5 million to be used for the construction of up to 164 units of housing (70 of which may be converted to hotel use at a future date) at 55 Elm Street, Hartford. The funds are available at 2% interest only during construction for a period up to 36 months. \$7M of the \$13.5M shall be converted to permanent financing upon stabilization (but no longer than three years from closing) at 2%, amortizing over 30 years and \$6.5M shall be repaid upon the monetizing of the federal and state historic tax credits, subject to all other financing being in place; approval by the State Bond Commission; and such fiduciary requirements as may be deemed necessary and appropriate by CRDA and its counsel.*

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PROJECT: **80-82 Hawthorn Street
Hartford Ct**

BACKGROUND: In May 2018, CRDA working with Northside Institutions Neighborhood Association (NINA) created and funded a \$2.5 million program designed to create new home ownership in the Asylum Hill neighborhood that was approved by the State Bond Commission in June 2018. CRDA then authorized the first \$450,000 to be used for six homes (8 units).

NINA has completed four homes to date including the renovation of two historic properties and the new construction of two new rowhouses. All have either been sold or are under contract. NINA has successfully leveraged the CRDA funds with monies from other programs including grant support from local business as well as national organizations.

PROPOSAL: NINA has now asked to draw the remaining \$200,000 as a grant to be used to write down the purchase price for two more row house ownership units at 80 and 82 Hawthorn Street.

RESOLUTION: *Now therefore be it resolved, that the Executive Director, is authorized to enter into an assistance agreement with NINA for the remaining \$200,000 from the Heritage Homes Program initially allocated by the CRDA, for purposes of developing 80 and 82 Hawthorn Street as three bedroom row house units available for new home owners within the Asylum Hill neighborhood subject to all other sources of funds being secured and such fiduciary terms as deemed necessary and appropriate by CRDA and its counsel*

PROJECT: Pratt Street Initiative Phase 1
Hartford CT

BACKGROUND: The renovation of two vacant commercial properties into 129 units and retail space at 99 Pratt and 196 Trumbull was approved by CRDA in October 2019 and subsequently amended in September 2020 to be a \$12M loan in two tranches, a \$3M five-year loan at 1% interest only and a \$9M 10-year loan at 1%. (modified from initial deal terms of \$5.5M and \$6.5M loans at 2.75% based on cash flow loans at 10-year term). Considerable cost increases requiring additional equity by the developers and preferred return requirements of historic credit investors has increased the project costs. In lieu of additional funds by CRDA the developer and investors will increase their participation but have asked that CRDA stretch its term from 10 years to 30 years on the second note of \$9M that will be paid down at scheduled refinancing and at sale with the ability to assign the note to subsequent buyer in the event that sale proceeds are insufficient to cover all the debt.

PROPOSAL: Extend the initial ten-year term for the \$9M note to 30 years and allow for an assignment of the mortgage balance to a future buyer in the event that proceeds from earlier refinancing and subsequent sale are insufficient to retire the balance of the note.

RESOLUTION: The executive director is authorized to amend the loan terms of the \$9M loan to Pratt Street Phase 1 from a ten-year term to a 30-year term with an assignment clause for the unretired balance subject to the subsequent approval of CRDA.

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DoNo Parcel B

The second component of the DoNo project is in early planning and is known as DoNo Parcel B.

Overall, the site would have 532 housing units and a 541-car garage and would represent an investment of over \$100M. It would be built out in two phases: Phase 1 would be 228 units and a 541-car garage with a total development value of \$52.8M. Phase 2 would be an additional 304 units valued at \$56M.

Mirroring the first phase financial structure and construction cost experiences, Parcel B, phase 1 would have a sources/uses as follows:

Parcel B - Phase 1 228 units, 541 car garage

Conv Mortgage	\$ 33.2 M
Equity	6 .0 M
<u>CRDA Loan</u>	<u>13.6 M</u>
TDC	\$ 52.8 M

CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/AF Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Leased ¹
777 Main	285	\$84.5M	\$296K	\$17.7M	\$62K	80/20	\$7.5M equity \$10.2M 2nd mortgage	1/30/2013	3/13/2013	3/28/2014	Renting	86%
201 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$750K	\$28.8K	100	initial constr. note \$3.8M ³ convert to 2nd mortgage at \$750,000	3/21/2013	6/21/2013	10/29/2013	Renting	35%
179 Allyn	63	\$14.89M	\$233K	\$6.5M	\$103K	80/20	\$3.25M equity, \$3.25M 2nd Loan	3/21/2013	6/21/2013	11/15/2013	Renting	94%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	Bridge HTC ³	6/4/2013	6/21/2013	12/5/2013	Renting	95%
Capewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	1/15/2014	11/16/2014	6/30/2015	Renting	97%
390 Capitol	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, .5%, 20 yr.	6/19/2014	3/17/2015	9/22/2015	Renting	97%
36 Lewis	6	\$1.8M	\$306K	\$300K	\$50K	100	construction/perm loan 1-3% 30 yr.	6/19/2014	7/25/2014	4/8/2015	Renting	100%
38-42 Elm	6	\$1.24M	\$206K	\$949,350 ⁴	\$61.5K	100	loan 3% 30 yr.	6/19/2014	7/25/2014	2/25/2015	Renting	100%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	5/21/2015		9/9/2016		
370 Asylum	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan <3%, 20 yr.	6/16/2016	7/28/2015	12/12/2020	2021	
Radisson	96	\$19.5M	* 2	\$6.5M	\$67.7K	100	foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	35%
81 Arch	53	\$23M	\$380K	\$5.6M	\$103.7K	100	30 yr. 1% loan	10/20/2016	11/15/2016	11/7/2017	Renting	79%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	80%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	90%
109 Allyn	66	\$21.1M	\$319K	\$6.6M ⁶	\$103K	80/20	construction/perm loan 3% 5 yr.	12/8/2016	2/1/2017	10/31/2018	Renting	60%
105-7 Wyllys	9	\$2.5M	\$277K	\$800K	\$88.8K	100	construction/perm loan 2-3% 30 yr.	5/18/2017	11/29/2017	8/31/2019	2021	
Coit North	48	\$13.6M	\$283K	\$2.88M	\$60K	100	construction/perm loan 3% 20 yr.	5/18/2017	11/29/2017	7/2/2018	Renting	100%
28 High	28	\$5.5M	\$196.4K	\$1.9M	\$67.8K	80/20	loan 3% 30 yr.	2/2/2018	2/16/2018	8/29/2018	Renting 1/21	50%
100 Trumbull	16	\$1.5M	\$95.7K	\$960K	\$60K	100	loan 3% 20 yr.	9/21/2017	2/16/2018	4/12/2018	2018/19/20	95%
246-250 Lawrence	12	\$1.5M	\$125K	\$521K	\$43.4K	100	Historic bridge loan & perm loan 3% 20 yr.	10/18/2018	12/11/2018	1/4/2019	Renting	75%
Coit "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Late 2021	
Prett I	129	\$29.8M	\$231K	\$12M	\$98K	80/20	\$3M&\$9M 1% 5yr, 30yr.	10/17/2019	9/17/2020	12/18/2019	2022	
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	Yr. 3%	9/20/2018	9/20/2018	6/25/2020	2022	
Dono "C"	270	\$56.2M	\$208K	\$11.8M	\$43.7K	90/10	3% 30 yr. 15 yr. term	9/20/2018	9/20/2018	9/30/2020	2022	
Summary	1969 ⁵	\$472M	\$239K	\$121.7M	\$62.5K median \$64K avg.	86/14	1697 market / 251 affordable					

3/15/2021

¹ deposits and leases
² \$75K/unit est. residential + 188 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 2108 w/ Front St. & Recap deals
⁶ \$200K reserve via Bond Commission

CRDA Neighborhood Projects

Project	Description	TDC	CRDA Amount	CRDA Funds	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Bowles Park	Demolition of 410-unit housing project & construction of 91 new rental and owned units on Granby Street (Blue Hills neighborhood)	\$40m	\$5,000,000	FY16 Neighborhood	\$5m grant for demolition	9/9/2016	9/15/2016	9/30/2016	Phase I complete & leasing underway.
Brackett Knoll	Construction of 14 two-family owner-occupied homes on Naugatuck Street	\$3.7m	\$1,555,000	FY16 Neighborhood (Promise Zone)	\$630,000 grant for site acquisition/improvements; CRDA to use \$925,000 to construct required road	11/10/2016	12/8/2016	2/1/2017	Road construction underway. Housing production begun.
Swift Factory	Renovation of historic factory into "Community Food and Job Creation Hub" serving the Northeast, Upper Albany and Clay Arsenal neighborhoods	\$32.7m	\$4,300,000	FY16 Neighborhood (Promise Zone)	\$4.3m loan - minimum debt service calculated using an initial 1% APR and be paid monthly upon stabilization. CRDA to receive 70% of net available cash after payment of first lien debt service & other required distributions. Payment shall continue over a 20-year term until CRDA has received all of its capital with 3% IRR. Funds contingent upon execution of tenant leases (a) for no less than 50% of leasable project space or (b) no less than 50% of projected rental revenue.	3/10/2017	3/16/2017	5/12/2017	CO issued. First tenants moving in.
Albany Ave/ Main Street	High Speed internet cabling connection to North End Business	TBD	\$525,000	FY16 Neighborhood (Promise Zone)	Funds used to match Federal Promise Zone Funding and compliment Albany Ave. Streetscape project	6/15/2017	6/15/2017	11/29/2017	Construction Complete
Dillon Stadium	Management and renovation of Stadium, including replacement of field, replacement or refurbishment of bleachers, upgraded seating, lighting & sound system, upgrades to concessions, restroom and locker facilities, building code and ADA upgrades and new site entrance. Additional upgrades to be made at neighboring Colt Park.	\$10m	\$10,000,000	FY17 Neighborhood	CRDA to oversee renovations and hold construction contracts. Work at Dillon to be done in conjunction with Hartford Sports Group (HSG) and their architect. Scope of Colt Park renovation to be developed in conjunction with City of Hartford.	1/12/2018	2/8/2018	2/16/2018	Completed
Charter Oak Health Center	Renovation of vacant building into specialty health clinic	\$1.9 m	\$450,000	FY 16 General	Grant for exterior work, historic restoration & site work	NA	6/21/2018	9/20/2018	Completed
690-714 Albany Ave.	Renovation of 8 unit / 3,500 sf storefront bldg	\$3.8m	\$2,500,000	FY16 General	Equity investment in renovation	NA	6/21/2018 3/21/2019	7/25/2018	On hold, funds to be reprogrammed
Quirk Middle School / PAL	Renovation of former middle school	\$7.5m	\$7,500,000	\$3.9 = FY16 General \$3.6 = FY16 Neigh (PZ)	Includes \$500,000 for implementation of Neighborhood Security Fellows training program			7/25/2018	Construction nearing completion
Heritage Home	Assistance via NINA to increase home ownership in Asylum Hill area.	TBA	\$2,500,000	FY17 Neighborhood	Loans and grants	5/11/2018	5/24/2018	6/1/2018	multiple properties see Housing Varied Funding Report
			\$34,330,000						

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**Regional
&
Economic Development Projects
Committee**

Connecticut Regional Market
Bushnell South

CRDA Regional and Economic Development Projects

Project	Description	TDC	TDC Per Unit	CRDA Managed Amount	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Hartford Regional Market	Planning & design for redevelopment & improvements Garage		n/a	\$1,050,000	Grant-in-aid			7/25/2018 12/18/2018	Formal leases underway, long term planning RFP issued
Front Street District	Paving & crosswalk improvements at Front/Columbus intersection, storm drainage improvements and waterproofing & related garage improvements at Front-St. North Garage		n/a	\$3,000,000	Direct CRDA expenditure			7/25/2018	Garage storm drain improvement work nearing completion
East Hartford - Showcase Cinemas	Acquisition, demolition and redevelopment of former multiplex site		n/a	\$12,000,000	Grant-in-aid			7/12/2016 6/1/2018	Demolition complete. Town discussions with developer underway
East Hartford - Drainage Improvements near Goodwin College	Installation of new drainage lines to accommodate new development in Goodwin area		n/a	\$4,000,000	Grant-in-aid		6/21/2018	7/25/2018	Phase I and Phase II work nearing completion
East Hartford - Silver Lane Improvements	Installation of new sidewalks, crosswalks and streetscape improvements recommended in CROG Silver Lane study		n/a	\$1,011,887	Grant-in-aid (Balance of funds given to OPM for EBHN project)			4/4/2009	Sidewalk design complete. Liability & maintenance issues to be resolved.
East Hartford - Founders Plaza	Master Planning & Garage design to allow for residential development in area		n/a	\$500,000	Grant-in-aid			6/1/2018	Discussions continue with Town, developer planning consultants and CRDA
East Hartford - Great River Park	Improvements to Great River Park, including repairs & improved access to and within the park, particularly for disabled visitors		n/a	\$1,340,000	Grant-in-aid			9/20/2018	Agreements signed with Riverfront Recapture.
East Hartford - Neighborhood Property Improvements	Abatement and demolition of four blighted structures, including a former Town fire station and three residential properties		n/a	\$ 1,000,000	Grant-in-aid			9/20/2018	MOU signed with Town.
East Hartford - Horizon Mall	Infrastructure improvements and site work for outlet mall		n/a	\$ 12,000,000	Urban Act Grant		9/15/2015	7/12/2016	Mall development cancelled 3/18
Newington - National Welding Site	Administration of abatement and demolition of site. Assistance with development of site	TBD	n/a	\$ 2,000,000	DECD Brownfields Grant		1/15/2013	n/a	Town negotiation with residential developer in construction
Bushnell South Garage	Garage	\$17m	N/A	\$17,000,000	CRDA Prop.			9/20/2018	
Parkville Market	Community Market	\$5.1m	N/A	\$3,500,000	Construction / Bridge Loan		1/10/2019	4/2/2019	Certificate of Occupancy received. Opened
Riverfront Recapture	Phase I development of extension to Hartford Riverwalk north of Riverside Park		#####	115 Neighborhood	Grant-in-Aid			9/20/2018	Remediation, soil testing, geo borings underway

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CRDA Redevelopment Projects

Project	Description	Promise Zone?	TDC	CRDA Amount	Structure	CRDA Board	Bond Commission Approval	Status
DoNo - Healthy Hub	Grocery Store	N	\$22.7m	\$8,500,000	Loan and cash flow note	9/20/2018	9/20/2018	Site selection process underway
DoNo - Arrowhead Block	Establishment of fund to assist neighborhood property owners with exterior refurbishments	N	-	\$4,000,000	Loan and equity	9/20/2018	9/20/2018	1279-83 Main; other projects in review
Albany/Woodland	new construction mixed use project	Y	\$21m	\$5,500,000	Loan/Equity		7/21/2020	Pre-development

11/16/2020

\$ 18,000,000

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Executive Director Report

Construction Report