

Capital Region Development Authority

100 Columbus Boulevard, 5th Floor

Hartford, CT 06103

Thursday, May 20, 2021

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; Robert Patricelli; Joanne Berger-Sweeney, Mayor Marcia Leclerc, Randal Davis; Andrew Diaz-Matos; Garrett Euceletto; Steve Kitowicz; David Robinson

Board Members Absent: Seila Mosquero-Bruno; David Lehman

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

Minutes

The minutes of the April 15, 2021 CRDA Board Meeting were moved by Andy Bessette, seconded by Bob Patricelli and approved.

Mayor Reports

Mayor Leclerc reported that projects in East Hartford are moving along.

Mayor Bronin reported on the following

- The City Council approved the Mayors spending plan for the America Recovery Plan (ARP) funds.
 - o Youth services & Support
 - o Community Safety & Wellness
 - o Activate vacant space (City wide as well as vacant space in the CRDA district)
 - o Small Business loans that will focus on businesses that are activating vacant space
 - o \$500K for the marketing and promotion of the City as well as \$450K for three years for the establishment of a tourism & visitor's bureau through CRDA
 - o Place the NE branch of the Hartford Public Library in the Swift Factory
 - o Fix the deteriorating historic NW Jones School on Albany Avenue
 - o Local match for CRDA funds that have already been allocated for Albany & Woodland
 - Which will need a revision to the language in the Bond allocation
 - o Parkville
 - Phase II of Parkville Market
 - An additional Parkville project
 - Commercial and incubator space component
 - o \$9M set aside for neighborhood and economic development undefined – some of which may be used in partnership with or through CRDA.
 - o Allocation of \$6M for downtown commercial property stabilization – intentionally did not define because it is designed to be flexible. Could be used to amplify tenant recruitment efforts that are being led by the Metro Hartford Alliance/to help take commercial slack out of the market through additional conversions to residential.
 - o Help provide Gap financing through CRDA, to successfully redevelop both 525 Main Street and the Pearl Street firehouse which have been RFP'd and working through the process to select the potential developers.
 - o Approval of \$3M – city owned blighted properties with the initial focus on 270 Albany Ave. and the retail property next door to that (directly across from Quirk Middle School redevelopment project.)

Finance Update

CRDA's Chief Financial Officer Joseph Geremia reported on the following financial update for May 2021.

Andy Bessette asked if there were new American Recovery Plan funds in FY21. Mr. Geremia responded by stating the American Recover Plan funds are not in the FY21 numbers that are presented however those funds are in FY 22 & FY 23 budget numbers. Mr. Freimuth further indicated that the funds have not yet been approved by the State and the Board will need to approve the Budget that includes these funds.

A further discussion ensued regarding how the American Recovery Plan funds will be allocated throughout the State.

Fiscal Year 2021 Operating Statistics

CT Convention Center – Mar. 2021

Stats: no events scheduled until Sept. 2021 due to state COVID-19 restrictions
Mar. financials: Net Loss of \$4.033M favorable to budget by \$764,100 due to COVID-19 shutdown
Total year projection of \$6.401M loss unfavorable to budget by \$20,700, with \$1.722M in undetermined funding sources
Cash Flow: Estimated available cash with aged payables through June 2021
CRDA advance of \$750,000
State of CT CRF advance of \$1,500,000
Deficiency funding request of \$3,222,200

CRDA Parking Facilities – Mar./Apr. 2021

Apr. stats: Utilization of 41% unfavorable to budget by 23%
Monthly rate customers unfavorable to budget by 7,300 at 18,300 YTD
Transient customers unfavorable to budget by 195,700 at 50,900 YTD
Mar. financials: Revenue unfavorable to budget by \$2.062M due to facility limited openings thru Sept. 21
Expenses \$616,100 favorable compared to budget due to savings in utilities, security, vehicle ID tag purchases, credit card fees, and repairs & maintenance
Net Income \$1.446M unfavorable to budget
Total year projection of \$981,400 net income unfavorable to budget by \$2.381M

Church Street Garage – Mar./Apr. 2021

Apr. stats: Utilization of 55% unfavorable to budget by 17%
Monthly rate customers unfavorable to budget by 2,500 at 8,500 YTD
Transient customers unfavorable to budget by 5,500 at 7,900 YTD
Mar. financials: Revenue unfavorable to budget by \$311,900
Expenses \$243,900 favorable compared to budget due to savings in payroll, utilities and security
Net Income \$68,100 unfavorable to budget
Total year projection even with budget of \$62,000 net income

XL Center – Mar. 2021

Stats: AHL 12 game season scheduled between February and May 2021 (fans TBD)
Limited events scheduled through Sept. 2021 due to state COVID-19 restrictions

Mar. financials: Operating expenses \$2.181M favorable to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance
Net Loss of \$3.333M favorable to budget by \$1.473M due to COVID-19 shutdown
Total year projection of \$5.812M loss unfavorable to budget by \$16,200, with \$3.206M in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through 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
State of CT CRF advance of \$1,000,000
Deficiency funding request of \$6,400,100

P&W Stadium at Rentschler Field – Mar. 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

Mar. financials: Operating expenses \$652,000 favorable compared to budget due to savings in personnel, supplies, contracted services, and repairs & maintenance
Net Loss of \$1.030M unfavorable to budget by \$486,600 due to COVID-19 shutdown
Total year projection of \$1.246M 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 \$22,000 in undetermined funding sources

Cash Flow: Estimated available cash with aged payables through June 2021
Received \$1.5M supplemental funding in January 2021
State of CT CRF advance of \$500,000
Deficiency funding request of \$522,000

CT Regional Market Mar. 2021

Stats: 82 warehouse units and restaurant – Occupancy: 88% with 16 tenants
Activity: Farmers' Market opened for 2021 season on April 3

Jan. financials: Operating revenue of \$665,300 favorable to budget by \$75,600
Operating expenses of \$486,500 favorable to budget by \$98,100 due to savings in building maintenance and utilities offset with increases in security and farmers' market labor
Net income of \$178,800 with facility budgeted at breakeven for fiscal year

Dillon Stadium – Calendar Year – Mar. 2021

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

Mar. financials: Operating expenses of \$42,900 favorable to revised yearly \$250,000 budget by 8%
Capital reserve balance: \$277,800

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

Fiscal Year 2022 Budget Process

1. Venues prepared draft budgets (March through May)
2. CRDA staff reviewed 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)

4. Full Board presented budgets for authorization (June 17)

Venue Update

Andy Bessette reported that the Venue Committee met on May 7th and the following items were discussed:

Reopening Plans:

XL Center – The arena is not expected to fully open until August, although a number of graduation ceremonies will be held this spring.

Pratt & Whitney Stadium – UConn graduation ceremonies were held over a five-day period in early May. The first major event, the NCAA Lacrosse Championships, will be held May 29th – May 31st.

CT Convention Center – The CTCC is not expected to open until Labor Day, with the first major event being the annual ConnectiCon pop culture convention. Staff will begin coming back in late August,

Dillon Stadium – Hartford Athletic played its first regular season match on May 15th.

Mr. Freimuth added that P&W Stadium has 11-12 events in June and July, many being outdoors. XL Center has two, and a possible third event in August with six more events booked in October. The CTCC has eleven events in October. Dillon has seven to eight events per month through Summer into the Fall.

Construction Updates

Bob Saint will provide a more detailed construction report, however, the following should be noted:

XL Center – SCI continues to refine renovation plans for the building, focusing on new premium seating in the lower bowl. The RFP for a construction manager for the project will be re-issued and will include a project labor agreement requirement.

Pratt & Whitney Stadium – An RFP for a full structural and mechanical assessment of the Stadium will be issued shortly. The facility is nearly twenty years old and is in need of repairs and upgrades. With the expiration of the UConn lease and the CRDA/OPM MOU in 2023, the State will likely reevaluate the current oversight structure of the facility and it should have a work plan and estimated budget on hand to address such repairs and upgrades.

CT Convention Center – Repair work to address water issues on the plaza between the Convention Center and Marriott Hotel is underway. The project will be funded with \$3.5 million in bonding authorized for this purpose.

Housing & Neighborhood Committee

Joanne Berger-Sweeney reported the Committee met on May 13th and the following items were discussed:

338 Asylum (The Bond) – CRDA has been in discussions with Paul Khakshouri, the owner of the shuttered Homewood Suites on Asylum Avenue. He is looking for CRDA assistance in converting the

hotel to 116 residential units and restoring its historic façade. Mr. Khakshouri has suggested tying such assistance to his repayment of the CRDA loan provided to his neighboring property on Allyn Street. The refinancing and restructuring of the mortgage at 103-121 Allyn would result in a potential repayment of \$1.0m to \$1.5m to CRDA, of which \$900k to \$1.1m could be directed to 338 Asylum. The balance of the funds would be placed in CRDA's capital reserve for future projects.

The Committee noted the loss of hotel rooms in the City is problematic, particularly when a shortage of rooms in the region hampers the Convention Center's ability to book certain large events. An analysis shows that the Homewood Suites did not handle a significant amount of business for Convention Center events and the construction of two-proposed smaller boutique hotels would balance out the loss. It was also noted that even if the conversion project fell through, the hotel is not likely to be rebooted and will continue as a residential building.

A resolution will likely be put before the Housing & Neighborhood Committee and if approved, will be presented to the Board at a future meeting.

North Hartford Housing Fund – Discussions continue with Community Solutions, the non-profit overseeing the creation of the Housing Fund. The fund would provide for the acquisition, rehab and leasing of six-family houses in the area of the Swift Factory, with construction work done by local minority contractors.

The Fund has just received preliminary approval for \$6.3m in assistance from BlueHub Loan Fund. As discussed previously, CRDA has been asked to contribute up to \$3m to the fund, with individual projects approved on a case-by-case basis. A resolution will put before the Housing & Neighborhood Committee and if approved, will be presented to the Board at a future meeting.

201 Ann Street – The first project funded by the Authority, this property has been sold and its CRDA loan has been paid off. Funds will be placed in CRDA's capital reserve account for use on future projects. At least one other loan is expected to be paid down this year.

Project Updates – As noted in the project spreadsheets in your packet, occupancy rates remain high. The San Juan Center, Colt "U" building and the first building of the Park and Main project should be coming online later this year.

Mr. Freimuth briefed Board members regarding the following projects:

179 Allyn Street: three unit conversion of former "B" commercial building
Dakota Properties

Financing: Bank of America \$3.15M first note (const to perm)
Now due to be re-financed
CRDA \$3.25M subordinate note (const to perm)
CRDA \$3.25M mezz financing/equity
Historic Credits \$5M
\$14.89M TDC

History: Second CRDA project, completed in 2014/15
Avg Occupancy 90%+ since c/o
First mortgage term expiring, requiring refi
Refinancing thru HUD Section 207/223(f) program

HUD requires longer term and all subordinate finance to match HUD term. Need to extend CRDA mortgage from 20 yr to 30 yr (effectively a 22 year term from this amendment, reflecting 8 years since loan origination. plus an additional 22 years).

It was noted that the Authority is expected to receive approximately \$400k from the refinancing.

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

“The executive director is authorized to adjust the terms of the CRDA subordinate mortgage of \$3.25M to be co-terminus with the new HUD 223(f) mortgage note of \$4M at 2.75%/22 years by extending the CRDA note to 30 years.”

28 High Street: 28 unit conversion of former industrial space
CCAM LLC (Constantinos)

Financing: People United Bank (PUB) construction note \$2.28M to perm note \$1.68M, 7%/30yr
CRDA \$1.9M construction to perm note, 3%/30yr
Historic credits \$1.2M
Developer Equity \$1.45M
\$6.2M TDC

History: Deal closed on 8/29/18
Construction delayed due to Covid, subsequent leasing delay.
Construction cost increases resulting in higher PUB final perm mortgage size.
PUB and CRDA granted interest deferral during Covid for 3 mths.
Property current in payments
93% occupancy as of 5/1/21
PUB to extend construction note to 9/30/21, then perm but at 29mth amortization.
Request CRDA match construction period adjustment and amortization period.

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

“The executive director is authorized to modify the subordinate CRDA note to be consistent with PUB first mortgage of up to \$1,688,000, with the CRDA note increased to \$1,913,145 to include the previously deferred interest owed to CRDA during the Covid deferral period, to be amortized over 29 years at 3% beginning October 1, 2021.”

Regional & Economic Development Projects Committee

The Committee has not met since the last Board meeting, however, the following may be of interest to Board members:

East Hartford Projects – All projects are progressing and there are no major changes to report.

Parking Management RFP – A formal public Request for Proposals (“RFP”) for parking management services was issued on February 18, 2021 for the CRDA Parking Facilities (See Table 1). In response,

the Authority received five initial submissions, to wit: (1) Executive Parking, (2) LAZ Parking, (3) ProPark Mobility, (4) Republic Parking System, and (5) SP+ Parking.

On Monday, April 19, 2021, CRDA issued a clarification addendum (#5) and requested Best-and-Final offers from the five respondents. CRDA received four final proposals.

A selection committee composed of Anthony Lazzaro, Joseph Geremia, and Erica Levis reviewed the submissions and the subsequent Best-and-Final Offers from the proposers. The committee evaluated the proposers based upon the following criteria:

- Corporate Qualifications;
- Management of Comparable Facilities;
- Experience with Publicly Financed Facilities;
- Assigned Key Personnel;
- Management Plan;
- Fee Proposal;
- Commitment to the Community; and
- Commitment to Affirmative Action & the Hiring of Hartford Residents.

Table 1*

GARAGES	SPACES	MAJOR TENANTS
Adriaen’s Landing Four (4) Facilities	3683	CT Convention Center, University of CT, Marriott Hotel, Front Street, CT Science Center, Corporate users
Church Street Garage	1299	Hilton Hotel, XL Center, various area businesses
Bushnell South Garage	403	CT State Employees and Bushnell Performing Arts Ctr.
Morgan Street Garage	2290	CT State Employees and CT Community College

* Please note, Spectra Venue Services directly contracts for parking services at Rentschler Field via a separate agreement.

Rankings

Upon completion of the evaluation process, the committee ranked and scored the proposers as follows:

Proposers	Points
ProPark Mobility	298
LAZ Parking	257
Executive Parking	198
Republic Parking System	188

Recommendation - Based upon the analysis and of the respective submissions, the selection committee recommends that the Authority contract with ProPark Mobility under the following terms:

Term: Five years, cancellable after three years.

Fee Proposal:	Year 1	\$0
	Year 2	\$0
	Year 3	\$0
	Year 4	\$0
	Year 5	\$0

Of note, such fee proposal yields \$447,498 of savings over a five-year period (based upon existing parking management contracts). These savings also include the management of an additional parking facility, the Bushnell South Garage.

ProPark will also install Parkonect equipment providing for the utilization of digital transactions at no cost to CRDA.

Other terms & conditions:

- ProPark shall provide free consulting services related to the design and operation of the Bushnell South Garage;
- Any and all terms consistent with I.R.S. approved qualified management contracts.

David Jorgensen indicated that he was concerned as facilities begin to reopen and the new operator is not earning any money, can we expect to receive the same level of service and commitment from a business that is not being paid for the work. Mr. Freimuth and Mr. Attorney Lazzaro assured Mr. Jorgensen that they are not worried about the transition. ProPark is currently the operator at the Church Street Garage so the familiarity is there. The fee the operator charges CRDA, they bid it down to \$0. The performance clause will be followed. The contract is for Five Years, cancelable after three years with non-performance provisions.

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

“The CRDA Board of Directors hereby authorizes the Executive Director to execute a qualified management contract with ProPark Mobility consistent with terms and conditions provided above.”

Regional Agricultural Market – Development Services RFP - As noted at the last Board meeting, two short-listed firms were asked to provide new proposals based on a more defined scope and those proposals were received on March 30th. RED Committee members reviewed summaries of those proposals at our last meeting and were in agreement that HR&A Advisors addressed the revised scope much better than the other. Approval of the Committee’s recommendation will be put before you this in the meeting.

RFP Process - On November 9, 2020, CRDA issued an RFP for Development Planning Services for the Connecticut Regional Market located in Hartford. The document indicated that the Authority was looking for assistance in mapping out a redevelopment plan for this site.

CRDA received four (4) responses:

- FJV Partnership
- HR&A Advisors
- O’Riordan Migani Architects
- SLAM

A Selection Committee comprised of CRDA Executive Director Mike Freimuth and Board members Bob Patricelli and Alexandra Daum reviewed the proposals and short-listed SLAM and HR&A Advisors. Interviews with both firms were conducted on March 3rd, 2021. While the Selection Committee felt both firms were qualified, it believed the work plans proposed by each did not quite address what CRDA was attempting to achieve under the RFP. On March 17th, CRDA sent letters to both firms asking them to submit revised work plans and financial proposals based on a more refined and specific scope outlined in the letter.

Although HR&A's lump sum fee proposal (\$150,000) was higher than S/L/A/M's lump sum fee proposal (\$51,500) members felt strongly that HR&A's proposal was worth the additional expense.

On April 8th, the Selection Committee presented its findings to CRDA's Regional and Economic Development subcommittee, whose jurisdiction includes the Regional Market. Members of the subcommittee agreed that HR&A's proposal was superior and that the additional cost was justified.

Recommendation - Based upon the analysis and of the respective submissions, the selection committee recommends that the Authority contract with HR&A under the following terms:

Scope of Services:

CRDA expects to enter into a contract with HR&A for Development Planning Services, which shall include evaluation of the Market site and offering recommendations as to the highest and best use of such site. More specifically, the scope shall include:

Task 1: Reconnaissance - Establish understanding of (a) broader landscape of food and agriculture in CT, including trends in market dynamics & impact of technology and (b) current role and mission of RM.

Task 2: National Trends - Examine national trends in food and agriculture and how they are expressed in peer agriculture markets to identify opportunities for this site and investment required.

Task 3: Mission & Concept - Prepare (a) three options for vision and mission, (b) concept plan with proposed governance structure, and (c) implementation plan with phasing.

Project Budget:	Task 1: Reconnaissance	\$ 25,000
	Task 2: National Trends	\$ 75,000
	Task 3: Mission & Concept	<u>\$ 50,000</u>
		\$150,000

Board members discussed the RFP for Development Planning Services for the Connecticut Regional Market located in Hartford.

Mayor Bronin commented that he questions whether this location makes sense for this facility. He indicated that it is not a location that is easily accessed by pedestrians and it does not do much to invigorate other businesses or neighborhoods.

Steve Kitowicz commented that this study should answer some of those concerns.

Bob Patricelli indicated that he is waiting for the study and he is open to hearing more about those concerns and their recommendations.

David Robinson added, to the Mayor's point, is it clear in the retention of these folks or their relocation is still on the table. Mr. Freimuth responded that this RFP is meant to pull all of the components apart, analyze them and see what the study finds.

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

"The CRDA Board of Directors hereby authorizes the Executive Director to execute a contract with HR&A consistent with terms and conditions provided above."

Project updates

Silver Lane – talking with a potential developer for Silver Lane

Founders Plaza – ongoing conversations

Riverfront Project – moving along

Bushnell South Garage – possibly an August opening

Parkville Market – doing very well. Full on lower level/starting to get full on upper level. Starting to discuss a second phase. DOT has given permission to put together parking under the 84 viaduct, that is about 150 spaces.

Arrowhead Block – City has an RFP out. CRDA has some funds identified to help renovate and restore some of the properties, to be part of the overall effort of DoNo as well as the ballpark.

Mike Freimuth noted that there are approximately 25 projects in the CRDA pipeline.

Mayor Leclerc asked if the Dash could be used to shuttle people to different sites around the city, including Parkville Market. Shuttle Service was designed to keep conventioners shuttled to the hotels. Mayor Leclerc asked Mayor Bronin if he intended to utilize some of the recovery funds to try to connect easy access tourism spots throughout the City. Mayor Bronin responded saying that he has not set aside any funds for this purpose but would like to work with DOT and others to see if there is a way to achieve this goal.

G Eucelitto – DOT would like to see more advertising to use CT FasTrack to use to go to Parkville Market, which stops right there.

David Jorgensen – bus station is unsafe and doubts people would use given what is going on at the train station everyday.

A discussion ensued when Bob Patricelli asked Mayor Bronin and Mayor Leclerc if there was any consensus starting to emerge regarding the highway realignments. Garrett Eucelitto indicated that CT DOT has a planning committee process underway called the Greater Hartford Mobility Study which is live and soliciting public feedback and input. A federal process requires that level of public engagement. The public comments received during that will help inform the plans which we will then take in the next step, which is the environmental review process. It is too early for the DOT to say where they have solidified because we have not completed the public engagement required under Environmental Justice Laws.

Executive Director Report

- CRDA Staff will be coming back in the office June 1, 2021
- A poll of the Board of Directors regarding going back to in-person meetings starting in September will be conducted.
- CRDA will have to have a series of agreements with the City regarding various ARP projects. This will require Board input regarding staff time, administrative fees and project delivery issues. Flag this as a managerial issue, once the rules become clearer.

David Robinson made a motion, seconded by Mayor Leclerc and approved, to add an item to the agenda, namely providing additional funding for the renovation of the Quirk West School. The Board voted to add an item concerning the Quirk School Project.

Mr. Freimuth gave a brief overview of the reason for the additional allotment to the following project. Bob Saint gave a deeper explanation regarding the construction activity.

Quirk West School – Additional Funding for the Renovation

- On July 25, 2018, the State Bond Commission allocated \$7,500,000 to CRDA for the renovation of the Quirk West School, including design, permitting, abatement, demolition, and construction.
- Upon completion of the renovation, the building will be utilized by the Hartford Police Athletic League and the Hartford Police Academy.
- Due to undetected building deterioration, COVID-related increases in the cost of materials, and the failure of a major air handling unit, the renovation project requires up to an additional Two Hundred Thousand Dollars (\$200,000) in funding to complete the construction activities.
- CRDA desires to provide such additional funding, provided such payments shall not exceed Two-Hundred Thousand Dollars (\$200,000) and shall not commit or bind CRDA to any future funding of the Quirk West School.
- Any and all unexpended funds shall be returned to the CRDA capital account.

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved

“The CRDA Board of Directors hereby authorizes the Executive Director to execute a Funding Agreement to provide up to \$200,000 for renovations to the Quirk West School on behalf of the City of Hartford in accordance with the terms and conditions provided above.”

“The minutes of the May 20, 2021 CRDA Board Meeting were moved by Andy Bessette, seconded by Randal Davis and approved at the June 17, 2021 CRDA Board Meeting.”

Adjourned 4:24pm