

Capital Region Development Authority

100 Columbus Boulevard, 5th Floor

Hartford, CT 06103

Thursday, August 12, 2021

10:00 am – GoToMeeting

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

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Randal Davis; Garrett Euceletto; David Robinson; Alexandra Daum; Secretary Melissa McCaw, Mayor Luke Bonin; Seila Mosquero-Bruno; David Jorgensen; Andrew Diaz-Matos; Mayor Marcia Leclerc; Robert Patricelli

Board Members Absent: Joanne Berger-Sweeney

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

Minutes

The minutes of the June 17, 2021 CRDA Board Meeting were moved by Bob Patricelli, seconded by Marcia Leclerc and approved.

Housing & Neighborhood Committee

Michael Freimuth reported that the Housing & Neighborhood Committee did not meet this month however the following project will incur penalties if it does not close by September 1, 2021 and requires Board approval of refinanced first mortgage.

28 High Street - Hartford, CT

Project: The conversion of the former Lewtan industrial property into 28 residential units (80% market/20% affordable). The property abuts two other CRDA projects and is near three others, just west of the XL Center.

History: The project secured construction and historic credit financing from the former United Bank totaling \$2.2M that would be reduced by the historic credits to a first note of \$1.68M at 7%/30 yrs. CRDA assistance was structured as a \$1.9M subordinate note at 3%/30yrs. Owner equity of \$1.45M completed the capital stack.

Deal Closed 8/29/18

Covid and Historic Preservation changes stalled work and increased construction costs

CRDA and Peoples United (acquired United Bank) deferred interest during COVID

Construction has now been completed

Lease up at 100% as of July 2021

Developer CCAM LLC (Constantinos) restructured PUB note; CRDA approved 5/21

Developer CCAM LLC (Constantinos) has subsequently secured lower cost financing from Liberty Bank and higher first mortgage amount to cover cost increases incurred during COVID

Refinance:

New First Mortgage with Liberty Bank at \$1.96M/4%/25 yrs secured

Pay down CRDA to \$1.8M (from current balance of \$1.913M, principle plus COVID deferred Int)

Deal terms reflect construction and lease up completed and hence lower underwriting risk

Higher property value based on new appraisal using actual revenues and expenses

Higher property value maintains CRDA collateral even with higher first note

LTV improved to 80% (from 91%)
DSCR slightly improved, lower debt service for larger first note at better terms
Financing needs to close prior to Sept 1 or large penalty with PUB incurred.

After a brief discussion with several Board members, the following motion was moved by Andy Bessette, seconded by Marcia Leclerc and approved.

“The refinancing of 28 High Street with a Liberty Bank loan at \$1.96M/4%/25 years is approved by the CRDA Board providing the CRDA mortgage is paid down to \$1.8M reflecting a reduction in CRDA principle and a payoff of deferred interest accrued on the CRDA note during the COVID period. The reduced CRDA loan will retain the same 3% interest rate and 30 year amortization and begin amortizing October 1, 2021”.

Other updates:

Hawthorne Street – closed NINA property

213 Lawrence Street – City has approved transfer of real estate done through a receivership/foreclosure process. There is discussion regarding the developer moving into the property as homeowner occupied, nothing definitive yet.

1279/83 Main Street – project construction complete and is approximately 85% occupied.

Colt U – the last building in the Colt complex, is close to receiving a CO, with occupancy slated for Fall 2021.

Park & Main – first building is being leased. Second building is in construction.

Venue Committee

Andy Bessette reported that the Venue Committee had not met since the June Board Meeting, however the following items may be of interest:

XL Center – The facility re-opened with a high school basketball showcase on August 7th. Upcoming events include Monster Jam (a Monster Truck event) on August 21st. UConn Men’s Hockey will open its season on October 2nd, with the Wolfpack starting two weeks later.

Pratt & Whitney Stadium – The Stadium hosted the U.S. Women’s National Soccer team for an Olympic “Send-off Series” against Mexico on July 1st and July 5th. Attendance for the two matches was 20,000 and 24,000 respectively, with per caps averaging \$15.76.

Mr. Bessette asked Joseph Geremia what the financial outcome was of the events at Rentschler. Mr. Geremia responded that the final event summaries were not available as of this date but that financial results will be favorable to budget, at least \$100K for each of the two days. Results are forthcoming.

UConn football will open its season again Holy Cross on September 4th.

CT Convention Center – The vaccine clinic and testing sites have both closed. The building’s first significant events will be the ConnectiCon pop culture convention scheduled for September 9th-12th, followed by an MMA match on September 17th.

Repair work on the plaza between the Convention Center and Marriott hotel is ongoing.

Dillon Stadium – Working our way through management issue changes with the City.

Mr. Freimuth reported that conversations with Sports Betting continue with CT Lottery. Conversations with Northland have not been resolved, discussions continue regarding the atrium and longterm lease issues. Mr. Bessette inquired about the possible tax benefit to the City of Hartford. Mayor Bronin indicated that there would be a benefit but it was not clear what percentage it would be.

Mr. Freimuth mentioned that CRDA buildings will follow the mask mandates of their respective cities.

Capital Repairs

Front Street North Garage and its plaza – work has been completed.

Church Street Garage – is in the process of needed repairs. A phase II will be necessary.

Central Utility Plant (CUP) – cooling towers will need to be replaced after 18 years. This will be a major project, costing upwards of \$1.5M dollars.

CT Science Center Garage – some repairs will need to be done in the new year.

Regional & Economic Development Projects Committee

Marcia Leclerc reported that the committee has not met since the last board meeting, however, there are a couple of points of interest:

Former Showcase Cinema Site – The Town is in negotiations with a potential buyer interested in developing the site.

Silver Lane Sidewalk and Pedestrian Bridge – DOT is finishing up its review of Phase 1 plans and the project should go out to bid in the next few weeks.

Goodwin Drainage – Design for the final phase is nearing completion, while the Town awaits word on its application for federal funding.

Founders Plaza - The design team is working through a phasing plan for the project. The first phase is likely to include a new housing structure, as well as the conversion of commercial units to housing in the existing tower.

Great River Park – Work has been delayed by the environmental permit process. However, Riverfront Recapture expects to complete some of the planned improvements before the end of the year.

CT Regional Market - HR&A Advisors, the consultant selected to assist CRDA with long-term planning for the Market, spent two days in Hartford last month as part of their information gathering phase. Following a tour of the Market site, they met with various tenants, as well as with key individuals involved in the State's agriculture and food distribution fields, including Ag Commissioner Hurlburt and the dean of UConn's College of Agriculture, Health and Natural Resources. A preliminary report from HR&A is expected in the next few weeks.

Parkville Market – With the success of its first phase, the developer of the Parkville Market is looking to expand into an adjacent building. A presentation to the CRDA Board will likely occur this fall.

Garage Management – Following an RFP process, ProPark was selected to manage CRDA's six parking facilities. They began work on July 1st.

Hartford Riverwalk - Riverfront Recapture is pursuing permits for their new park connecting the Hartford and Windsor riverwalks. Major work on the site is not expected to take place until 2022.

Bushnell South Garage

Bob Patricelli recused himself from the Bushnell South discussion and left the meeting. Mr. Freimuth indicated that the Bushnell Garage will open September/October 2021. It is really a question of when the state employees return to their offices.

Bushnell South

A full presentation is planned for September 16th Board meeting however Mr. Freimuth presented a few slides to show a snapshot of specifics regarding the planning stages.

Adjourned 10:37am

“The minutes of the August 12, 2021 CRDA Board Meeting were moved by Andy Bessette, seconded by David Robinson and approved at the September 16, 2021 CRDA Board Meeting.”