

Agenda
CRDA Board Meeting
December 15, 2021
(rescheduled from November 18, 2021)
*****3:00pm*****
Teams Meeting

- | | |
|-----------------|---|
| 3:00pm - 3:05pm | ● Call to Order & Minutes {10-21-21} * |
| 3:05pm - 3:15pm | ● Mayor Reports Introduce Mayor Walsh - Assignment to Committee |
| 3:15pm – 3:25pm | ● Finance Report - Monthly Financial Update - Bushnell Garage FY 2022, 7 Month Budget * - CRDA Salary Range Policy * - Employee Evaluation Form |
| 3:25pm – 3:45pm | ● Housing & Neighborhood Committee - 88 Allyn Refi * - 315 Trumbull/Hilton * - Project Updates |
| 3:45pm – 3:55pm | ● Venue Update - COVID Impact on Events - Convention Services Agreement * |
| 3:55pm – 4:10pm | ● Regional & Economic Development Committee - Parkville 2 - Hartford Riverfront Dev. Grant * - E. Hartford Projects - Regional Ag Market |
| 4:10pm – 4:20pm | ● Executive Director - Construction Update |
| 4:20pm | ● Adjourn |

** Vote item*

Next Meeting – January 20, 2022, 3:00pm

Microsoft Teams meeting

Join on your computer or mobile app

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Or call in (audio only)

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Phone Conference ID: 990 018 359#

Draft Minutes
October 21, 2021

**Capital Region Development Authority
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103**

Thursday, October 21, 2021

3:00pm – Teams Meeting

(The Board Meeting was held via Microsoft Teams with public access)

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Randal Davis; Garrett Euceletto; David Robinson; Alexandra Daum; Deputy Secretary Konstantinos Diamantis, Mayor Luke Bonin; David Jorgensen; Mayor Marcia Leclerc; Robert Patricelli; Joanne Berger-Sweeney

Board Members Absent: Seila Mosquero-Bruno; Andrew Diaz-Matos

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

Minutes

The minutes of the September 16, 2021 CRDA Board meeting were moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

Farewell to Mayor Marcia Leclerc

Chairwoman Suzanne Hopgood expressed what an honor it has been to work with Mayor Leclerc. Chair Hopgood continued by commending the diligence and hard work Mayor Leclerc has done for CRDA. I has been a real honor working with Mayor Leclerc and she will be sorely missed.

Mayor Leclerc responded by saying she will miss being a part of the CRDA Board however she knows the great work that CRDA does will be continued. She will watch for more progress in the communities that CRDA is impacting. Adding that she really does appreciate the dedication of everyone to get these projects done and especially thanks the small but mighty staff at CRDA. She is happy to have been a part of the Board.

Board members concurred with Chairwoman Hopgood's sentiments, and all send their best to Mayor Leclerc for the future.

Mayor Reports

Mayor Bronin echoes the sentiments of Chair Hopgood congratulating Mayor Leclerc. Mayor Bronin indicated that he was deeply grateful that she is supportive as a neighbor and recognizes that we all stand together. He wished her well for the future.

Mayor Bronin updated the Board on the following projects:

525 Main Street & Pearl Street Firehouse – Close to finalizing the terms of the agreement of the sale with developer Wonderworks.

Arrowhead Café - Letter of intent signed with a coalition including the San Juan Center and also a larger real estate development firm to rehabilitate the Arrowhead Café building and some of the adjoining lots.

Main & Albany – Out for RFP for a planning effort for a number of parcels for which the city took ownership in the vicinity of Main & Albany.

Downtown North - work continues and you can see the progress. Phase II is getting ready to get started.

MOU between City and CRDA – getting ready to finalize the MOU that will allow us to utilize City resources to accelerate work on a number of projects that have been discussed in the past, including some projects in Parkville as well as Albany & Woodland and a number of others.

City was part of a broader coalition led by CRCOG to apply for a Federal Build Back Better grant which focuses on workforce development with an emphasis on advanced manufacturing with a place-based component focused on Parkville. It is also likely to be the focus of the City's innovation corridor grant proposal which is the State grant opportunity.

Joanne Berger-Sweeney asked how the City of Hartford is doing related to training and encouraging more people of color to participate in the work and particularly some of the building projects. Ms. Berger-Sweeney indicated that she is asking because she still thinks, at Trinity, not enough is being done and if the city is having greater success.

Mayor Bronin indicated that by far the largest expenditures and the largest construction projects that are undertaken are school projects. The city has some of the most extensive and aggressive minority business enterprise set asides in the school construction programs and not only have met but exceeded those goals. Some greater struggles partly because of the market in general and partly because there are now multiple school projects happening at once. Work has begun with the minority construction council to figure out some creative ways of making sure we continue to find partners that can be part of those projects. The Mayor strongly recommends to get in touch with the minority construction council and that he would be glad to facilitate that.

Financial Update – October 2021

Joseph Geremia, CRDA's Chief Financial Officer reported on the following Fiscal Year 2021 Operating Statistics. Board Members inquired about the finance report.

CT Convention Center – Aug. 2021

- Event Update: Event activity starts with Sept. financial statements
Scheduled for 53 events this fiscal year vs. budget of 70 events
Family shows, gaming, dancing, and religious groups remain on schedule
Event promoters concerned about attendance and exhibitor product availability
- Aug. financials: Revenues \$71,300 unfavorable to budget due to recent event cancellations related to COVID-19
Expenses \$147,400 favorable to budget due to savings in personnel and utilities
Net Loss of \$1.206M favorable to budget by \$76,100
Total year projection of \$5.846M loss even with budget

CRDA Parking Facilities – Aug. 2021

- Stats: Utilization of 61% favorable to budget by 11%
- Aug. financials: Revenues \$263,800 favorable to budget due to transient and hotel guest revenues
Expenses \$67,300 favorable compared to budget due to savings in personnel, utilities, and security
Net Income \$331,100 favorable to budget
Total year projection of \$819,200 net income even with budget

Church Street Garage – Aug. 2021

- Stats: Utilization of 55% favorable to budget by 2%
- Aug. financials: Revenue favorable to budget by \$61,300
Expenses \$63,000 favorable compared to budget due to savings in utilities as well as repair and maintenance
Net Income \$124,300 favorable to budget

Total year projection of \$325,600 net income even with budget

XL Center – Aug. 2021

Event Update: Scheduled for AHL hockey, UConn basketball, UConn hockey, and family events – indoor attendance remains a concern
Concert industry moving holds towards Fall of 2022 out of FY22 budget timeframe

Aug. financials: Event revenue \$106,200 unfavorable compared to budget due to Monster Jam storm cancellations scheduled to return in March 2022
Other Income pending sponsorship renegotiations
Operating expenses \$357,800 favorable compared to budget due to savings in personnel and utilities
Hockey operations \$94,900 favorable compared to budget
Net Loss of \$721,700 favorable to budget by \$139,300
Total year projection of \$3.644M loss even with budget

P&W Stadium at Rentschler Field – Aug. 2021

Event Update: Held 2 USA Soccer games and misc. parking lot events
UConn football 6 game season starts with Sept. financial statements
Scheduled for NCAA Lacrosse event, holiday lights show, and misc. parking lot events
Outdoor event interest remains strong

Aug. financials: Event revenue \$465,400 favorable compared to budget due to 2 USA Soccer games and parking lot events
Operating expenses \$25,000 unfavorable compared to budget due to F&B personnel
Net Operating Income of \$162,000 favorable to budget by \$439,100
Total year projection \$392,000 favorable compared to budget of \$879,000 loss dependent on UConn football season. \$522,300 received in State funding due to prior year losses related to COVID-19.

CT Regional Market Aug. 2021

Stats: Occupancy: 82% with 12 tenants
Activity: Farmers' Market opened for 2021 season on April 3 and continuing through Oct.

Aug. financials: Operating revenue \$18,500 unfavorable to budget due to straight-lined budget
Operating expenses \$35,100 favorable to budget due to savings in building maintenance, utilities and security offset with increases in farmers' market labor
Net income of \$45,100 favorable to budget by \$16,600
Total year projection of \$229,600 net income even with budget

Dillon Stadium – Calendar Year – Aug. 2021

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

Aug. financials: Operating expenses of \$150,100 favorable to revised yearly \$250,000 budget by 6%
Capital reserve balance: \$238,300
Funding for Calendar Year 2021 – 100% of operating funding has been received from Hartford Athletic
50% of capital reserve and community use funding has been received from Hartford Athletic

Fiscal Years 2019 and 2020 State Auditors of Public Accounts Report

CT Auditors of Public Accounts audited Fiscal Years 2019 and 2020

Report to be issued upon State Auditor final review and release

Identified no deficiencies in internal controls, two apparent noncompliance with policies and procedures, and one need for improvement in management practices and procedures

Recommendations:

Management Responses within Report

State Audit Update (FY2019/2020)

Mr. Geremia reported that the State Audit for FY2019/2020 is being completed by the State Auditors of Public Accounts. It is estimated that the report will be issued in the next two weeks. Although the report has identified three findings, it has also noted no deficiencies in internal controls. Mr. Geremia presented the three findings to the Board. The final report will be forwarded once it is issued. Board member questions regarding the report can be directed to Joseph Geremia or Michael Freimuth.

Housing & Neighborhood Committee

Joanne Berger-Sweeney reported on the following projects that were discussed and vetted by the CRDA Housing and Neighborhood committee on October 8, 2021. Mr. Freimuth continued by describing and presenting the projects that have been taken up by the committee.

Project - 179 Allyn Street (refinance)

Background: Earlier this year, May 2021, the CRDA Board approved the refinancing of the BoA senior mortgage at 179 Allyn Street with a HUD Section 207/223(f) insured mortgage which acknowledged the \$3.25 million CRDA loan would continue to be subordinate to the new HUD mortgage and have a new expiration term to match the HUD mortgage. The Board also approved the prospective terms governing the cash proceeds from the refinance that would set aside \$200,000 for capital expenditures at the building and pay principle due on the adjoining CRDA mezzanine financing as well as bring current the principle and interest owed on the CRDA subordinate note. In addition, a short term "Covid Reserve" escrow of \$254,000 will be released to CRDA to further reduce outstanding principle due to CRDA. Total proceeds to CRDA would total \$420,000.

The project, initially a \$14.89M project (with a \$3.25M CRDA note and \$3.25M CRDA mezzanine financing) that reconstructed the former commercial building at 179 Allyn Street into 63 residential units was completed in late 2014 and has enjoyed occupancy in the low 90% range since it opened. The term associated with initial financing from the Bank of America expires in 2021 necessitating the refinance. The new HUD note allows for some capital upgrades and is at an interest rate more favorable than the first financing.

Update: To secure the new financing, CRDA was asked and approved an extension of the term of its loan to be concurrent with the new first mortgage. However, HUD has now indicated that it also needs the term of the mezzanine financing to be co-terminus with their new note, something that was not requested or noted in the initial actions. Consequently, the developer and the HUD insured mortgage lender are asking that CRDA also formally extend the term of the mezz loan out 10 years, thereby creating a 30 year rather than a 20-year term for the mezz, making it consistent with the accompanying CRDA subordinate mortgage and the new HUD insured note.

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

“The executive director is authorized to adjust the terms of the CRDA mezzanine financing to be co-terminus with the new HUD Section 223(f) mortgage and note of up to \$4.45 million at 2.75%/22 years as well as the CRDA subordinate mortgage of \$3.25M for the 179 Allyn Street Project and to execute subordination agreements for its mortgage and mezzanine financing for the borrower and managing member, Allyn Street Managing Member (ASMM) LLC.”

Project - 275 Pearl Street, Hartford Ct

Background: The City of Hartford solicited offers to redevelop this former fire station earlier in 2021, accepting a proposal to convert the property into a residential/retail mixed use building. The City requested CRDA’s assistance in underwriting, managing the construction and servicing projects that the City would support through its municipal redevelopment programs. The CRDA board approved a MOU at its September 2021 meeting to perform these tasks as part of a larger effort to implement federal recovery monies (American Recovery Program) and local resources.

The former 32,800 sf firehouse will be converted into 39 market rate units and 4000 sf of new retail space (a restaurant letter of intent has been signed). A city land disposition/development agreement governing the sale, the use, community benefits, schedules, financing and resident, MBE, and wage requirements as well as municipal taxes is pending with the City Council.

Proposal: A sales price of \$360,000 requires the developer, Wonder Works Construction Corp to also undertake any environmental remediation. The total project development cost (TDC) is \$9.4 million with a capital stack as follows:

| | |
|--------------------------|--|
| Bank Senior Loan | \$3,000,000 |
| Equity | 1,836,402 (\$522,432 deferred dev fee) |
| Historic Credits (St) | 1,400,000 (to be bridged financed) |
| City Purchase Mortgage | 360,000 (priority over municipal loan) |
| CRDA Residential Loan | 2,418,500 (funded by municipal revolving fund) |
| CRDA retail fit out loan | 450,000 (funded by municipal revolving fund) |
| Total Dev Cost | 9,464,902 |

“CRDA” Loan: Funded by the City but managed/serviced by CRDA, the \$2,868,500 subordinate loan will be available at 1% interest only for three years and then 1.5% interest and 1% principle pay down annually and after refinancing of balance. Fifty percent of proceeds shall be made available of any refinancing to retire the city contribution with total payment upon sale of the asset. Funds will be returned to the revolving loan fun managed by CRDA but owned by the City for future redevelopment projects in accordance with CRDA/City of Hartford MOU.

The following motion was made by Andy Bessette, seconded by Joanne Berger-Sweeney and approved with Suzanne Hopgood abstaining.

“In accordance with the City/CRDA MOU, the executive director is authorized to execute such documents as necessary and appropriate to fund a loan to Wonder Works Construction Corporation (or such single purpose entity acceptable to CRDA) for the purposes of redeveloping 275 Pearl Street, Hartford CT, such loan totaling \$2,868,500 at 1% interest only for three years and 1.5% interest with a 1% annual principle write down thereafter, with a 20 year term, subject to: 1/ sufficient funds being available within the City/CRDA revolving loan account; 2/ all other project funds being secured to

reconstruct 275 Pearl Street into 39 residential units and 4000 s.f. of retail space; and 3/ all appropriate City of Hartford actions for the property's disposition being approved.”

Project - 525 Main Street

Background: This property is one of two recently offered for sale/redevelopment by the City of Hartford and for which the City requests CRDA's assistance in underwriting and servicing a municipally funded redevelopment loan. The CRDA board approved a Memorandum of Understanding at its September 2021 meeting to perform these tasks as part of a larger effort to undertake economic development in partnership with the City and funded by a combination of monies including federal "American Recovery Program" funds and various municipal redevelopment programs.

The property consists of three parcels including a partially occupied 32,000 (est) s.f. building as phase 1 and two vacant lots at 17 & 21 Wells Street for a future new construction phase. The City will enter into a purchase and sale agreement for 525 Main and an option to sell the Wells St properties subject to land disposition/development agreements governing the proposed mixed use of the building, community benefits, schedules, financing, affordable housing and resident, MBE and wage requirements as well as a municipal tax agreement. The agreements will be submitted to the City Council in October 2021.

The multiple objectives including returning the property to the tax rolls, increasing the municipal housing stock and removing the cost of the properties' operation from the annual municipal budget.

Proposal: The City selected Wonderworks to purchase and redevelop the property. A sales price of \$425,000 for the building has been offered (the Wells Street land option will be subject of future price negotiations when triggered). Wonder Works Construction Corp has proposed a mixed-use project including 42 residential units (20% affordable, 9 units) while maintaining the 2750 sf of retail space. The total project is expected to have a development budget of \$7.8M to be sourced as follows:

| | | |
|--------------------------|----------------|---|
| Bank Senior Mortgage: | \$ 3,200,000 | |
| Equity: | 1,305,828 | (\$420,584 deferred dev fee) |
| Historic Credits (State) | 800,000 | (to be bridged financed) |
| CRDA Loan | 2,116,162 | (funded by municipal development funds) |
| City Purchase Mortgage | <u>425,000</u> | (priority over municipal loan) |
| Total Dev Cost | \$ 7,846,990 | |

"CRDA" Loan: Funded by the City but monitored and serviced by CRDA, the \$2,116,162 subordinate loan will be available at 1% only for three years and then 2.5% interest with an additional 1% buydown of principle annually. Funds will be returned to a revolving loan fund managed by CRDA but owned by the City for future redevelopment projects in accordance with the CRDA/City of Hartford MOU. Fifty percent of proceeds shall be made available at any refinancing to retire the city contribution with total repayment upon any sale of the asset.

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

“In accordance with the City/CRDA MOU, the executive director is authorized to execute such documents as necessary and appropriate to fund a loan to Wonder Works Construction Corporation (or such single purpose entity acceptable to CRDA) for the purposes of redeveloping 525 Main Street, Hartford CT, such loan totaling \$2,116,162 at 1% interest for three years and 2.5% interest with a 1% annual principle write down thereafter, with a 20 year term, subject to: 1/ sufficient funds being available within the City/CRDA revolving loan account; 2/ all other project funds being secured to

reconstruct 525 Main Street into 42 residential units and 2750 s.f. of retail space; and 3/ all appropriate City of Hartford actions for the property's disposition being approved."

Mr. Freimuth presented photos of Brackett Knoll to help explain the issues that have held up the project.

Project - Brackett Knoll

Background: In 2017, the State Bond Commission allocated \$1.55M to CRDA in the form of an infrastructure grant to construct an extension of Naugatuck Street, along its old route east of Clark Street to create 14 new subdivided lots. The actual housing project known as Brackett Knoll is not part of CRDA scope and is being developed by Toraal Development in the city's Promise Zone with the support of the State DOH with federal housing funds. This second phase complements completed houses on Westland Street. The 14 new lots will provide 28 units, one-half homeowner occupied. Five of the 14 two family homes are currently in construction.

Issues: CRDA issued an RFP for the road construction twice. The first round produced five bids, all over budget. The scope was adjusted causing delays that also resulted in changes demanded by MDC. The project was re-bid, now resulting in one low bid, still over budget. Additional funds were allocated by the City, further adjustments were made to the scope and in June 2019, CRDA allocated \$154,000 from its Housing Initiative Revolving Capital Fund (replenished funds from project repayments) to close the gap.

Over the last two years the road has been a continuous construction problem, due in large part to additional and multiple utility changes resulting from field conditions as well as the discovery of abandoned water, storm and gas lines and bad soils. While the road is essentially complete as of Oct 21, 2021, there remains the need to remove the contaminated soils discovered at the site. The estimate for this soil removal is \$125,000.

The following motion was made by Andy Bessette, seconded by Luke Bronin and approved
"The Board authorizes the use of up to \$125,000 from the CRDA Housing Initiative Revolving Fund to provide additional funding to the Brackett Knoll project to be used for the removal of remaining contaminated soils resulting from the road excavation and related clean up. Unused funds shall be returned to the revolving loan fund."

Other Projects

Colt U – Almost fully leased, waiting on final CO
Temple Street – property financing is closed
289 Asylum – has been paid off
213 Lawrence – ready to close

Venue Committee

Andy Bessette, Chairman of the Venue Committee, reported on the following items:

XL Center – Both UConn Men's Hockey and the Hartford Wolfpack have opened their 2021-2022 seasons, with UConn averaging 1,800 fans per game and the Wolfpack averaging 2,100. Per caps for both teams have averaged between \$15-\$16.

Unfortunately, the promoter has cancelled the USA Gymnastics' "Gold Over America" tour that had been scheduled for November 2nd due to poor ticket sales. Events such as this rely heavily on group sales and these have slowed significantly due to COVID.

Upcoming events:

- U.S. Women vs. Canada Hockey game on October 25
- WWE Smackdown on November 19

In late September, Mike Freimuth and Spectra staff from the XL Center toured sports betting facilities in Philadelphia and Washington, D.C.

Pratt & Whitney Stadium – UConn football has played its first four home games of the 2021 season, with gate attendance averaging 8,100. The team is currently 1 and 3 at home, with games against Middle Tennessee (October 22nd) and Houston (November 27th) remaining.

Populous has also begun their Stadium building assessment with a review of game day operations earlier this month.

CT Convention Center – Since our last Board meeting, the Convention Center has hosted both an MMA event, as well as the Zeta Phi Beta sorority's national conference. Upcoming events include a large tattoo convention this weekend and the annual home show in early November.

CRDA is currently awaiting Bond Commission approval on funding for replacement of the CUP cooling tower and installation of a much-needed second elevator at the Convention Center. (As you will recall, these projects were approved by the Board at our last meeting.) Repair work on the plaza between the Convention Center and Marriott Hotel is ongoing.

Dillon Stadium – Hartford Athletic (currently 11-4-14) will play their last regular season home match tomorrow night. In addition to 15 HA home matches, Dillon will host 59 Hartford Athletic-sponsored events and 33 community events in 2021.

Regional & Economic Development Projects Committee

Marcia Leclerc reported on the following items.

E. Hartford – Silver Lane - CRDA Board authorized the additional Silver Lane corridor investment.

Silver Lane Sidewalk & Pedestrian Bridge - thirteen firms that expressed interest in the projects

Pratt & Whitney Former Airfield- negotiating with a selected purchaser of the property.

Drainage system for Goodwin College – secured ARPA Funds, agreement sent to CRDA for attorneys to review.

Founders Plaza – still on the table for consideration

Great River Park – work has been delayed per the environmental permitting process, however Riverfront Recapture expects to complete some of the planned phase I improvements before year end.

Regional Market – HR&A have come back with an update on the original draft. It is a much stronger version focusing on the larger context of where the State agricultural policies is going and how the property can assist. It has since been forwarded to the Dept. of Ag for comments as we await response. Once this is complete, it will go back to the committee to bring it to a final report.

Habitat for Humanity – East Hartford sold land that will be used to build a private road with ten new homes, allowing ten E. Hartford families to purchase and help them build their financial network in the Town of E. Hartford in the Burnside Avenue area, which is on a bus line.

Shuttered Branch Library – using ARPA Funding, expansion and renovation of this property

Veterans Terrace – owned by the E. Hartford Housing Authority has been going through a significant demolition and renovation to that entire project.

Executive Director

Mr. Freimuth reported on the following projects and information.

Pratt Street – active construction

Colt U – completed construction

Park & Main – South bldg. completed

North bldg. on schedule for early next year

Bushnell So. Garage – waiting on the last components for elevators

Church St. Garage – working through Phase I rehab

September Executive Session – Per approval of the Executive Committee and as discussed during the executive session of the September 2021 meeting, salary increases for CRDA staff are being implemented as of July 1, 2021 consistent with state labor force negotiated increases, OPM guidance for adjustments to management salaries and the adopted CRDA budget for FY21-22.

Quasi Vaccine Policy – policy underway by Governor’s office, possibly through Executive Order in the next few weeks

CRDA Board Meeting Schedule – memo with 2022 Board Meeting dates included in the package and will continue to be held at 3:00pm until further notice.

Chairwoman Hopgood reported that in-person Board meetings will be determined in the near future as we wait for guidance regarding in-person meetings and vaccination policy.

Adjourned - 4:04pm

Finance Report

Financial Update – December 2021

Fiscal Year 2022 Operating Statistics

CT Convention Center – Oct. 2021

Event Update: Events restarted in Sept. with ConnectiCon, MMA, and academic-related expos
Scheduled for 64 events this fiscal year vs. budget of 70 events
Family shows, gaming, dancing, and religious groups remain on schedule
Event promoters concerned about attendance and exhibitor product availability

Oct. financials: Revenues \$299,500 unfavorable to budget due to recent event cancellations related to COVID-19
Expenses \$197,900 favorable to budget due to savings in personnel, utilities, and marketing
Net Loss of \$2.235M unfavorable to budget by \$101,600
Total year projection of \$5.846M loss even with budget

CRDA Parking Facilities – Oct. 2021

Stats: Utilization of 63% favorable to budget by 13%

Oct. financials: Revenues \$367,400 favorable to budget due to transient and hotel guest revenues
Expenses \$91,900 unfavorable compared to budget due to repairs & maintenance offset with savings in personnel and utilities
Net Income \$275,500 favorable to budget
Total year projection of \$819,200 net income even with budget

Church Street Garage – Oct. 2021

Stats: Utilization of 54% even with budget

Oct. financials: Revenue favorable to budget by \$49,600
Expenses \$56,300 favorable compared to budget due to savings in personnel, utilities as well as repair and maintenance
Net Income \$105,900 favorable to budget
Total year projection of \$325,600 net income even with budget

XL Center – Sept. 2021

Event Update: Seasons started for AHL hockey, UConn basketball, and UConn hockey
Family events remain on event schedule – indoor attendance a concern
Concert industry moving holds towards Fall of 2022 out of FY22 budget timeframe

Sept. financials: Event revenue \$106,200 unfavorable compared to budget due to Monster Jam storm cancellations scheduled to return in March 2022
Other Income currently \$312,200 unfavorable to budget pending sponsorship renegotiations
Operating expenses \$458,400 favorable compared to budget due to savings in personnel and utilities
Hockey operations \$161,400 favorable compared to budget
Net Loss of \$1,292,400 favorable to budget by \$201,300
Total year projection of \$3.644M loss even with budget dependent on concert activity

P&W Stadium at Rentschler Field – Oct. 2021

Event Update: Held 2 USA Soccer games, 5 UConn football games, and misc. parking lot events
Holding holiday lights show through January and NCAA Lacrosse event in May 2022
Oct. financials: Event revenue \$556,400 favorable compared to budget due to 2 USA Soccer games,
2 UConn football games, and parking lot events
Operating expenses \$177,100 unfavorable compared to budget due to F&B personnel
Net Operating Income of \$412,300 favorable to budget by \$387,800
Total year projection \$389,500 favorable compared to budget of \$879,000 loss dependent on
remainder of UConn football season and NCAA Lacrosse event
\$522,300 received in State funding due to prior year losses related to COVID-19

CT Regional Market Oct. 2021

Stats: Occupancy: 82% with 12 tenants
Activity: Farmers' Market operated for 2021 season from April 3 through Oct. 30

Oct. financials: Operating revenue \$48,900 unfavorable to budget due to straight-lined budget
Operating expenses \$74,900 favorable to budget due to savings in building maintenance,
utilities, insurance, and security
Net income of \$76,200 favorable to budget by \$26,000
Total year projection of \$229,600 net income even with budget

Dillon Stadium – Calendar Year – Oct. 2021

Calendar year revised operating expense budget of \$250,000
Oct. financials: Operating expenses of \$185,900 favorable to revised yearly \$250,000 budget by 9%
Capital reserve balance: \$238,300
Funding for Calendar Year 2021 – 100% of operating funding has been received from Htfd. Athletic
50% of capital reserve and community use funding has been received from Htfd. Athletic

Fiscal Year 2022 Financial Statements for the Three Months Ending 9/30/2021

Balance Sheet

- Current cash increase reflects timing differences with venues related to CRDA's ARPA funding
- Non-current housing loan's receivable increase reflects housing construction drawdowns from 100 Trumbull St., 99 Pratt St., the DONO C and Colt U projects as well as Park & Main St.
- Accounts payable net decrease relates to decreases within the CRDA Housing Initiative program

Statement of Revenues, Expenses and Changes in Net Position

- Grant Income reflects State appropriation, Deficiency funding, and ARPA funding
- Combined facilities income and expenses referenced in venue financial projections

(UNAUDITED)

CAPITAL REGION DEVELOPMENT AUTHORITY

Balance Sheets

September 30, 2021 and June 30, 2021

| | <u>2022</u> | <u>2021</u> | <u>Variance</u> |
|---|----------------------|----------------------|----------------------|
| <u>ASSETS</u> | | | |
| Current assets: | | | |
| Unrestricted cash and cash equivalents | \$11,641,538 | \$9,357,822 | \$2,283,716 |
| Restricted cash and cash equivalents | 19,487,691 | 19,889,893 | (402,202) |
| Unrestricted investments | 5,088,050 | 5,086,796 | 1,254 |
| Restricted investments | 653,887 | 481,927 | 171,960 |
| Accounts receivable, net | 1,161,775 | 732,700 | 429,075 |
| Loans receivable: housing-current, net | 17,776 | 173,094 | (155,318) |
| Other current assets | 1,346,129 | 1,563,971 | (217,842) |
| Total current assets | <u>\$39,396,846</u> | <u>\$37,286,203</u> | <u>\$2,110,643</u> |
| Non-current assets: | | | |
| Restricted cash and cash equivalents | \$5,812,218 | \$5,543,247 | \$268,971 |
| Restricted investments | 935,933 | 935,714 | 219 |
| Loans receivable-housing, net | 103,492,744 | 93,732,141 | 9,760,603 |
| Other assets | 5,172,221 | 1,519,460 | 3,652,761 |
| Capital assets not being depreciated: | | | |
| Construction in progress | 22,656 | 91,202 | (68,546) |
| Intangible asset, net | - | - | - |
| Capital assets being depreciated: | | | |
| General Operations, net | 45,198 | 45,596 | (398) |
| Adriaen's Landing, net | 205,619,238 | 208,282,492 | (2,663,254) |
| XL Center, net | 41,775,721 | 42,548,420 | (772,699) |
| Church Street Garage, net | 14,454,598 | 14,612,345 | (157,747) |
| Total non-current assets | <u>\$377,330,527</u> | <u>\$367,310,617</u> | <u>\$10,019,910</u> |
| Total assets | <u>\$416,727,373</u> | <u>\$404,596,820</u> | <u>\$12,130,553</u> |
| <u>LIABILITIES</u> | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | 25,315,015 | \$28,388,185 | (\$3,073,170) |
| Accrued interest payable | 306,626 | 43,379 | 263,247 |
| Current portion of bonds payable | 3,940,000 | 3,940,000 | - |
| Current portion of loan payable | 739,415 | 739,415 | 0 |
| Coronavirus relief fund deferred revenue | 230,827 | 418,497 | (187,670) |
| Total current liabilities | <u>\$30,531,883</u> | <u>\$33,529,476</u> | <u>(\$2,997,593)</u> |
| Non-current liabilities: | | | |
| Due to State of Connecticut-contract assistance | \$52,937,294 | \$52,937,294 | \$0 |
| Bonds payable, net | 64,429,379 | 64,458,288 | (28,909) |
| Loan payable | 4,619,425 | 4,800,835 | (181,410) |
| Total non-current liabilities | <u>\$121,986,098</u> | <u>\$122,196,417</u> | <u>(\$210,319)</u> |
| Total liabilities | <u>\$152,517,981</u> | <u>\$155,725,893</u> | <u>(\$3,207,912)</u> |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | \$140,029,173 | \$138,704,223 | \$1,324,950 |
| Restricted for: | | | |
| Housing loans | 109,920,495 | 100,315,209 | 9,605,286 |
| Central Utility Plant | 1,945,142 | 1,890,721 | 54,421 |
| Other | 4,461,859 | 4,477,333 | (15,474) |
| Unrestricted | 7,852,723 | 3,483,441 | 4,369,282 |
| Total net position | <u>\$264,209,392</u> | <u>\$248,870,927</u> | <u>\$15,338,465</u> |
| Total liabilities and net position | <u>\$416,727,373</u> | <u>\$404,596,820</u> | <u>\$12,130,553</u> |

(UNAUDITED)

CAPITAL REGION DEVELOPMENT AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

For the quarter ended September 30, 2021

| | <u>QE 2022</u> |
|---|-----------------------------|
| Operating revenues: | |
| Grants - State of Connecticut/Other: | |
| Operational | \$362,280 |
| Development district, subsidy and other | 3,164,712 |
| Coronavirus relief fund/ARPA revenue | 5,000,000 |
| Combined Facilities: | |
| Convention Center | 355,166 |
| Parking | 1,289,230 |
| Central Utility Plant | 380,341 |
| XL Center | 122,901 |
| Church Street Garage | 519,919 |
| CT Regional Market | 221,084 |
| Front Street District | 300 |
| Other income (CRDA) | 2,500 |
| Total operating revenues | <u>\$11,418,433</u> |
| Operating expenses: | |
| Authority operations: | |
| Personnel | \$292,753 |
| General and administrative | 76,198 |
| Coronavirus relief fund/ARPA expenses | - |
| Pension expense | 247,251 |
| Combined Facilities: | |
| Convention Center | 2,067,156 |
| Parking | 939,621 |
| Central utility plant | 265,423 |
| XL Center | 1,415,129 |
| Church Street Garage | 241,201 |
| CT Regional Market | 158,283 |
| Front Street District | 5,554 |
| Bond administration | 92,586 |
| Development costs | - |
| Depreciation and amortization | 3,678,499 |
| Total operating expenses | <u>\$9,479,654</u> |
| Gain/(Loss) from operations | <u>\$1,938,779</u> |
| Non-operating revenue/(expense): | |
| Interest income | (\$151,095) |
| Interest expense | (302,834) |
| Non-operating expense, net | <u>(\$453,929)</u> |
| Gain/(Loss) before capital contributions and transfer | <u>\$1,484,850</u> |
| Capital contributions | 4,248,331 |
| Transfer - State of Connecticut Housing Loan Program | <u>9,605,284</u> |
| Change in net position | \$15,338,465 |
| Net position, beginning of quarter | <u>\$248,870,927</u> |
| Net position, end of quarter | <u><u>\$264,209,392</u></u> |

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**CRDA
Bushnell South Garage
FY2022 Budget**

(Seven Months)

| REVENUE | Totals |
|-----------------------------------|--------------------|
| Market Monthly | \$0 |
| Transient | \$0 |
| Event | \$0 |
| Validations | \$0 |
| Interest Income | \$0 |
| Sales Tax | \$0 |
| TOTAL OPERATING EXPENSES | \$0 |
| OPERATING EXPENSES | |
| Salaries & Wages | \$86,852 |
| Overtime Pay | \$2,540 |
| Payroll Taxes & Employee Benefits | \$21,946 |
| Advertising | \$1,275 |
| Bank & Other Service Fees | \$975 |
| Dues / Fees / Subscriptions | \$668 |
| Data Processing | \$1,050 |
| Employee Processing Fees | \$1,256 |
| Liability Insurance | \$45,138 |
| License & Permits | \$480 |
| Office Supplies | \$825 |
| Operating Supplies | \$970 |
| Payroll Service Fees | \$1,390 |
| Repairs and Maintenance | \$12,575 |
| Professional Fees | \$6,380 |
| Signage | \$5,800 |
| Snow Plowing / Removal | \$8,000 |
| Telephone | \$2,800 |
| Uniforms & Laundry | \$2,100 |
| Utilities | \$16,450 |
| TOTAL OPERATING EXPENSES | \$219,470 |
| NET OPERATING INCOME | (\$219,470) |

Notes:

Annualized budget consists of expenses in the amount of approx. \$375,000.
Revenue to be budgeted after garage opening and demand is analyzed.

Employee Salary Range Chart

Last update: December 15, 2021

CRDA's operating procedures require that the Board of Directors establish a compensation plan, which shall consist of sufficient salary grade to provide compensation rates as may be determined to be necessary or desirable for all job classifications within the authority.

Salary range chart reflects full-time yearly salaries for employees who work forty (40) hours per week.

For each fiscal year after July 1, 2021, the yearly salary ranges shall be increased by the percentage increase, if any, in the Consumer Price Index -All Urban Consumers (CPI-U—U.S. City Average – All Items), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or of any revised or successor index hereafter published by the Bureau of Labor Statistics or other agency of the United States Government succeeding to its functions.

| <u>Category/Grade</u> | <u>Minimum</u> | <u>Maximum</u> |
|----------------------------------|----------------|----------------|
| Officer - Executive Director | 190,000 | 235,000 |
| Officer - Non-Executive Director | 150,000 | 225,000 |
| Non-Officer – Director | 75,000 | 200,000 |
| Non-Officer - Non-Director | 45,000 | 150,000 |

EMPLOYEE PERFORMANCE REVIEW

Employee Information

Employee Name: _____ Employee ID _____

Job Title: _____ Date _____

RATINGS

Meets Expectations

Needs Improvement

1. Job Knowledge/Cooperation:

Evaluation Factors: Has practical/technical knowledge to perform job, willingly accepts changes in assignments not directly related to the job.

2. Work Quality

Evaluation Factors: Work is completed accurately with few or no errors, uses proper procedures and methods.

3. Attendance/Punctuality

Evaluation Factors: Reports for work on time, provides advanced notice of vacation time.

4. Productivity

Evaluation Factors: Completes assigned tasks within required time frames and strives to meet deadlines

Comments: _____

Employee Signature (Receipt of Evaluation): _____

Reviewer Signature: _____

Executive Director Signature: _____

**Housing
&
Neighborhood
Committee**

PROJECT: 88 Allyn LLC (aka Carriage House)
66 unit, \$21.1M completed conversion project
Refinance of Senior Note
Restructure of CRDA Note

BACKGROUND: The Carriage House (aka 88 Allyn, 103-21 Allyn) was the conversion of the former Lewtan factory into residential and retail mixed use project. The building was initially funded by a combination of private bank loans, federal and state historic credits and CRDA subordinate financing.

The property was constructed during COVID and sustained a variety of delays and cost increases during that period, prompting two CRDA deferrals of interest as well as allowances by the senior lender. The senior lender was initially United Bank, succeeded by Peoples United, soon to be M&T. The developer has opted to not convert the senior construction loan with PUB/M&T into permanent financing and to refinance with another lender at more favorable interest rate and terms.

The residential portion of the building is now above 90% leased and operating revenues and expenses are firmer and more predictable than they were in pre-development and during Covid. One unit of the retail storefronts is leased with a second in negotiation.

CRDA must approve any refinancing and CRDA must restructure its subordinate note to meet the new cost profile and operating budget projections, including a reduction in the CRDA note size. CRDA reserve for the property's performance as collateral to investor tax credits will also be released.

REFINANCE: Harbor One Bank, Brockton Mass will issue a new note to pay off the existing PUB note and meet construction cost increases and interest accruals due to delays in project delivery.

The new financing will be at an interest rate lower than PUB Permanent terms and will allow for the buy down of the CRDA note by \$1.4 million of principle and retire \$119,258 in deferred CRDA interest due to Covid. CRDA junior note will be reduced from \$6,748,697 to \$5,348,697.

The new CRDA note will be at 1% interest only for five years beginning amortization in yr 6 of P&I at 1% with a ten year term.

Existing CRDA reserve of \$261,000 will be released.

RESOLUTION: The CRDA approves the refinancing of the senior loan with Harbor One Bank of an amount up to \$8.1M, 4%, 30 years with a ten year term for the 88 Allyn LLC project and upon commitment of the new senior loan, the executive director is authorized to take such action as necessary to restructure the CRDA note to \$5.348M at 1% interest only for years 1-5 and amortizing principle and interest in years 6-10 at 1%/40 year with a ten year term, effective January 2022 on assumption that CRDA primary note is paid down by \$1.4M, accrued CRDA interest in the amount of \$119,258 is paid and existing CRDA reserve of \$261,000 is released.

PROJECT: Restructure Hilton Hotel (315 Trumbull Street, Hartford, CT)
Conversion of 393 Room hotel into mixed use Residential and Hotel building

BACKGROUND: The downtown Hilton Hotel has struggled to perform for several years and was severely impacted by the Covid pandemic. Prior to Covid the hotel also confronted the need to undertake a major renovation in order to maintain the Hilton flag. Unfortunately, the hotel is now primed to close as federal PPP money that has sustained the property will shortly be fully expended. This will not only have an adverse impact on the downtown, further delaying the recovery from the pandemic, but it will have direct adverse impact on the operations of the Connecticut Convention Center and the XL Center as well.

Restructuring the property by converting it to a mixed use offers the best opportunity to sustain a level of hotel use while attracting capital to convert and stabilize a portion of the building as a residential development. Such a program preserves jobs and offers a solution to the long running economic problems with the building.

STRATEGY: The lower levels of the building will be renovated into a 166 room DoubleTree Hotel, offering a different, yet still premium Hilton product that is more flexible for the Hartford market.

The upper floors will be converted to 147 residential units (60 studio, 82 1BR, 5 2BR), 20% affordable.

During the conversion, the Hilton Hotel will continue to operate thereby limiting impact on ongoing Connecticut Convention Ctr events and existing employment.

DEAL STRUCTURE: The property will be legally subdivided into a commercial condominium with the Waterford Group maintaining ownership of the hotel unit. The residential portion will be purchased, developed, and owned by the RMS Group. Each component will have its own capital stack and development budget, construction schedule and operating pro forma.

| | | |
|-------------|-------------------------------|-------------|
| Double Tree | HUD 108/City of Hartford Loan | \$ 4.9M |
| | CRDA Loan | 5.1M |
| | Additional Equity | <u>1 M</u> |
| | Total Dev Cost | \$11 M |
| Residential | Bank Financing | \$ 9.4 M |
| | CRDA Loan | 5.9 M |
| | Equity | <u>2.5M</u> |
| | Total Dev Cost | \$17.9M |

CRDA Financing: The CRDA financing will be two loans. The first as subordinate financing of \$5.1M to an existing Federal/City loan to the Hotel and will be co-terminus with this primary financing. The CRDA loan will be at interest rate of no less than 3% and amortized at no more than 30 years but with a 9 year term.

The second CRDA loan will be to the residential project totaling \$5.9M amortizing over 30 years at 3% with a term co-terminus or no more than 2 years longer than the primary financing.

RESOLUTION: The executive director is authorized to: 1/ lend to the Waterford Group (or such single purpose entity acceptable to CRDA) up to \$5.1M at an interest rate no less than 3%, and no more than 30 years amortization and co- terminus with existing debt on the property, for the purpose of renovating 166 rooms into a DoubleTree Hotel branded property; and 2/ to lend to the RMS Group (or such single purpose entity acceptable to CRDA) \$5.9 M at 3% amortizing over 30 years for purposes of converting existing Hilton hotel rooms into 147 residential units, 20% to be affordable, with the term to be co-terminus or no more than 2 years longer than any senior financing, subject to: a/ both components, hotel and residential proceeding concurrently and with all sources of funding and approvals secured; b/ State of Connecticut Bond Commission approval; and c/ such fiduciary terms and conditions that are necessary and appropriate to the satisfaction of the executive director and CRDA legal counsel.

CRDA Housing Approved

| Project | # Units | TDC | TDC/Unit | CRDA Amt. | CRDA \$/Unit | Mkt/Aff 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 | 90% | |
| 201 Ann/Grand | 26 | \$4.45M | \$202K | \$3.8M/\$750K | \$28.8K | 100 | Note Paid Off | 4/25/2013 | 6/21/2013 | 10/29/2013 | Renting | 81% | |
| 179 Allyn | 63 | \$14.89M | \$233K | \$6.5M | \$109K | 80/20 | \$3.25M equity, \$3.25M 2nd Loan | 3/21/2013 | 6/21/2013 | 11/15/2013 | Renting | 100% | |
| Sonesta/Spectra | 190 | \$23.9M | \$123K | \$2.05M | \$10.6K | 85/15 | Note Paid Off | 6/4/2013 | 6/21/2013 | 12/5/2013 | Renting | 97% | |
| 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 | 96% | |
| 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 | 95% | |
| 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 | \$349,350* | \$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. | 6/16/2016 | 11/30/2017 | 9/9/2016 | 9/20/2019 | 12/12/2020 | 100% |
| 370 Asylum | 60 | \$20.3M | \$338K | \$4M | \$66K | 70/30 | loan <3%, 20 yr. | 6/18/2015 | 2/18/2016 | 3/24/2016 | 9/29/2017 | 9/29/2017 | 96% |
| 50 Millennium | 96 | \$19.5M | * 2 | \$6.5M | \$67.7K | 100 | Former Radisson, foreclosure 2/2021 | 10/15/2015 | 12/11/2015 | 3/31/2016 | 9/29/2017 | 9/29/2017 | 80% |
| 81 Arch | 53 | \$23M | \$380K | \$5.6M | \$105.7K | 100 | 30 yr. 1% loan | 10/20/2016 | 11/15/2016 | 11/7/2017 | 9/29/2017 | 9/29/2017 | 95% |
| 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 | 9/29/2017 | 9/29/2017 | 97% |
| 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 | 9/29/2017 | 9/29/2017 | 96% |
| 88 (103-21) Allyn | 66 | \$21.1M | \$319K | \$6.6M ⁶ | \$103K | 80/20 | construction/perm loan 3% 5 yr. | 12/8/2016 | 2/1/2017 | 2/1/2017 | 9/29/2017 | 9/29/2017 | 93% |
| 105-7 Wvllvs | 9 | \$2.5M | \$277K | \$800K | \$88.8K | 100 | construction/perm loan 2-3% 30 yr. | 5/18/2017 | 11/29/2017 | 6/26/2019 | 8/31/2019 | 8/31/2019 | 2022 |
| Colt North | 48 | \$13.6M | \$283K | \$2.88M | \$60K | 100 | construction/perm loan 3% 20 yr. | 5/18/2017 | 11/29/2017 | 7/2/2018 | 9/29/2017 | 9/29/2017 | 100% |
| 28 High | 28 | \$5.5M | \$196.4K | \$1.9M | \$67.8K | 80/20 | loan 3% 30 yr., refi 8/21 | 2/2/2018 | 2/16/2018 | 8/29/2018 | 9/29/2017 | 9/29/2017 | 100% |
| 100 Trumbull | 16 | \$1.5M | \$93.7K | \$960K | \$60K | 100 | loan 3% 20 yr. | 9/21/2017 | 2/16/2018 | 4/12/2018 | 2020/2022 | 2020/2022 | 97% |
| 246-250 Lawrence | 12 | \$1.5M | \$125K | \$521K | \$43.4K | 100 | Historic bridge loan -Paid off perm loan 3% 20 yr. (291K) | 10/18/2018 | 12/11/2018 | 1/4/2019 | 9/29/2017 | 9/29/2017 | 100% |
| Colt "U" | 28 | \$7M | \$269K | \$1.5M | \$53.5K | 100 | loan 3% 20 yr. | 1/10/2019 | 12/18/2019 | 11/30/2020 | 9/29/2017 | 9/29/2017 | 96% |
| Pratt I. - 99 Pratt | 129 | \$29.8M | \$231K | \$12M | \$93K | 100 | \$3M/\$59M 1% 5yr, 30yr. | 10/17/2019 | 4/16/2021 | 4/16/2021 | 2022 | 2022 | |
| Pratt 2 - 18 Temple | 47 | \$34.9M | \$210K | \$2M | \$42.5K | 90/10 | New Units 47 / Total units 166 / 16 Aff. Units / 2.75% 30 yr. loan | 9/17/2020 | 12/18/2019 | 4/16/2021 | 2022 | 2022 | |
| Park/Main | 126 | \$26.8 | \$212K | \$8.4M | \$66.7K | 80/20 | 20 yr. 3% - 39/87 | 9/20/2018 | 9/20/2018 | 6/25/2020 | 2021/2022 | 2021/2022 | 50%/ |
| 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 | 2022 | |
| 55 Elm | 164 | \$63.3M | \$385K | \$13.5M | \$42.1K | 80/20 | 2% 30 yr. Perm, \$7M 2% bridge \$6.5M 15 yr. term | 4/16/2020 | 9/20/2018 | 9/30/2020 | 2022 | 2022 | |
| Summary | 2180 ⁵ | \$570M | \$250K | \$137.3M | \$62.5K median \$64K avg. | 88/12 | 1907 market / 273 affordable | | | | | | |

12/13/2021

¹ deposits and leases
² \$75K/unit est. residential + 188 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 2375 w/ Front St. & Recap deals (less Silas)
⁶ \$200K reserve via Bond Commission

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CRDA Housing Approved - Varied Funding Sources

| Project | # Units | TDC | TDC/Unit | CRDA Amt. | CRDA \$/Unit | Mkt/Aff Split | Structure | CRDA Bd. Approval | Bond Commission | Closed | Target Occupancy | Occupancy |
|-----------------|------------------------|----------|----------|---------------------|--------------|---------------|---|-------------------|-----------------|------------|------------------|---------------------------|
| Front Street | 121 | \$35.7M | \$310K | \$12M | \$99.1K | Mkt | DECD grant | N/A | 12/12/2007 | 12/17/2013 | Renting | 97% |
| Silas Deane | 111 | \$27M | \$225K | \$5M | \$41.6K | Mkt | Urban Act | N/A | 9/30/2016 | 5/24/2018 | Renting | 85% |
| 289 Asylum | 8 | \$1.474M | \$184K | \$485K ² | \$56K | Mkt | Note has been paid off. | 12/8/2016 | | 6/13/2018 | Renting | 100% |
| 241 Asylum | 4 | \$1.99M | \$150K | \$200K | \$50K | Mkt | construction note 5 yr., Capital Funds | 03/22/2018 | N/A | 01/28/2021 | Renting | 100% |
| 115-117 | | | | | | | | | | | | |
| Sigourney | 4 | \$1.16M | \$290K | \$200K | \$50K | Aff | \$200,000 Hist. Bridge Loan ' Heritage Homes - Affordable | 12/8/2016 | N/A | 5/7/2018 | Renting | 100% 115&117 |
| | | | | | | | | 5/24/2018 | 6/1/2018 | 8/13/2019 | Owned | SOLD |
| 86-88 Hawthorne | 2 | \$830K | \$418K | \$50K | \$25K | Aff | Heritage Homes (NINA) Aff. | 5/24/2018 | 6/1/2018 | 8/13/2019 | 2020 | SOLD "86" pending "88" |
| 80-82 Hawthorne | 2 | \$818K | \$409K | \$200K | \$100K | Mkt | Heritage (NINA) Market | 3/18/2021 | 6/1/2018 | 7/27/2021 | 2022 | |
| 213 Lawrence | 3 | \$462K | \$154K | \$370K | \$123K | Mkt | 1st Mortgage 3% 20 Yr. | 1/21/2021 | N/A | | 2022 | |
| 525 Main Street | 42 | \$7.8M | \$186K | \$2.1M | \$50K | 80/20 | City Funds 2.5% 20 Yrs. + 1% buydown | 10/21/2021 | N/A | | 2023 | |
| 275 Pearl | 39 | \$9.46M | \$242K | \$2.86M | \$73.5K | Mkt | City Funds 1.5% 20 Yrs. + 1% buydown | 10/21/2021 | N/A | | 2023 | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Summary | 336³ | | | | | | | | | | | |

12/13/2021

¹ Paydown of principle from sale

² New balance at \$485K with interest rolled on initial \$450K condo note

³ 225 Hartford 111 Regional

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CRDA Neighborhood Projects

| Project | Description | TDC | CRDA Amount | CRDA Funds | Structure | Committee Approval | CRDA Board | Bond Commission Approval | Status |
|---------------------------|---|---------|--------------|---|--|--------------------|------------------------|--------------------------|---|
| Lowles 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. |
| Cricket Knoll | Construction of 14 two-family owner-occupied homes on Naugatuck Street | \$3.7m | \$1,555,000 | FY16 Neighborhood (Promise Zone) | \$20,860 used for MDC connection charges for housing lots. Balance used to construct required road; Board approved additional \$154k for road on 6/20/19 | 11/10/2016 | 12/8/2016 | 2/1/2017 | Completion of road construction may slip into October. Construction of 5 houses and related site work underway. |
| Wright 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. |
| My 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 |
| Iron 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 |
| 0-714 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 |
| Wirk 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 MIMA 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

9/13/2021

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Venue Committee

CAPITAL REGION DEVELOPMENT AUTHORITY

**Board Action
December 15, 2021**

Background:

Chapter 588x of the Connecticut General Statutes authorizes the Authority to promote the Hartford area and to construct, operate, maintain, and market the Connecticut Convention Center (the “Convention Center”) to stimulate economic development;

CRDA and Waterford Venue Services Hartford, LLC (“Waterford”) entered into an agreement, dated July 1, 2017, and amended February 25, 2021, (the “CTCC Management Agreement”), pursuant to which Waterford would provide convention and marketing services for the Convention Center;

The City of Hartford wishes to increase the marketing of Hartford as a meeting/convention destination and to provide additional convention services for the Convention Center, including hospitality planning;

CRDA and the City find it desirable to utilize the CTCC Management Agreement to effect such additional services via a memorandum of understanding (“MOU”) containing the following general conditions.

Conditions:

Term: January 1, 2022 through December 31, 2024

Funding: The City shall provide an annual payment to CRDA of \$450,000

Services: CRDA, through Waterford, shall utilize the City Funding to provide additional Hartford area marketing and convention services on behalf of the City.

MOTION

The CRDA Board of Directors hereby authorizes the Executive Director to enter into an MOU with the City to provide convention and marketing services for the Hartford area in accordance with the terms and conditions provided above.

**Regional
&
Economic Development
Committee**

Riverfront Recapture – Hartford Riverwalk Development Parcel

Background: In 2019, Riverfront Recapture purchased a 62-acre parcel located on the Hartford-Windsor town line to create a new riverfront community park connecting the Hartford Riverwalk (now known as the “Marfuggi Riverwalk”) and the Windsor Riverwalk. The new park would include a 9-acre cove for paddle sports

CRDA provided a \$1m grant-in-aid and \$125,000 bridge loan to Riverfront Recapture in 2019 to help finance development of the new park and funds have been used for land acquisition, demolition, design, permitting, environmental remediation and cove dredging. The bridge loan was paid off in January 2020.

A 10-acre section of the purchased parcel accessed from Meadow Rd in Windsor will be raised above the 100-year flood plain and reserved for potential mixed-use development, including housing, commercial and retail space. Riverfront is planning to engage the services of a consultant to assist with assessing the highest and best use of the property. They have asked for CRDA assistance in funding the study.

Proposal: CRDA would utilize its discretionary funds to provide up to \$25,000 grant-in-aid to Riverfront Recapture to help fund a development study of said 10-acre parcel, with the balance of any required funds coming from Riverfront.

Resolution: *The Board authorizes the Executive Director to use up to \$25,000 in CRDA discretionary funds to provide a grant to Riverfront Recapture for the purpose of hiring a consultant(s) to assist with development of a 10-acre parcel adjacent to the new park being created along the Hartford riverfront. Such funding shall be subject to 1/ all other required funds being secured and 2/such fiduciary terms and conditions that are necessary and appropriate to the satisfaction of the executive director and CRDA legal counsel.*

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 | | n/a | \$1,050,000 | Grant-in-aid | | | 7/25/2018 12/18/2018 | Planning consultant to present initial site allocation to RED Committee on 01/22 |
| 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 | Completed |
| 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 | Developer has been selected |
| 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 complete. Funding secured for Phase III. |
| East Hartford - Silver Lane Improvements | Installation of new sidewalks, crosswalks and streetscape improvements recommended in CRCOG Silver Lane study | | n/a | \$1,011,887 | Grant-in-aid (Balance of funds given to OPM for EHBN project) | | | 4/4/2009 | Contractor selected - awaiting OPM signoff on easements and environmental permit applications |
| 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 | Work continues |
| 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 | n/a | 9/15/2016 | 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 | n/a | 1/15/2013 | n/a | Town negotiation with residential developer |
| Bushnell South Garage | Garage | \$17m | N/A | \$17,000,000 | CRDA Prop. | | | 9/20/2018 | Garage scheduled to open for State employees in mid-December |
| Parkville Market | Community Market | \$5.1m | N/A | \$3,500,000 | Construction / Bridge Loan Note Repaid | 12/20/2018 | 1/10/2019 | 4/2/2019 | Open |
| Riverfront Recapture | Phase I development of extension to Hartford Riverwalk north of Riverside Park | | \$1,000,000 | FY15 Neighborhood | Grant-in-Aid | | | 9/20/2018 | Major site work scheduled to begin Spring 2022 |

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 and 7/23/2021 | Pre-development |

8/6/2021

\$ 18,000,000

Miscellaneous

Hartford's Parkville neighborhood, once a manufacturing powerhouse, is on the cusp of rising again as a 21st Century innovation district

Kenneth R. Gosselin



Sidewalks are installed on Bartholomew Avenue in Hartford where there is a push to redevelop vacant, blighted buildings into an innovation corridor, with Bartholomew the "spine" of the initiative. Photograph by Mark Mirko | mmirko@courant.com (Mark Mirko/The Hartford Courant)

HARTFORD — More than a century ago, Hartford's Parkville neighborhood buzzed with manufacturing turning out bicycles, typewriters and even automobiles, a Silicon Valley of its day.

The spirit of innovation is again taking wing in Parkville, with a new push by city leaders and the private sector to foster a 21st-century hotbed of startups, particularly in advance manufacturing and cost-saving technology for the insurance industry. This, they say, is a good fit with arts and culture that have thrived in Parkville for years.

The plans envision a neighborhood of not only early-stage companies but new apartments, more restaurants, a parking garage and entertainment venues — all existing together in a campus-like atmosphere a short walk from Pope Park and West Hartford's Park Road.



Carlos Mouta stands on the balcony of the building next to Parkville Market where a second phase of the market is planned. Mouta would be a key developer in the neighborhood's innovation initiative, but other developers will be needed. (Kassi Jackson/Kassi Jackson)

“We could be a Brooklyn, a small Brooklyn,” said Carlos Mouta, a longtime developer in the neighborhood and the force behind the thriving Parkville Market. “So when I tell people I want to Brooklyn-ize Parkville, I’m not ashamed. I don’t mind copying what other successful people have done.”

Mouta’s \$70 million conversion of the sprawling, former Whitney Manufacturing Co. on the corner of Bartholomew Avenue and Hamilton Street could be one of the first projects in the new innovation district, perhaps early next year.

The 290,000-square-foot, 3-story factory — about as much space as a Walmart Supercenter — would include 80,000 square feet for startups; short-term, co-living space for start-up visitors; 189 mixed-income apartments; restaurants and a beer garden.



A tattered flag flutters in the wind around the building at 237 Hamilton Street, where it intersects with

Bartholomew Avenue. A redevelopment of the former Whitney Manufacturing Co. is expected to include 80,000 square feet of startup space and 189 apartments. (Mark Mirko/The Hartford Courant)

A significant boost could come to the district if the city is successful in vying for up to \$50 million in grants over five years from the state's "Innovation Corridor" program, launched in October. The program is part of Gov. Ned Lamont's broader, "economic action" program to spur the state's economy, add jobs and revitalize cities.

The Innovation Corridor program stipulates that its funding contribute no more than 20% to a project, ensuring that there is strong financial commitment from other sources. The requirement seeks to make sure projects are economically viable.

Martin Guay, vice president of development at New Britain-based Stanley Black & Decker, said it is logical for Hartford to focus on manufacturing because of its roots in the industry.

But it also makes sense, Guay said, because New Haven has carved out life sciences and Stamford is focusing on digital.

Stanley Black & Decker, the tool and equipment storage giant, has partnered with the city of Hartford on the creation of the Parkville innovation district and is also a prominent corporate leader statewide in encouraging the growth of businesses that could result in more jobs.

"What the city gets — and the neighborhood — are projects that are invested in the city," Guay said. "Because ultimately, the people of the city need to win for the strategy to be viable. And the way they win are permanent, good-paying jobs and benefits that are created over time."

Stanley would likely benefit from working with the start-ups in the new district. The company has shown a willingness to collaborate with other companies. Its decision to hire HCL Technologies to handle its IT led to HCL establishing a presence in downtown Hartford with the promise of 200 jobs for the city.



Natural light pours in from glass ceilings inside an area of the former Whitney Manufacturing Co. owned by developer Carlos Mouta. Space for startup companies is planned for this area of the former, now vacant factory. (Mark Mirko/The Hartford Courant)

Stanley Black & Decker had already taken a strong interest in Hartford. The manufacturer has established an advance manufacturing accelerator downtown and recently took the first steps in helping finance downtown apartment development.

Parkville is especially suited to an innovation district, proponents say, because it has the buildings, though some are vacant, others blighted. It also is close to amenities such as the Parkville Market, which is expanding, and a CTfastrak bus station. The area also is located in an Opportunity Zone.

Obtaining financing through tax credits, the Capital Region Development Authority, private lenders and other sources still will certainly present a hefty hurdle to clear. CRDA funding, for instance, through the State Bond Commission has slowed as Lamont has pulled back on borrowing through the sale of bonds.

The effort also will require more developers getting involved to diversify the sources of investment.



The Trinity College chapel is framed by a fourth-floor window destined to illuminate apartments planned for the former Whitney Manufacturing Co. building in Hartford's Parkville neighborhood. (Mark Mirko/The Hartford Courant)

But Guay said he is optimistic that the first signs of redevelopment could come next year, with the district unfolding over the next five to seven years.

While an overall strategy for redevelopment is crucial, it will be equally important to just get a few projects off the ground to create a buzz.

“We need to hit singles and doubles before we hit the grand slam,” said Peter Denious, chief executive of AdvanceCT, a private, nonprofit that seeks to foster business development in the state. “Let’s agree on step one, use that as the ‘Hey, look, this is happening. This is real’ and build that and get it done. Then this begins to take on a life of its own.”

Building momentum

For years, Parkville has been a rising star for arts and culture in Hartford.

Real Art Ways, the contemporary arts center on Arbor Street, has been in the neighborhood since 1989 and two weeks ago announced a \$15 million expansion.



Two weeks ago, Real Art Ways announced it would acquire the building at 56 Arbor St. in Hartford's Parkville neighborhood as part of a \$15 million expansion. The building is a former typewriter factory. (Mark Mirko/The Hartford Courant)

While the Parkville Market has grabbed a lot of attention in the past year and is now planning an expansion, the Hog River Brewery and the Know Good Market, a monthly food festival, have been staples.

The neighborhood certainly has been on the radar. Last year, the “Parkville Arts and Innovation District” was listed as one of 10 projects that could transform the city by the time Hartford reaches its 400th anniversary in 2035.

The start of a new wave of innovation gained early momentum as reSET, a business incubator and accelerator, took space in 2015 in the redeveloped Hartford Rubber Works building at the corner of Bartholomew Avenue and Park Street.

Sarah Bodley, reSET's executive director, said she expects the concentration of innovation and start-ups broadly in Parkville will accelerate the momentum.

"One thing that is really unique about co-working and the accelerator model, you get to build that energy when you are in a group of entrepreneurs who are all tackling big, hairy problems together," Bodley said.

Parkville Market offers a model for start-ups experimenting with new ideas or expansion to a second location, said Michael W. Freimuth, CRDA's executive director.

There isn't the barrier of a big investment up front or signing of a long-term lease, Freimuth said.

"If someone fails, it's part of the system," Freimuth said. "So, you want to nurture that concept for the neighborhood. So that's what's going on here. Stanley may be doing it in manufacturing, and the Parkville Market in the food industry."

"Others will try in other technologies. Maybe some service businesses will come out of it. That's what rebuilds the economy. That's getting back down to the nuts and bolts of it, and that's what exciting about Parkville."

Space to grow

On a recent morning, Hartford Mayor Luke Bronin walked along Bartholomew Avenue, talking about how the street could form the "spine" of the innovation initiative.



While walking Bartholomew Avenue, Hartford Mayor Luke Bronin, at right, talks with heavy equipment operator Patrick Conneely. A streetscape project is underway with new sidewalks in front of the former Whitney Manufacturing Co., targeted for a \$70 million redevelopment. (Mark Mirko/The Hartford Courant)

Parkville Market sits at one end of Bartholomew and, at the other end, the 34-acre, former scrap metal junkyard just taken over by the city. On the quarter-mile in between are buildings — including Mouta's factory building — that could be part of the new district.

As he walks, Bronin points to a parking lot just past the corner of Bartholomew and Park, with an old factory boiler building to the rear bearing the name of the long-gone Spaghetti Warehouse restaurant.

The parking lot, also owned by Mouta, would be ideal for a 350-space parking garage "wrapped" with apartments and storefront space, Bronin said. The boiler building could become part of the project with more residential rentals, he said.

"There is a need for parking in this neighborhood," Bronin said. "You know that if you come to Parkville Market at lunch or dinner time. But like we're trying to elsewhere in the city, we're hopeful that structured parking could open up other development opportunities."



An abandoned conveyer belt is shown in a file photo from this summer of one of several structures on a 34-acre industrial site in the Parkville neighborhood. The property was foreclosed on by the city in August. (Mark Mirko/The Hartford Courant)

All together, the three components could cost more than \$50 million, according to preliminary estimates.

Bronin said the area also offers the rare opportunity for start-up space to be next to the 34-acre tract that would be appropriate for larger scale development, while, at the same time, creating places for people to live.

“There is the space to do those side-by-side here in a way there isn’t anywhere else in the city,” Bronin said.

Bronin said he doesn’t see gentrification as an overriding concern in Parkville because so many buildings are vacant, so residents won’t be displaced.

“It helps lift up the neighborhood, and if we are successful, it creates not just a vibrant neighborhood where people can live and play but also a neighborhood where they can work,” Bronin said.

Other opportunities also exist: a closer integration with the adjoining West Hartford neighborhood, little more than a block away; and an extension of Bartholomew all the way to Flatbush Avenue and a quick entrance to I-91, long sought by the neighborhood.



Peeling paint and bare floors are exposed inside an area of the former Whitney Manufacturing Co building at the corner of Hamilton Street and Bartholomew Avenue in Parkville. Apartments are planned for the space. (Mark Mirko/The Hartford Courant)

Buildings now occupied by other companies also could well figure into the district in the future.

For example, Champlin Packrite, a packaging company at 81 Bartholomew, had discussed a sale of its 80,000-square-foot building to Real Art Ways several years ago. But RAW decided to buy the building it had leased on Arbor Street as part of its recently-announced expansion.

But Rory Poole, Champlin's chief executive, said the company still is looking to consolidate and expand its plant in Manchester. The building, which once housed steel-tube manufacturing for Columbia bicycles, has been occupied by Champlin since 1931.

Of a potential sale, Poole said, "I think it will be coming somewhat soon."

Leasing start-ups

At the former Whitney factory, Mouta hopes to lease start-ups with space between 2,000 to 3,000 square feet, with his thought being that as companies grow they will stay in the city, perhaps moving to new, larger space on the nearby 34 acres.

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Mouta said he expects to start conversion of the factory building early next year, with redevelopment spread out over two or three years. The creation of the startup space is the first priority, Mouta said.

He is still lining up financing but Mouta said he believes he is close to winning up to \$30 million in tax credits. Mouta expects bank financing will be \$28 million to \$30 million.

A rendering shows the facade of the former Whitney Manufacturing Co. building at the corner of Bartholomew Street and Hamilton Street after a \$70 million redevelopment. (Crosskey Architects)

Along with startups and new neighborhood residents, he sees cultural diversity among shop owners and restaurateurs as key to revitalization.

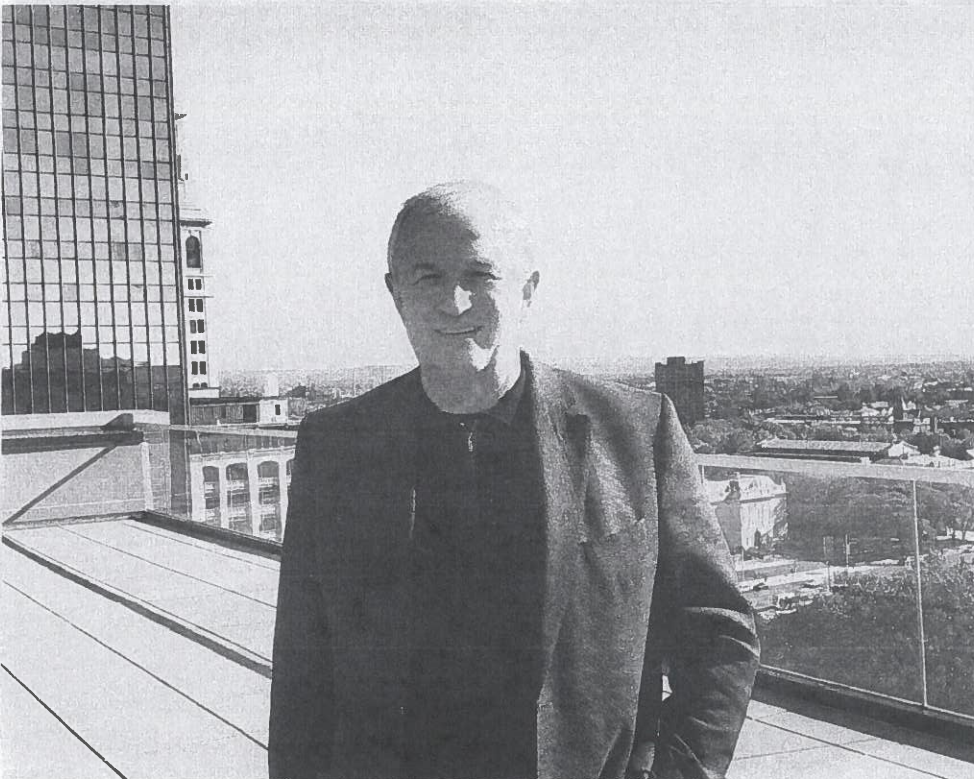
Mouta immigrated with his family to Hartford from Mozambique in 1975 and grew up in Parkville. Mouta says he's come up against plenty of naysayers on his projects in Parkville, where he has concentrated building efforts since the late 1980s. But he said he's proven them wrong and the push for the innovation district is the latest evidence.

"I'm happy that Parkville finally — finally — is getting what it deserves," Mouta said, "meaning that I've only been doing this in this neighborhood since 1989."

Kenneth R. Gosselin can be reached at kgosselin@courant.com.



Ken Gosselin is a staff writer who focuses on real estate, transportation and other financial news. His beat ranges from housing trends and development in the city of Hartford to travel by air, road and rail. Gosselin has an English degree from UConn and came to the Courant in 1986, starting as a town news reporter.



Joseph Klaynberg's Wonder Works Construction development firm has built or renovated 559 apartment units in downtown Hartford since 2016.

Setting the Mark

From Belarus to New York, apartment developer Klaynberg makes big bet on Hartford

By Michael Puffer
Special to the Hartford Business Journal

Joseph Klaynberg and a partner have added or renovated 559 apartments to Hartford's downtown over the past decade, making him one of the city's busiest developers.

Those investments took a hit in 2020, as COVID-19 pushed occupancy rates in Klaynberg's "Spectra" apartments below 80%. Klaynberg's partner – New York-based Girona Ventures, led by Jeffrey Ravetz – sold its half-share of four downtown Spectra buildings amid the downturn.

But Klaynberg says Hartford's promise is far from tapped and is pursuing several new developments.

"I believe so much in Hartford," Klaynberg said. "I said: 'No, I am staying.' I'm not leaving Hartford; I plan to do more."

That determination and drive has fueled Klaynberg's success. He has a history of seeing and seizing opportunity.

In 1979, Klaynberg decided to leave his native Belarus for America, seeking an escape from anti-Semitic discrimination. He was chief engineer

Wonder Works Construction Hartford apartment portfolio

| Property | Units | Construction costs | Development costs | Year delivered |
|--------------------------------------|-------|--------------------|-------------------|----------------|
| Spectra Pearl I (101 Pearl St.) | 157 | \$23,600,000 | \$29,000,000 | 2020 |
| 4 Spectra Pearl II (111 Pearl St.) | 101 | \$16,000,000 | \$21,600,000 | 2020 |
| 5 Spectra Park (100 Trumbull St.) | 108 | \$3,179,198 | \$31,738,005 | 2020 |
| Spectra Plaza (5 Constitution Plaza) | 193 | \$15,800,000 | \$23,600,000 | 2016 |

Source: Wonder Works Construction

of a 200-employee construction company at the time.

Klaynberg traveled to Austria, then Italy as he waited for his visa application to be processed. He had a master's degree from the Moscow State University of Civil Engineering but took jobs as a construction laborer in order to eat. At 25, Klaynberg arrived in America with the equivalent of \$140 in his pocket and again took a job as a construction laborer.

In seven years, Klaynberg worked his way up to a junior partner with a New York-based construction company. Then, in 1987, he launched

PHOTO | CONTRIBUTED



Wonder Works' Spectra Plaza development in Constitution Plaza converted a former hotel into modern apartments.

Wonder Works Construction Corp. with four employees. Today, he has 80.

Current pipeline

Although the pandemic has brought setbacks to many businesses, Klaynberg has been able to hold his own.

Last year, Klaynberg's partner – Girona Ventures – sold its half of the Spectra Hartford apartment buildings to parking mogul Alan Lazowski and prominent developer Marty Kenny. Occupancy rates in those buildings have since rebounded to above 96%, Klaynberg said.

Wonder Works is pushing ahead with several new Hartford development proposals, this time without partners.

Klaynberg plans to purchase two city buildings – a decommissioned city firehouse on Pearl Street and a former municipal building across from City Hall on Main Street – by the end of this year.

Wonder Works negotiated a \$360,000 price for the firehouse and \$425,000 for the municipal building. The company will pay another \$160,000 over five years for a parking lot behind the municipal building.

Klaynberg's designs call for 41 apartments in the municipal building and 40 in the firehouse. The projects' combined development costs are estimated at \$17.1 million.

Klaynberg said he intends to build an apartment building of up to 120 units on the parking lot behind the municipal building, with hopes to break ground in 2023.

He also recently submitted a proposal to the city to purchase a former city school at 110 Washington St., and remodel it into 70 loft-style apartments.

"We've been interviewed by the city but not awarded the project yet," Klaynberg said.

Local assists

Klaynberg and Ravetz completed four projects in Hartford with combined development costs of \$105.9 million since 2016. But Klaynberg's company and most of its work is rooted in New York.

41

Wonder Works has completed 17 developments at a combined cost of more than \$773 million in New York since 2016, the company said. Klaynberg said he retains an ownership stake in about half of those projects.

Wonder Works and Girona Ventures got their start in Hartford in 2012, buying a long-vacant, 250,000-square-foot hotel on Constitution Plaza for \$500,000. It was remodeled into 193 apartments in a \$23.6 million project that wrapped in 2016.

Wonder Works and Girona subsequently remodeled two decaying Pearl Street office buildings into modern apartments. They also purchased and remodeled the former Trumbull on the Park apartment building.

Klaynberg said he was drawn to Hartford by bargain prices. Lower purchase prices resulted in development costs of about \$250 per square foot in Hartford versus \$800 in New York City, he said.

State and local governments have come through with loans, tax credits and tax breaks. Beyond that, officials have been extraordinarily accommodating, Klaynberg said.

"Everyone was assisting in a great way," Klaynberg said. "The mayor when we came here for the first time – Mayor [Pedro] Segarra at that time – actually drove us around the city, showing us everything. It was really impressive."

Klaynberg is bullish on Hartford's prospects, despite mixed signals coming out of COVID-19.

Klaynberg said he still sees empty city buses, but restaurants have reopened, and apartment occupancy rates have rebounded.

Retail spaces within Spectra buildings are also beginning to fill.

A fitness studio has signed a lease for one of three retail spaces in one apartment building at 111 Pearl St. Another tenant has signed a letter of intent to put a coffee shop and liquor store in another.

Michael Freimuth, executive director of the Capital Region Development Authority (CRDA), said Klaynberg was "an early pioneer" for the Capital City's downtown.

"He kind of set the mark, showed people how it could be done, that it could be done," Freimuth said. "He was part of the team that came in early. In one sense, his importance lies in seeing the opportunity early."

The CRDA has lent \$18.1 million to projects involving Wonder Works since 2016 and is scheduled to oversee \$10.6 million in city redevelopment funds scheduled to assist in redevelopment of the firehouse and municipal building.

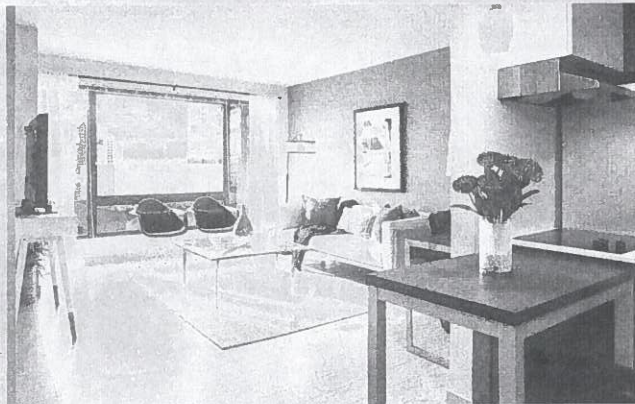
Since its creation by state lawmakers in 2013, CRDA has lent out \$137 million to help finance the creation of 2,375 apartments in Hartford's downtown, Freimuth said.

Occupancy in those apartments dipped to "the mid- to high-80s" last year, Freimuth said, but has since rebounded to above 90%.

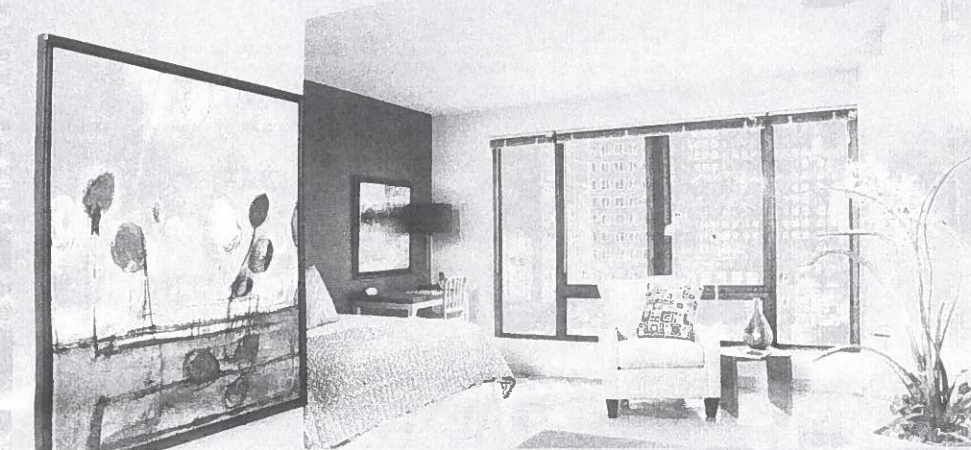
There were roughly 1,000 apartments in downtown Hartford before CRDA's launch, and there are about 400 more in various stages of planning or construction, Freimuth said.

But there is still plenty of room to grow.

"We think we need about 5,000 to start driving retail and restaurants," Freimuth said. "So, we are still, by that math, about 1,500 units shy of reaching that threshold."



PHOTOS CONTRIBUTED



Wonder Works Spectra apartments include modern amenities and views of downtown Hartford

PHOTO: COSTAR



Goodwin Square office tower in downtown Hartford.

KeyBank moving downtown Hartford office to Goodwin Square

By Greg Bordonaro
gbordonaro@hartfordbusiness.com

National lender KeyBank is trading spaces in downtown Hartford, the Ohio-based lender confirmed to Hartford Business Journal.

The subsidiary of KeyCorp, which entered the Connecticut market in 2016 with its purchase of First Niagara Bank, said it has signed a new 10-year lease to occupy 7,265 square feet of space at Goodwin

Square. It plans to move employees there by April 2022.

The company will be vacating about 9,525 square feet of space it occupies at 100 Pearl Street and moving some business banking employees currently located in Manchester to Hartford, according to KeyBank spokeswoman Karen Crane.

Crane said the "new buildout will support our return to office strategy

to accommodate a flexible workforce. The space will become a hub for the market by centralizing our consumer middle market, business banking and private banking teams currently split between 100 Pearl Street and our office in Manchester into one location and providing new collaborative areas with improved technology for our employees to better serve our clients."

Crane said the space is being designed to accommodate both dedicated and shared workspaces for mobile employees whose roles don't require them to be in an office five days a week, or who travel frequent between KeyBank locations.

It could host anywhere from 20 to 35 people on any given day, plus will have conference space for larger gatherings, she said.

In October, HBJ reported that law firm Updike, Kelly & Spellacy would also be moving from 100 Pearl Street, which is owned by prolific downtown Hartford landlord Shelbourne Global Solutions, to the 336,336-square-foot Goodwin Square, whose other tenants include Infosys and People's United Bank.

Hartford HealthCare has become the anchor tenant of 100 Pearl, signing a 100,000-square-foot lease with plans to move 700 to 800 employees there, including its C-suite.

Facilities & Destinations 2021 AWARDS OF EXCELLENCE

Congratulations to this year's **Awards of Excellence** winners, including 85 **Prime Site Award** winning convention centers and 71 **Top Destination Award** winning DMOs across the United States, Caribbean and Canada.

Given the pandemic's effect on our industry last year, **F&D** readers nominated CVBs and convention centers based on the following criteria:

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More specifically, CVBs were nominated based on their efforts to help communicate COVID 19 information and promote safety measures, while venues were nominated based on their implementation of such measures. We applaud these suppliers for stepping up to the plate and facilitating the return of in person meetings.

Ballots for the Awards of Excellence are available in **F&D's** quarterly print magazine and at **Facilitiesonline.com**. The Prime Site Award is given out to convention centers, and the Top Destination Award to CVBs and other DMOs.

We look forward to recognizing more top performers on the supplier side of the meetings industry. Submit your nominees for the **2022 Awards of Excellence** today.

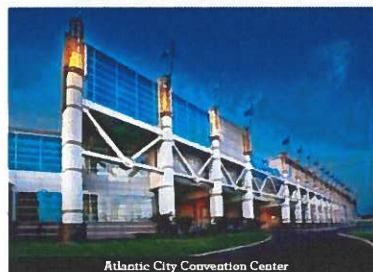


2021 AWARDS OF EXCELLENCE



NORTHEAST

Prime Site Award Winners
Albany Capital Center, Albany, NY
Atlantic City Convention Center, NJ



Atlantic City Convention Center

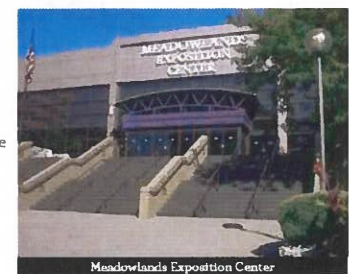
Greater Hartford CVB, CT
Meet AC, Atlantic City, NJ
Providence/Warwick CVB, RI
Visit Pittsburgh, PA

MID-ATLANTIC

Prime Site Award Winners
Baltimore Convention Center, MD
Greater Richmond Convention Center, VA
Roland E. Powell Convention Center, Ocean City, MD
Virginia Beach Convention Center, VA
Walter E. Washington Convention Center, Washington, DC

Top Destination Award Winners

Events DC, Washington, DC
Ocean City CVB, MD
Visit Baltimore, MD
Visit Norfolk, VA
Virginia Beach CVB, VA



Meadowlands Exposition Center

(Continued on page 19)



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- Size & Quality of Meeting Space
- Technological Capabilities
- Quality of Staff
- Food & Beverage Options
- Lighting, Acoustics, & Internet Access
- Other Meeting/Event Support Services
- Amenities
- Recreational Activities
- Dining & Entertainment Options
- Lodging Quality
- Accessibility to Airport
- Ease of Travel/Visitation Destination
- COVID-19 safety measures and protocols

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Your Name & Title _____

Organization _____

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Name of Nominee _____

Check Award You want to nominate the above for:

Prime Site Top Destination

Your Name & Title _____

Organization _____

Phone _____

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