

**Capital Region Development Authority**

**100 Columbus Boulevard, 5<sup>th</sup> Floor**

**Hartford, CT 06103**

**Thursday, January 20, 2022**

**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; David Robinson; Alexandra Daum; David Lehman; George Psaras; David Jorgensen; Mayor Mike Walsh; Andrew Diaz-Matos; Robert Patricelli; Mayor Bronin

**Board Members Absent:** Joseph Giuliatti; Joanne Berger-Sweeney; Seila Mosquera-Bruno

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

**Minutes**

*“The December 15, 2021 CRDA Board meeting minutes were unanimously approved.”*

**Presentations**

SCI – Sports Betting

Jeff Armstrong, Senior Project Manager, SCI Architects, P.C. presented the Renovation Plan Update for the proposed Sports Betting Lounge.

ProPark – Jonathan Bostic, General Manager ProPark Mobility; Tamer Shaban, Sr. VP at ProPark Mobility gave a presentation regarding replacing the outdated gate systems with new modern, faster and smarter technology at the CRDA Parking Garages. The total investment for the Gate Control & Revenue Collections Systems will be approximately \$80K from both ProPark and CRDA for initial implementation as well as monthly lease payments.

**Mayor Reports**

Mayor Bronin thanked the State team that made funding available for development projects in Hartford and also reported on the following projects:

Fullerbrush – 3580 Main Street. Plans are being reviewed for conversion to a mixed use residential-commercial project

Arrowhead project at Albany and Main – negotiations underway

Hilton – working with the State, the redevelopment of the Hilton passed out of City Council Committee on January 18, 2022.

Mayor Walsh reported on the following projects:

Silver lane Plaza – continued work in progress

Rentschler Field - Working with National Development

SCI-FI- Fiber in the ground to all residents – Starts April 2022

Jasco Apt. Complex – A 360 unit, amenity rich, apartment complex, on the old Showcase Cinema site

Charter Oak Mall –Stop & Shop is closed and the property owner is not saying what future plan is

Market Rate Housing -- Goodwin University is planning housing on Ensign Street and Simon Konover Co. is planning 100-150 units near American Eagle on East River Dr.

Possible public/private partnership - possible truck/car wash facility, Veterans Memorial Clubhouse; sports bubble.

Church Corners Inn – prominent location in Town, derelict building with tenant issues, owner will sell in 2022 – need to ensure new owner can maintain and address health issues.

## **Finance**

Chief Financial Officer Joseph Geremia reported on the following financial update for January 2022.

### Fiscal Year 2022 Operating Statistics

#### CT Convention Center – Nov. 2021

Event Update: Events restarted in Sept. 2021  
Scheduled for 68 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

Nov. financials: Revenues \$219,600 unfavorable to budget due to recent event cancellations related to COVID-19  
Expenses \$282,600 favorable to budget due to savings in personnel, utilities, and marketing  
Net Loss of \$2.306M favorable to budget by \$63,000  
Total year projection of \$5.846M loss even with budget

#### CRDA Parking Facilities – Nov. 2021

Stats: Utilization of 58% is 8% favorable to budget

Nov. financials: Revenues \$436,700 favorable to budget due to transient and hotel guest revenues  
Expenses \$202,200 unfavorable compared to budget due to increased event personnel and for repairs & maintenance offset slightly with savings in utilities  
Net Income \$234,500 favorable to budget  
Total year projection of \$819,200 net income even with budget

#### Church Street Garage – Nov. 2021

Stats: Utilization of 54% even with budget

Nov. financials: Revenue favorable to budget by \$36,000  
Expenses \$55,900 favorable compared to budget due to savings in utilities and office supplies  
Net Income \$91,900 favorable to budget  
Total year projection of \$325,600 net income even with budget

#### XL Center – Nov. 2021

Event Update: Seasons started for AHL hockey, UConn basketball, and UConn hockey  
Family events remain on event schedule  
Concert industry moving holds towards Fall 2022, although some shows are on the FY22 schedule  
Indoor event attendance and increased staffing requirements remain concerns as well as a slow return of group sales activity

Nov. financials: Event revenue \$103,800 unfavorable compared to budget due to Monster Jam storm cancellations scheduled to return in March 2022  
Other Income currently \$494,000 unfavorable to budget pending sponsorship renegotiations  
Operating expenses \$470,600 favorable compared to budget due to savings in personnel and utilities

Hockey operations \$14,900 unfavorable compared to budget  
Net Loss of \$2,196,100 unfavorable to budget by \$142,100  
Total year projection of \$3.644M loss even with budget dependent on concert activity

P&W Stadium at Rentschler Field – Nov. 2021

Event Update: Held 2 USA Soccer games, 6 UConn football games, holiday lights display, and misc. parking lot events  
Scheduled to host NCAA Lacrosse event in May 2022  
Nov. financials: Event revenue \$553,800 favorable compared to budget due to 2 USA Soccer games, 2 UConn football games, and parking lot events  
Operating expenses \$154,800 unfavorable compared to budget due to F&B personnel  
Net Operating Income of \$394,900 favorable to budget by \$418,100  
Total year projection \$478,600 favorable compared to budget of \$879,000 loss dependent on NCAA Lacrosse event  
\$522,300 received in State funding due to prior year losses related to COVID-19

CT Regional Market Nov. 2021

Stats: Occupancy: 81% with 12 tenants  
Activity: Farmers' Market operated for 2021 season from April 3 through Oct. 30  
Nov. financials: Operating revenue \$61,700 unfavorable to budget due to straight-lined budget  
Operating expenses \$77,300 favorable to budget due to savings in personnel, utilities, insurance, and security  
Net income of \$88,200 favorable to budget by \$15,600  
Total year projection of \$229,600 net income even with budget

Dillon Stadium – Calendar Year – Nov. 2021

Calendar year revised operating expense budget of \$250,000  
Nov. financials: Operating expenses of \$204,500 favorable to revised yearly \$250,000 budget by 11%  
Capital reserve balance: \$213,900  
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

George Psaras inquired about ARPA funds and what has been reported. Mr. Geremia answered stating that CTCC received \$1.8M; XL – \$1-1.5M and Rentschler Field \$K1-2K that is reimbursable. Mr. Psaras inquired whether CRDA is current with all vendors. Mr. Geremia responded yes and has been kept between 60-90 days payable.

**Housing & Neighborhood Committee**

Mr. Freimuth reported on the following projects that were discussed and vetted by the CRDA Housing and Neighborhood committee on January 4, 2022.

Project: 237 Hamilton Street  
Conversion and Adaptive ReUse former industrial building

Background: The former Whitney Manufacturing site in Parkville is proposed for redevelopment into a commercial and residential mixed use innovation hub and incubator space. Residential conversion of the upper floors will create 189 units. Approximately 86,000 sf of

commercial space at grade will be positioned as part of the overall neighborhood program to nurture new business start ups.

Proposal: The developer (Carlos Mouta) and the city have proposed that funds repaid from the initial Parkville Market development be re-lent into the neighborhood for the next project. (Parkville Market phase 1 CRDA note was \$3.5M and repaid to the agency earlier in 2021).

As a former industrial site, considerable environmental work needs to be undertaken. Phase I, II and III have been completed and costs to remove lead paint (est. \$2.175) as well as deal with several AOCs (areas of concern such as some soil removal, metals and USTs) are budgeted (\$1.25M) with the program designed to meet residential standards.

The environmental loan from CRDA would be used as an initial construction note at 3% I/O for an expected 2-3 year period (not to exceed five years). Upon repayment, the funds will be used for future Parkville area projects.

Full Project: The full project includes 189 units (55 micro, 32 studio, 73 loft open, 17 1BR, 12 2BR) as well as the aforementioned 86,000 sf commercial space. Total development cost is \$72.8M as follows:

Developer Equity	\$ 9.3 M
Conv Financing	28.9 M
Opp Zone Equity	10.0 M
Historic Credits	24.6 M

The following motion was made by Andy Bessette, seconded by Andrew Diaz-Matos and approved.

*“The executive director is authorized to make a \$3.5M construction loan at 3% interest only, for a period not to exceed five years, to Carlos Mouta (or such single purpose limited liability company acceptable to CRDA) for purposes of environmental clean-up at 237 Hamilton Street in order to prepare the property for full restoration as a mixed use residential/commercial property. The loan funds will be allocated from those monies repaid to CRDA from the Parkville Market project totaling \$3.5M.”*

Mr. Psaras asked what the interest rate will be, Mr. Freimuth responded 3%.

Project: The Bond  
Conversion/modernization of Bond Building  
338 Asylum Street  
116 unit with commercial  
KPK Holdings LLC

History: most recently Hilton Homewood Suites  
Closure during Covid and had too high of cost structure in hotel market  
Recent re-use as short term residential, furnished units  
Approximately 90% occupied as short-term stay

Financing: Developer with existing mortgage on property  
Seeking funding to assist in restoration of building core and façade  
  
Refinancing and restructuring of abutting 103-21 Allyn Street  
Recently redeveloped industrial/commercial into 66 residential units  
Private financing, tax credits, CRDA funds used

Funds from refi of Allyn St/Carriage House requested to be re-used to improve The Bond.

CRDA approval of refi structure on 103-21 Allyn (12/15/21)

Will require CRDA approval to lend \$1M of the paid down CRDA funds to Bond deal.

The following motion was made by Andy Bessette, seconded by Andrew Diaz-Matos and approved.

*“The executive director is authorized to make a \$1M loan to KPK Holdings (or such single purpose limited liability company as approved by CRDA) at 1% P&I, amortizing over 30 years but with a five year term for the restoration of the former Bond Hotel Asylum street façade and to upgrade the facility’s elevator core subject to the successful refinancing of the 88 Allyn St project and the repayment in excess of \$1M (estimated to be \$1.4M) from such refinancing to CRDA and such fiduciary terms and conditions as deemed necessary and appropriate by CRDA.”*

### **Venue Committee**

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

XL Center – UConn is now requiring fans to show proof of vaccination at all its Gampel and XL Center games. The policy was implemented this past weekend at XL and as noted in the Hartford Courant, lines moved steadily and the feedback from fans was very positive.

Average attendance and per cap numbers to date:

- a. **Hartford Wolfpack** (16 games)
  - i. Average attendance = 1,900
  - ii. Average per cap = \$16.70
- b. **UConn Hockey** (6 games)
  - i. Average attendance = 2,250
  - ii. Average per cap = \$15.48
- c. **UConn Women’s Basketball** (2 games)
  - i. Average attendance = 5,100
  - ii. Average per cap = \$8.12
- d. **UConn’s Men’s Basketball** (4 games)
  - i. Average attendance = 7,400
  - ii. Average per cap = \$13.69

Pratt & Whitney Stadium – Funding for the Stadium Building Assessment was approved at the December Bond Commission meeting and CRDA has signed retained Populous for this work. Their in-depth study of Stadium building systems will begin in early February.

CT Convention Center – Also approved at the December Bond Commission meeting was funding for replacement of the Central Utility Plant’s cooling towers and installation of a much-needed second elevator.

Dillon Stadium – CRDA, the City of Hartford and Hartford Athletic are close to finalizing an agreement regarding management responsibilities at Dillon. This was contemplated in both the City’s 2019 Stadium Use Agreement with Hartford Athletic and CRDA’s Stadium Management Agreement with Spectra. Per our agreement with the City, CRDA will retain financial oversight of the Stadium.

Mr. Freimuth reported on the January 7<sup>th</sup> meeting when officials from Spectra Venue Management updated the Committee on OVG's acquisition of the company and what impact it might have on venue operations at XL and Pratt & Whitney Stadium. That discussion was followed by a walk-through of the concept plan for a sports betting lounge at the XL Center and additional Q&A.

### **Regional and Economic Development Projects Committee (RED)**

Mayor Mike Walsh, Chairman of the RED Committee reported on the following projects that were discussed at the January 13, 2022 Committee Meeting.

Former Showcase Cinema Site – Jasko Development is looking to construct an \$80M, 300-unit residential development on the former cinema site. At its December meeting, the State Bond Commission approved \$500,000 for preliminary work on certain plaza, roadway and landscaping improvements planned by the Town along the Silver Lane corridor that would support the new residential development.

Silver Lane Sidewalk and Pedestrian Bridge – A contractor has been selected for Phase I, however, the project has stalled as we await OPM signature on easements for the Stadium property and environmental permit applications. Although site work cannot start until Spring, the bridge needs to be ordered and permits secured so as to not delay the start of construction.

Goodwin Drainage – The Town has set aside ARPA funds that will allow CRDA to construct Phase III of the drainage improvements. Design is substantially complete, however the design team is awaiting a response from DEEP on a Flood Management Certificate. MDC has also determined that a section of their sanitary sewer adjacent to the new storm sewer needs to be replaced and they are requiring a full plan review and a DPA permit process. This is likely to increase costs and delay the start of the project.

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

Hartford Riverwalk Development Study - A 10-acre section of the new riverside park being constructed by Riverfront Recapture on the Hartford/Windsor line is being reserved for potential mixed-use development. Riverfront is planning to engage the services of a consultant to assist with assessing the highest and best use of the property. CRDA has approved \$25K to help fund the development study, and a grant agreement is currently being drafted.

Great River Park – Phase I improvements had been delayed by the environmental permit process and work is expected to restart in the spring. At the request of the Town, the CRDA Board approved an additional \$1.55M for Phase II improvements and that item now moves on to the Bond Commission.

Regional Agricultural Market - HR&A Advisors, the consultant selected to assist with long-term planning for the Market, has submitted its Phase I and II reports and will present these to the Board at our February meeting.

Bushnell South Garage – The garage is now open and operational.

Mr. Freimuth reported on the following project that was vetted and moved for Board approval at the January 13 RED Committee meeting.

Project: Parkville Market Phase 2  
1390-1400 Park Street, Hartford CT  
1390-1400 Park Street LLC (Borrower)

Background: The first phase of Parkville Market was funded by a CRDA \$3.5M loan that has since been refinanced and paid off. That phase converted a former lumber warehouse to a variety of small food vendors/restaurants that has become a successful marketplace, establishing itself in the neighborhood in spite of the Covid pandemic. This second phase will expand upon the success of the first and provide expansion opportunities, additional entertainment options as well as larger space configurations and include a distillery. Its funding will be provided by the City of Hartford/CRDA Revolving Fund Program.

Proposal: Construction of the second phase will cost approximately \$4.6 Million that will convert the 35,475 s.f. 2-story industrial into the following: First Floor with an 1800 sf bar, 10,366 sf event hall and a 3,110 sf craft distillery including a retail and tap room; Second floor with 5,062 sf of event space and room for 5-10 food vendors; and a roof top entertainment area.

The project will be funded by a \$3.5M CRDA/City loan  
.5 M Forgivable Loan/Grant  
.6 M Equity

The following motion was made by Andy Bessette, seconded by Luke Bronin and approved.

*“The Executive Director is authorized to lend to 1390-1400 Park Street LLC (or such single purpose entity as may be acceptable to CRDA), \$4 million from the CRDA/City of Hartford Revolving Fund for purposes of converting 1390 Park Street into the next phase of the Parkville Market. Upon completion and successful opening of this second phase, \$500,000 of the \$4M will be converted into a grant to the project. The full \$4M will be lent at 3% interest only during construction (but in any case, not for a period longer than 18 months). Upon completion of construction, a \$3.5 M loan at 3% interest, amortizing for a 20 year period, with a term of no more than five years will be made from CRDA to the borrower.”*

### **Executive Director Report**

Mr. Freimuth reported that the Authority is looking to move forward with an RFP for a Development Coordinator for Parkville Neighborhood Projects.

The following motion was made by Andy Bessette, seconded by Luke Bronin and approved.

*“That it authorizes its Executive Director to proceed with an RFP for the following PSA services relating to the Parkville neighborhood: (1) to oversee the implementation of multiple state, city, and federally funded projects; (2) to manage any specially created programs; (3) to work with local citizens, community based businesses and organizations; (4) to provide grant writing and administrative services; (5) to manage vendors; (6) to provide coordination of communication and marketing efforts; and (7) to assist the Authority’s staff, as necessary, in project planning.”*

*“That upon the completion of said RFP, the Executive Director shall present the preferred proposer to the Board of Directors for its approval.”*

Regional Agricultural Market – The team should be prepared to present to the full board at the February meeting.

Mr. Freimuth noted pipeline projects are in the early phases in multiple neighborhoods besides downtown, including Parkville and are in early phases in the North End including the former McCook hospital which the city owns and is currently assessing for environmental concerns and long term redevelopment.

Adjourned - 4:22pm

*“The Minutes of the January 20, 2022 CRDA Board meeting were approved by Andy Bessette, seconded by Bob Patricelli and approved at the March 24, 2022 CRDA Board meeting.”*