

**Capital Region Development Authority**

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

**Hartford, CT 06103**

**Thursday, March 24, 2022**

**(Combined meeting Feb/March 2022)**

**3:00pm – Teams Meeting**

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

**Board Members Present:** Chairwoman Suzanne Hopgood; Andy Bessette; Alexandra Daum; David Jorgensen; Mayor Mike Walsh; Andrew Diaz-Matos (left mtg. at 3:30pm); Robert Patricelli (left mtg. at 4:07pm); Mayor Bronin; Paul Hinsch; Garrett Eucelitto

**Board Members Absent:** David Robinson; Joanne Berger-Sweeney; Seila Mosquera-Bruno; Randal Davis

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

**Minutes**

*“The January 20, 2022 CRDA Board meeting minutes were moved by Andy Bessette, seconded by Bob Patricelli and approved.”*

**Presentation**

Thomas Jansen, Principal at HR&A gave a presentation regarding the Regional Market. The study assesses statewide agriculture needs and redevelopment opportunities for the Connecticut Regional Agriculture Market in Hartford.

Mr. Jansen explained that redevelopment of the Regional Market presents a unique, tangible opportunity to address food system fragility, increasing Connecticut and regional food sourcing independence. The CRDA and the State of Connecticut are looking for ways to transform the Regional Market to strengthen Connecticut’s agriculture industry.

Andy Bessette asked what the budget scope of this project will be adding and the financial aspects of the report/concept need to be discussed. Mr. Freimuth agreed and will present the financial aspects once the plan concept is further refined.

Chairwoman Hopgood asked if the State Commissioner of Agriculture, Bryan Hurlbert, is familiar with the report. Mr. Freimuth indicated that the Commissioner has been engaged and is supportive.

In response to a question regarding ongoing highway work near the market, Deputy Commissioner of DOT, Garrett Eucelitto, indicated that they are finishing up the new Exit 29 on I91, the bridge project to the Charter Oak Bridge and I84E. The Greater Hartford Mobility Study is looking at transportation around the Hartford Region in general. The Charter Oak Bridge Project is considered a finished project.

Mayor Bronin indicated that he is supportive of the overall vision for providing for the CT Agriculture industry however he has concerns that more work is needed. One concern is the fact that the model that is recommended is a not-for-profit model. This would take another large parcel in the South Meadows and leave it tax exempt while the City is receiving no new Pilot payments (payments in lieu of taxes).

Mr. Freimuth responded to Mayor Bronin by stating that whether not-for-profit or private operation/ownership has yet to be determined.

Mayor Bronin noted, because of the location, it will serve as a more successful market however it will not do much to contribute to the broader economic development efforts in and around the capitol city. At a minimum, if this project is pursued, it needs to be pursued along side of some very substantial investments in multimodal connectivity, especially connectivity to the Riverfront trails and to the Coltsville area because otherwise, it will be a little island that is accessible from the highway but doesn't do much else.

The Study can be found on the CRDA website at CRDACT.net.

### **Mayor Reports**

Hartford - Mayor Bronin reported on the following projects:

State's Innovation Corridor Grant Program - Hartford submitted an application focused on Parkville.

Arrowhead junction on Albany & Main - working closely on the Arrowhead Café and some other parcels around there.

DONO – looking forward to having a ribbon cutting on the first building and to break ground on next phase across from the ballpark.

Albany and Woodland – continue to work on the development.

East Hartford - Mayor Walsh reported on the following projects:

Silver lane Plaza – Exploring acquisition options/looking to own by September 30, 2022.

Rentschler Field Logistics Center – 300-acre sold to National Development. Site plan and zone change for Planning & Zoning review.

Si-Fi Networks FiberCity – Allowing business and residence to make 10Gbps fiber optic internet available using the Town's right of way. Construction begins Spring of 2022, complete by 2024.

Jasco Apt. Complex – up to a 360 apartment units, 200 in the first phase. Final approval and construction begins in 2022, opening 2024.

Projects on the CT River – Goal is to develop and increase density in the Founders Plaza area to keep it up-to-date for the modern market. Planning is for long-term.

Business Development Fund - ARPA funds to be used to create a fund to support various developments and needed upgrades to properties in town. – next steps is outreach to business community and identify needs.

Sports Bubble/Youth Facility – Seasonal playability limiting recreation opportunities – planning is for long-term, exploring Public/Private Partnership.

McCartin School – Town-owned former Senior Center – goal is to redevelop land, potentially as housing.

Church Corners Inn - Historic boarding house in prominent downtown location. Next steps is to determine if the Town should have a role in the sale and/or future ownership of the property. 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 March 2022.

CT Convention Center – Jan. 2022

Event Update: Events restarted in Sept. 2021  
Scheduled for 66 events this fiscal year vs. budget of 70 events  
Family shows, video gaming, dancing, and religious groups remain on schedule  
Event promoters concerned about attendance and exhibitor product availability

Jan. financials: Revenues \$240,600 unfavorable to budget due to recent event cancellations and lower rental income negotiated with promoters for shows that did occur, both related to COVID-19  
Expenses \$398,300 favorable to budget due to savings in personnel, utilities, and marketing  
Net Loss of \$3.288M favorable to budget by \$157,700  
Total year projection of \$5.846M loss even with budget

CRDA Parking Facilities – Jan./Feb. 2022

Stats (Feb.): Utilization of 64% is favorable to budget by 16%

Jan. financials: Revenues \$596,400 favorable to budget due to transient and hotel guest revenues as well as two large consumer shows returning to the convention center  
Expenses \$406,000 unfavorable compared to budget due to increased event personnel and for repairs & maintenance  
Net Income \$190,400 favorable to budget  
Total year projection of \$819,200 net income even with budget

Church Street Garage – Jan./Feb. 2022

Stats (Feb.): Utilization of 47% is unfavorable to budget by 8%

Jan. financials: Revenue unfavorable to budget by \$181,600  
Expenses \$16,900 favorable compared to budget due to savings in utilities and office Supplies  
Net Income \$164,700 unfavorable to budget  
Total year projection of \$325,600 net income even with budget  
Lost one corporate account for second half of fiscal year

Bushnell South Garage – Jan./Feb. 2022

Stats (Feb.): Opened to State departments in December 2021  
Averaging 108 state vehicles per day-26% utilization

Jan. financials: No YTD revenue generated  
Expenses \$4,600 favorable compared to budget due to savings in personnel, insurance, and R&M offset with increased snow removal expenses  
Net Income \$4,600 favorable to budget  
Total year projection of \$219,500 loss even with budget

XL Center – Jan. 2022

Event Update: Sports 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

Jan. financials: Event revenue \$481,800 unfavorable compared to budget [HWP: (\$116K), WBB: \$147K), MBB: (\$82K), MIH: (\$33K), Concerts: \$34K, and other events: (\$138K)  
Other Income currently \$215,300 unfavorable to budget pending sponsorship renegotiations  
Operating expenses \$451,800 favorable compared to budget due to savings in personnel, utilities, and insurance  
Hockey operations \$231,500 unfavorable compared to budget due to 5 fewer games played and lower attendance with slow return of group sales activity  
Net Loss of \$2,643,800 unfavorable to budget by \$476,800  
Total year projection of \$3.644M loss even with budget dependent on concert activity

#### P&W Stadium at Rentschler Field – Jan. 2022

Event Update: Held 2 USA soccer games, 1 NYC league soccer game, 6 UConn football games, holiday lights display, and misc. parking lot events  
Scheduled to host NCAA Lacrosse event in May 2022

Jan. financials: Event revenue \$608,300 favorable compared to budget due to 2 USA soccer games \$420,000, 6 UConn football games \$80,600, and parking lot events \$107,700  
Operating expenses \$187,400 unfavorable compared to budget due to F&B event personnel  
Net Operating Income of \$47,100 favorable to budget by \$194,000  
Total year projection \$513,100 favorable compared to budgeted loss of \$879,000 due to additional NYC soccer net revenue of \$212,000 in Mar. 22 and dependent on NCAA lacrosse event as well as UConn venue support of \$250,000  
\$522,300 received in State funding due to prior year losses related to COVID-19

#### CT Regional Market - Jan. 2022

Stats: Occupancy: 81% with 12 tenants

Activity: Farmers' Market operated for 2021 season from April 3 through Oct. 30  
Farmers' Market to open for 2022 season on April 2

Jan. financials: Operating revenue \$53,500 unfavorable to budget due to decreased warehouse rental income compared to budget  
Operating expenses \$92,500 favorable to budget due to savings in utilities, insurance, and security  
Net income of \$175,800 favorable to budget by \$39,000  
Total year projection of \$229,600 net income even with budget

### **Housing & Neighborhood Committee**

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

Background: In May 2021 and October 2021, the CRDA Board agreed to modify two CRDA notes for the property known as 179 Allyn St as part of the refinancing of the first mortgage. As a result, CRDA would receive \$150,000 buy down of its Mezzanine financing, would be brought current in all interest payments and would receive additional proceeds totaling an estimated \$265,000 upon the release of a special “covid reserve” required by the federal government.

Since the initial approvals the “covid reserve” is no longer required but interest rates for the federal first mortgage have gone up. Based on debt coverage and other underwriting requirements, the first mortgage has also been resized to a smaller mortgage (initially \$4.45M, now estimated to be \$3.92M). Both actions benefit CRDA by 1/ decreasing the outstanding principle due to CRDA with the release of the ‘covid reserve’ and 2/by improving the subordinate position of the CRDA mortgage.

Counsel for the borrower and the federal funding agent have asked that CRDA’s resolutions be amended to reflect the final refinancing deal.

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

*"The executive director is authorized to adjust the terms of the CRDA mezzanine financing as well as the CRDA subordinate mortgage of \$3.25M for the 179 Allyn Street Project to be coterminous with the new HUD Section 223(f) mortgage and note of up to \$4.45 million with a term of 22 years and such other terms and conditions, including, but not limited to, interest rate, reserves and payment amounts, as the Executive Director may approve in his reasonable discretion, and to execute subordination agreements for its mortgage and mezzanine financing for the borrower and managing member, Allyn Street Managing Member (ASMM) LLC."*

## **The Bond**

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

**History:** most recently Hilton Homewood Suites  
Closure during Covid due to drop in business  
Has had a too high-cost structure to compete in hotel market  
Began re-use as short term residential, furnished units during Covid  
Approximately 90+% occupied

**Financing:** Developer with existing mortgage on property as a hotel, needing refi  
Requested CRDA 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 for 103-21 Allyn (12/15/21)  
Refinancing of 103-21 Allyn occurred on 2/24/22

Developer secured refinancing of its primary mortgage at the Bond reflecting current market rates and its conversion from hotel to residential use.  
CRDA initial approval to lend \$1M of the paid down CRDA funds from the refinancing of 103-21 Allyn to Bond deal occurred on 1/20/22.

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

*“The January 2022 authority is hereby amended and authorizes the executive director to make a \$1M loan to KPK Holdings (or such single purpose limited liability company as approved by CRDA) at 1% interest only, until the project achieves a primary mortgage debt coverage ratio of 1.25 for a three month period, but in no case shall the interest only period extend beyond July 1, 2023; with the project then paying principal and interest, amortizing over 30 years. The loan shall be for a term of five years with such fiduciary terms and conditions as deemed necessary and appropriate by CRDA and its counsel.”*

### **Venue Committee**

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

XL Center – UConn basketball and hockey have closed out their regular seasons at XL:

- UConn hockey played a total of 15 games, with an average attendance of 2,200 and an average per cap of \$16.10.
- Women’s basketball played 6 games, with an average attendance of 5,800 and an average per cap of \$8.87.
- Men’s basketball played 8 games with an average attendance of 8,000 and an average per cap of \$15.68.

The Wolfpack have six home games remaining in their regular season. To date, attendance has averaged 2,200 and per caps at \$16.80.

Upcoming events include Stars on Ice (4/23) and WWE (5/9), as well as concerts featuring Toby Mac (3/29) and Journey (5/11).

Mike gave the following update:

Planning efforts for the sports betting lounge - Working our way through the formula for the distribution of revenue that is earned at the XL, should it be licensed as a retail site for sports betting. This is a budgetary call that will have to be made by OPM and CT Lottery and possibly needs a legislative solution.

Mr. Bessette added that the Venue Committee wants to make certain that the XL Sports Betting lounge is at least a break-even venture. They do not want to have to subsidize it with losses continually year after year.

OVG - talks are occurring about whether OVG might invest in the XL property as an expansion of their existing agreement, which is to manage. That has lead to an agreement that each party will pay fifty

percent of the cost of the design work necessary to determine whether the building can be accommodating to their new business model.

Construction – committing \$15-\$20M to a variety of construction projects. Bob Saints Team is working to put out to bid a variety of projects including:

- sports lounge addition
- concourse area enlargements on west side of building
- kitchen upgrades on west side of building
- loading dock repairs
- AV infrastructure
- replace a large freight elevator
- begin replacing retractable seating systems
- renovations of the locker room systems for UConn and hockey teams

If possible:

- new PA systems
- if funds left over, reserve as an operational contingency for future repairs.

Pratt & Whitney Stadium – Included in the Board agenda packet is an article on the highly successful New York City FC – Guatemala match held at the Stadium on March 8<sup>th</sup>. Despite the less-than-ideal weather, over 10,000 people attended the event and Stadium revenue is expected to well exceed estimates.

Upcoming events include the NCAA Lacrosse championships on Memorial Day weekend.

CT Convention Center – The schedule of events is lighter than in past years, however, crowds are starting to return to the Convention Center. The facility hosted the annual Flower and Garden show in February and the Home Show in March. Upcoming events include the CT Music Educators Conference, as well as MMA and professional boxing matches.

The contract for replacement of the Central Utility Plant’s cooling tower has been awarded, while planning continues on installation of a second elevator at the Convention Center.

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

Mayor Walsh presented the following projects:

Former Showcase Cinema Site – The East Hartford Town Council has approved a tax incentive deal for Jasko Development for construction of a 360-unit housing development on the site.

Silver Lane Sidewalk and Pedestrian Bridge – CRDA will be forced to rebid the project as the selected contractor was unable to hold their price beyond the required 90-day period. The project has stalled as it awaits OPM signature on easements.

Goodwin Drainage – Regarding Phase III of the drainage improvements, MDC had previously determined that a section of their sanitary sewer adjacent to the new storm sewer needs to be replaced and they were requiring a full plan review and a DPA permit process. The design team is working with the Town and MDC on other options to minimize added cost to the project. These options include

abandonment of the existing storm sewer in place to minimize potential impacts to the existing MDC sanitary sewer and installation of a lining on the existing sanitary sewer.

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. CRDA has provided \$25k to cover the services of a consultant to assist with assessing the highest and best use of the property.

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.

Hilton Hotel – A double closing for both the hotel renovation and residential conversion will be scheduled shortly. Construction is scheduled to start in late Spring or early Summer.

Bond Project – Financing for the project is expected to close shortly.

### **Executive Director Report**

Mr. Freimuth reported on the following items:

Parkville Innovation District – CRDA has worked with the city on the pending DECD Innovation District Grant. It will be a major effort dedicated to the Parkville Neighborhood which has residential, commercial, arts & entertainment facilities. This will be a multi-year effort. CRDA solicited to bring on a contractor to help take on some of the work for the Parkville projects. However, only one response was received. The selection committee, made up of Joanne Berger-Sweeney and Andrew Diaz-Matos, recommended the RFP be put out to bid again to see if there is any more interest. Bids are due back by April 22, 2022.

#### Construction update

Pratt St. - in construction

Park & Main – South building is complete/North building should be completed by late summer

Temple Street Lofts – conversion to apartments, possibly opening late this year

213 Lawrence Street – Financing is closed on this three-unit building.

Parcel C of NoNo – Occupancy later this summer

PAL – complete

Bushnell So. Garage – Open to State workers, working with Bushnell Theater to use it for their events.

(Bob Patricelli left the Board meeting prior to the Bushnell So. RFQ discussion)

Bushnell South RFQ – being put out to bid on April 1.

The Bushnell South Master Plan is a collaboration of the State of Connecticut acting through CRDA, the City of Hartford, the Bushnell Performing Arts Center, private property owners in the Plan area and Goody Clancy architects to develop a shared vision and outline a development action plan for the area just south of Bushnell Park. The Plan will ensure that development projects build on each other to contribute to a thriving district greater than the sum of its parts. It provides tools to implement a mixed-

use vision for a new neighborhood at the crossroads of Bushnell Park, the Bushnell Performing Arts Center and established neighborhoods and employment centers in and around greater downtown. Existing historic buildings will be complemented by new apartment buildings, townhouses, limited commercial and retail areas and places for residents, workers, and visitors to gather. Improved sidewalks, streets and green spaces will help connect people to surrounding neighborhoods, employers, and cultural and educational destinations every day.

Pursuant to the phasing outlined in the Master Plan, the next step is development of the so-called “Parcel 4”, which comprises the balance of the 165 Capitol site. As owner of the Parcel, CRDA is looking for an entity interesting in purchasing the site (or entering into a long-term lease) and developing it in accordance with the Master Plan.

Chairwoman Hopgood announced that she will be stepping down as CRDA’s Board chair effective, no later than, June 30, 2022. She thanked everyone for their well wishes.

Mr. Bessette added that Suzanne has been a great leader and that her legacy will speak for itself with all of the good things that have been accomplished over the past ten years.

Mike Freimuth, on behalf of CRDA Staff, thanked the Chairwoman for her service to the Board.

Adjourned - 4:15pm

*“The Minutes of the March 24, 2022 CRDA Board meeting were approved by Andy Bessette, seconded by David Robinson and approved at the May 19, 2022 CRDA Board meeting.”*