

Agenda

**CRDA Regional and Economic Development Projects Committee
Meeting / Microsoft Teams (see below)
Thursday, March 9, 2023
3:00 pm**

- I. Approval of Minutes from January 12, 2023*
- II. Project Updates
 - a. Albany & Woodland*
- III. Front Street PILOT Amendment
- IV. Next Meeting – April 7, 2023
- V. Adjournment

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 262 710 388 97

Passcode: 8VjAN8

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 872-242-7941,,776521486#](#) United States, Chicago

Phone Conference ID: 776 521 486#

**Regional and Economic Development Committee
Conference Call
Draft Meeting Minutes
January 12, 2023
3:00 PM**

Members Present via Microsoft Teams: Committee Chair Mike Walsh, Randal Davis and Bob Patricelli

Staff Present via Microsoft Teams: Mike Freimuth, Tony Lazzaro and Kim Hart

Guests Present via Microsoft Teams: Erin Howard, Economic Development Director, City of Hartford

The meeting was formally called to order at 3:06 and the minutes of the September 8, 2022 meeting were approved on a voice vote.

- 1) **Albany & Woodland** – Ms. Howard updated the Committee on the City’s planned development of property on the corner of Albany Avenue and Woodland Street. The public-private endeavor will combine four City-owned parcels and two privately-owned parcels into two larger tracts, designated as Parcels A and B.

Fronting Woodland Street, the smaller Parcel A would be sold and the sale proceeds used for development of the other parcel. The developer of Parcel A has proposed a \$1.9 million building, including 2,500 sf of retail space occupied by a national retailer with a drive-thru window.

Parcel B would be sold to the non-profit National Development Council (NDC). The proposed 30,000 sf building would be occupied by the City Health Department and WIC offices, as well as a restaurant with rooftop dining, a bank and 119 parking spaces. Total development costs are \$10.5 million, with funds coming from a City grant and a proposed CRDA loan. The City’s development deal would include a 10-year tax-fixing agreement and an option for the City to purchase the property for \$1 after 10 years. The City would also retain a seat on a new nonprofit board set up to govern the development.

Ms. Howard and Mr. Freimuth noted that additional details will need to be worked out before a formal ask is made of the CRDA Board.

2) Project Updates

- a) Silver Lane Sidewalk and Pedestrian Bridge Project – Ms. Hart noted that all of the required easements and environmental permits for this project have been secured. The contractor, Mather, has ordered the pedestrian bridge and it should arrive by April. Sidewalk paving will occur after the bridge installation.
- b) National Development Logistics Center – Ms. Hart noted that site work had begun on the project. Discussions between Pratt & Whitney Stadium and National Development over traffic management on shared roadways are ongoing. A groundbreaking is scheduled for March 6th.

Mayor Walsh reviewed the Town of East Hartford's "Control Tower", updating the Committee on various projects, including:

- c) Silver Lane Plaza – The Town is in the process of acquiring the Plaza site via eminent domain, while working to resettle existing tenants and exploring development options.
- d) Concourse Park at Showcase – The former cinema site is being developed into 300 market-rate, amenity rich apartments along Silver Lane. Construction is expected to begin later this year.
- e) Riverview Apartments – Simon Konover has proposed the construction of 130 market rate units along the Connecticut River. Once financing is in place and permits secured, construction could start later this year.
- f) Church Corners – The historic boarding house was purchased by the Town earlier this month and tenants will be resettled before the derelict structure is gutted. The Town expects to flip the building to a developer by June 30th.
- g) McCartin School – The former elementary school will be demolished and the site flipped to a developer for construction of single-family homes. A pre-demolition hazardous materials survey is currently underway.

The next meeting of the Regional & Economic Development Committee is scheduled for February 9, 2023.

There being no further business, the meeting was adjourned at 3:45 p.m.

**Albany & Woodland Project
Parcel B**

Background: The City has tried unsuccessfully for a number of years to develop the vacant 2.3-acre property at the corner of Albany Avenue and Woodland Street in the heart of the Upper Albany neighborhood. The site sits along a significant regional, cultural, commercial and commuter corridor with a vibrant Caribbean/West Indian, African American and Hispanic presence around it. The City hopes to build on the success of other initiatives in the area, including the University of Hartford Performing Arts Center project, the YMCA North Hartford Center project and the Hartford Public Library – Upper Albany Branch project, as well as other streetscape and façade improvement projects.

Proposal: The City is proposing a public/private partnership in which the property will be subdivided into two lots and sold to two separate developers. Parcel A, along Woodland Street, will be sold and developed for a single national retail tenant with a drive-through. Total development costs for the roughly 2,500 sf building and five parking spaces are estimated to be \$1.9 million.

Parcel B will be sold to the non-profit National Development Council (NDC). A 32,000-sf building is proposed for the site, housing a new City Health Department, an upscale restaurant, a potential bank and one additional commercial tenant. Approximately 119 parking spaces will be constructed on the interior of the site to support the development. Total development costs for Parcel B are estimated at \$10 - \$12.5 million, depending on final design, tenant fit and construction bids.

A five-member board, including representatives of NDC, the City and the Hartford Redevelopment Agency, will construct, manage and operate the Parcel B development over a 10-year period. A City tax-fixing agreement will be in place for that time and the City will have the option to purchase the property at the end of the period.

The City solicited and received considerable input from the community as to what should be constructed on the Albany/Woodland site and these plans are consistent with the community’s vision for the area. Both projects will be subject to the City’s residency and affirmative action hiring requirements. Parcel B construction is expected to start in the summer of 2023.

CRDA has been asked to provide a \$5.5 million construction loan to support the Parcel B development. In July 2020, the State Bond Commission allocated \$5.5 million for a mixed-use housing/commercial development on the site. In July 2021, that allocation was amended to allow funds to be loaned for an office/retail development and for “complementary economic development projects” along the Albany Avenue corridor.

Parcel B Development Budget:

CRDA Bond Funds	\$5,500,000
<u>City Revolving Loan Fund</u>	<u>\$7,000,000</u>
TDC	\$12,500,000

RESOLUTION:

The executive director is authorized to lend up to \$5.5M of CRDA bond funds and to grant up to \$7M of City funds consistent with the CRDA/City of Hartford MOU of December 3, 2021 to Community Development Properties Woodland Inc (or such acceptable single purpose entity). CRDA bond funds would be distributed as a construction loan at 3% interest only in years 1-5 with a reset of interest, amortization and term in year 6. Any cash flow after expenses and debt service that the project may produce will be applied towards a reduction in the principal amount of the CRDA \$5.5M loan. City funds would be distributed as a grant, with up to \$750,000 released as pre-development funds and the balance released upon receipt of construction bids. All funding shall be subject to such fiduciary terms and conditions as deemed necessary and appropriate by the executive director and CRDA counsel.

ALBANY WOODLAND DEVELOPMENT

DEVELOPMENT PROGRAM			
	SF	\$/SF	Annual Rent
City of Hartford Health Department	15,840	\$17	\$270,000
Restaurant	6,000	\$9	\$54,000
Liberty Bank - Full Service	2,000	\$15	\$30,000
Coffee Shop	1,500	\$15	\$22,500
Total	25,340	\$15	\$376,500
Common Area	4,660		
Gross Building Area	32,000		
Parking Spaces - Public Spaces	119		

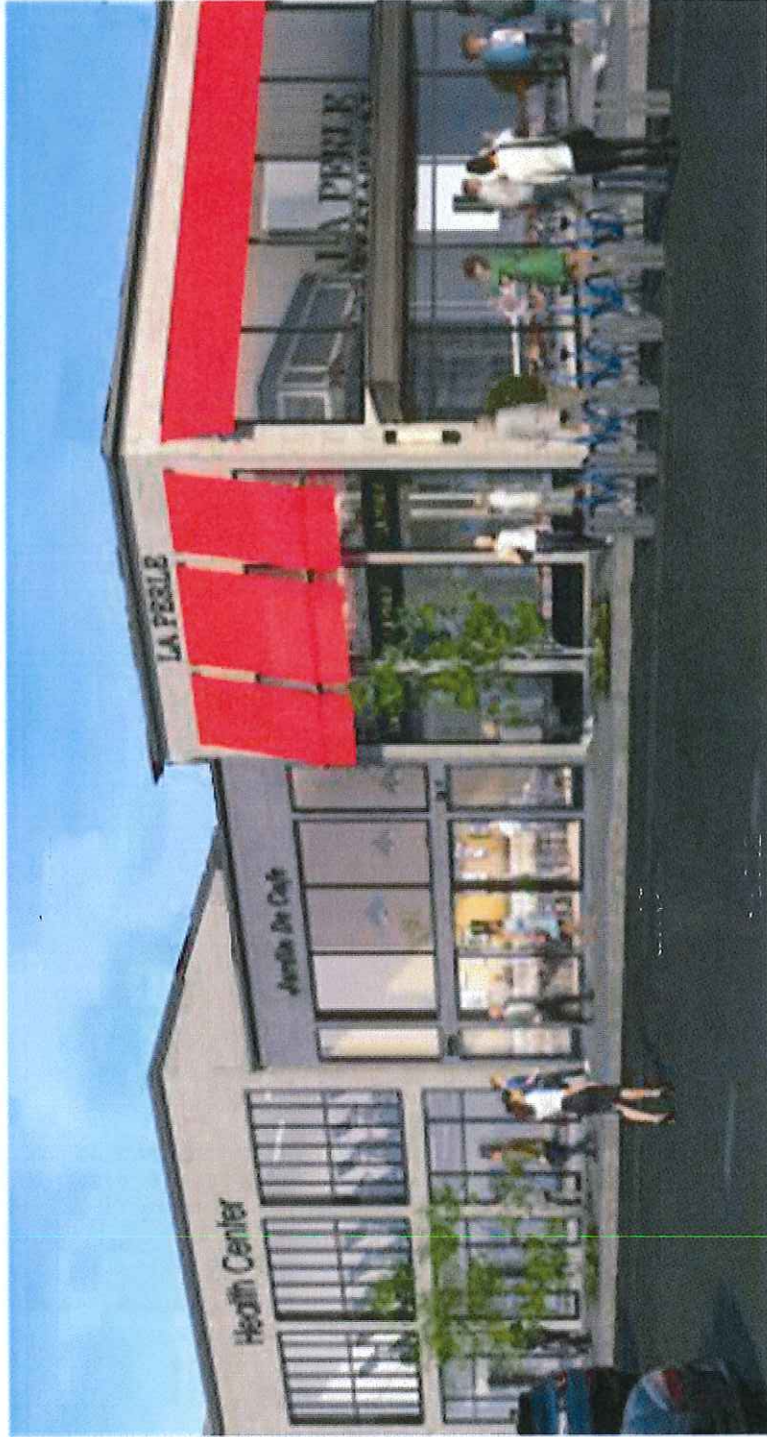
USES OF FUNDS			
Budget	\$	Cost/SF	%
Acquisition (Easement)	\$45,000	\$1	0%
Site Work + Environmental	\$1,250,000	\$39	10%
Construction	\$7,520,000	\$235	60%
Contingency	\$438,500	\$14	3%
Tenant Improvements	\$1,025,000	\$32	8%
Soft Costs and Professional Fees	\$1,289,138	\$40	10%
Capitalized Reserves	\$372,602	\$12	3%
Developer Fee	\$625,000	\$20	5%
TOTAL	\$12,565,239	\$393	100%

SOURCES OF FUNDS		
City of Hartford Grant	\$5,000,000	40%
CRDA Loan	\$5,500,000	44%
Additional City of Hartford Funding	\$2,065,239	\$0
TOTAL	\$12,565,239	100%

TENANT IMPROVEMENT BUDGET		\$
Restaurant		\$825,000
Liberty Bank		\$0
Coffee Shop		\$200,000
Total		\$1,025,000

OPERATING PRO FORMA

	1	2	3	4	5
City of Hartford Health Department	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Bank	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
City and Bank Tenant Contributions (Maintenance, Insurance, and Utilities)	\$89,210	\$91,876	\$94,632	\$97,471	\$100,395
Restaurant	\$54,000	\$54,000	\$54,000	\$54,000	\$54,000
Coffee Shop	\$22,510	\$22,500	\$22,500	\$22,500	\$22,500
Restaurant and Coffee Shop Contributions (Maintenance, Insurance, and Utilities)	\$37,510	\$38,625	\$39,784	\$40,977	\$42,207
Gross Income	\$503,200	\$507,001	\$510,916	\$514,949	\$519,102
Vacancy City and Bank	(\$19,460)	(\$19,460)	(\$19,460)	(\$19,460)	(\$19,460)
Vacancy Restaurant and Coffee Shop	(\$57,000)	(\$57,563)	(\$58,142)	(\$58,739)	(\$59,353)
Effective Gross Income	\$426,740	\$429,979	\$433,314	\$435,750	\$440,289
Operating Expenses	(\$126,700)	(\$130,501)	(\$134,416)	(\$138,449)	(\$142,602)
Repair Replacement Reserve	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)
Management Fee	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)
Net Operating Income	\$235,040	\$234,478	\$233,898	\$233,301	\$232,687
Debt Service (Interest Only First Five Years)	3.00% interest only (\$165,000)	(\$165,000)	(\$165,000)	(\$165,000)	(\$165,000)
Cash Flow	\$70,040	\$69,478	\$68,898	\$68,301	\$67,687
CRDA on Principal Reduction	(\$70,040)	(\$69,478)	(\$68,898)	(\$68,301)	(\$67,687)
CRDA LOAN BALANCE	\$5,500,000	\$5,429,960	\$5,360,483	\$5,291,584	\$5,223,283
Loan Reset After Year 5					\$5,155,596



CRDA Regional and Economic Development Projects

Project	Description	CRDA Amount	Structure	Committee Approval	CRDA Board Approval	Bond Commission Approval	Status
Hartford Regional Market	Planning & design for redevelopment & improvements	\$1,500,000	Grant-in-aid	-	-	7/25/2018 12/11/2018 7/21/2020	Report presented to Board 3/22
Front Street District	Paving & crosswalk improvements at Front/Columbus intersection, storm drainage improvements and waterproofing & related garage improvements at Front St. North Garage	\$3,000,000	Direct CRDA expenditure	-	-	7/25/2018	Completed
Newington - National Welding Site	Administration of abatement and demolition of site; Assistance with development of site	\$2,000,000	DECD Brownfields Grant	n/a	1/15/2013	n/a	Town in negotiation with residential developer CRDA role complete
Bushnell South Garage	Garage	\$17,000,000	CRDA Prop.	-	-	9/20/2018	Garage open for State employees
Parkville Market	Community Market	\$3,500,000	Construction / Bridge Loan Note Repaid	12/20/2018	1/10/2019	4/2/2019	Open
Riverfront Recapture (Hartford/Windsor Side)	Phase I development of extension to Hartford Riverwalk north of Riverside Park	\$1,025,000	Grant-in-Aid	-	-	9/20/2018	Site work scheduled, engineering underway
Hilton/DoubleTree	Conversion of hotel to new brand	\$5,100,000	Loan	12/3/2021	12/15/2021	12/21/2021	Financing closed 8/25/2022 Work scheduled to start Spring 2023
Bond	Elevator work	\$1,000,000	Loan	1/7/2022	3/24/2022	n/a	Pending delivery of machinery
235-7 Hamilton	Construction & Environmental loan	\$4,000,000	City Funds loan	1/7/2022	6/16/2022	n/a	Loan closed 9/1/2022 Work underway

CRDA/East Hartford

Project	Description	CRDA Amount	Structure	Committee Approval	CRDA Board Approval	Bond Commission Approval	Status
East Hartford - Showcase Cinemas	Acquisition, demolition and redevelopment of former multiplex site	\$12,000,000 ¹	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	\$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	\$1,011,887	Grant-in-aid (Balance of funds given to OPM for EBN 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	\$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	\$1,340,000	Grant-in-aid			9/20/2018	Work continues, Army Corp. permits
East Hartford - Neighborhood Property Improvements	Abatement and demolition of four blighted structures, including a former Town fire station and three residential properties	\$1,000,000	Grant-in-aid			9/20/2018	MOU signed with Town.
East Hartford	Aqc Redev. Silver Lane Retail	\$10,500,000	Grant	9/9/2021	9/16/2021	12/21/2021 & 5/26/2022	\$500K Preliminary Planning 12/21/21 \$10M 5/26/22 Balance

6/1/2022

¹ Transferred to CRDA from other State Agencies