

Capital Region Development Authority

100 Columbus Boulevard, 5th Floor

Hartford, CT 06103

Thursday, March 16, 2023

3:00pm – Teams Meeting

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

Board Members Present: Andy Bessette; Alexandra Daum; David Jorgensen; Andrew Diaz-Matos; Paul Hinsch; Mayor Mike Walsh; Randal Davis; Pam Sucato; Joanne Berger Sweeney; Mayor Luke Bronin; Seila Mosquera-Bruno; David Robinson; Bob Patricelli

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

Guests: Amanda Roy, Director of Equitable Arts Advancement; Matt Conway Executive Director, The RiseUP Group, Inc.

Minutes

“The February 16, 2023 CRDA Board meeting minutes were moved by Randal Davis, seconded by Paul Hinsch and approved at the March 16, 2023 Board Meeting.”

Mayor Reports

Hartford – Mayor Bronin indicated that he had no additional activity to report from last month.

East Hartford – Mayor Walsh reported on the following projects:

Church Corners Inn – Purchased by Town January 11, 2023. Went from thirty residents down to eight that we are trying to relocate. Then selective demolition and an RFP will be going out.

Silver Lane Plaza – Through the eminent domain process, the Town is now in control of the property. Expecting a blanket resolution from the council to roll over the leases. Some incentives will be given to a couple of tenants to move them out of the main building. CRDA is helping with the demolition RFP, we are appreciative of that.

McCartin School to Homeownership – needs demolition. The Town had that in the CIF fund, we did not get that though so we will probably be relying on some CRDA funds that are already in place to move that forward.

Simon Konover Riverview Apartments – working on financial gap funding.

National Development Ground Breaking – foundation is already being poured for the Lowe’s foundation and the Wayfair site is being prepared.

Concourse Park at Showcase – Land has been transferred to Jasko, they have up to 6 months to get their financing. We hope to see a groundbreaking in 6 months or shortly after.

The Main Street Post Office – continue to pursue the post office, we received a federal earmark from Congressman Larson.

363 Roberts Street – is in front of the fees committee discussing a fee break. We should know how it went on 3/29/23.

Hoffman Porsche – has announced a \$15M renovation

Finance

CRDA CFO Joseph Geremia reported on the following Financial Update for March 2023.

Fiscal Year 2023 Operating Statistics

CT Convention Center – Jan. 2023

Event Update: Scheduled for 106 events this fiscal year vs. budget of 74 events
Corporate and short-term meeting segments returning
Increased attendance at public shows
Increased event inquiries

Jan. financials: Revenues \$942,500 favorable to budget primarily due to increased revenues from
“GLOW, Winter holiday event”
Expenses \$51,000 favorable to budget due to savings in event personnel and expenses
offset with higher utilities usage
Net Loss of \$2.109M favorable to budget by \$993,500
Total year projection of \$4.755M loss favorable to budget by \$504,000

CRDA Parking Facilities – Jan. / Feb. 2023

Stats (Feb.): Utilization of 69% is favorable to budget by 9%

Jan. financials: Revenues \$209,600 favorable to budget due to transient and validation revenues
Expenses \$9,000 unfavorable compared to budget due to savings in personnel offset
with increases in credit card fees, insurance, utilities, and repairs & maintenance
Net Income \$200,600 favorable to budget
Total year projection of \$400,500 net income even with budget

Church Street Garage – Jan. / Feb. 2023

Stats (Feb.): Utilization of 14% is unfavorable to budget by 3%

Jan. financials: Revenue unfavorable to budget by \$307,900 due to reduction in corporate monthly
parkers offset slightly by an increase in corporate validations
Expenses \$578,000 favorable compared to budget due to deferral of CRDA facility
support as well as savings in insurance
Net Income \$270,100 favorable to budget
Total year projection of \$342,800 net loss favorable to budget by \$400,000

Bushnell South Garage – Jan. / Feb. 2023

Stats (Feb.): Averaging 175 state vehicles per day-46% utilization

Jan. financials: Revenues \$16,800 favorable to budget due to transient revenues
Expenses \$12,700 favorable compared to budget due to savings in personnel
Net Loss \$29,500 favorable to budget
Total year projection of \$325,000 loss even with budget

XL Center – Jan. 2023

Event Update: Hosted 65 events vs. budget of 66 events including 20 Wolfpack games, 6 UConn
men’s basketball, 5 UConn women’s basketball, and 12 UConn men’s hockey games
Concert industry moved holds into Fall/Winter 2023
Increased event group sales activity

Jan. financials: Event revenue \$143,000 favorable compared to all event type budgets
Other Income \$21,500 favorable compared to budget

Operating expenses \$81,100 favorable compared to budget due to savings in personnel
Hockey operations \$324,200 favorable compared to budget due to increased game revenues as well as savings in sales personnel and home game expenses
Net Loss of \$1.643M favorable to budget by \$569,800
Total year projection of \$3.295M loss even with budget

P&W Stadium at Rentschler Field – Jan. 2023

Event Update: 6 UConn football games with 31 parking lot and catered events held
Jan. financials: Event revenue \$363,400 favorable compared to budget with \$305,000 due to UConn football paid ticket surcharges and F&B revenues and \$58,400 due to increase in catered events
Operating expenses \$99,100 favorable compared to budget due to savings in personnel, utilities, as well as repairs & maintenance
Other Income \$43,000 favorable to budget due to increased sponsorship partners
Net Operating income of \$59,900 favorable to budget by \$505,500
Total year projection of \$1.019M loss favorable to budget by \$305,000

CT Regional Market - Jan. 2023

Stats: Occupancy: 81% with 13 tenants
Activity: Farmers' Market opening for 2023 season on April 1
Jan. financials: Operating revenue \$60,600 favorable to budget due to seasonal parking agreements and increased billboard revenues
Operating expenses \$107,600 favorable to budget due to savings in utilities, maintenance, and security
Net income of \$253,400 favorable to budget by \$168,200
Total year projection of \$212,600 net income favorable to budget by \$62,000

Mr. Geremia responded to a question from Mr. Robinson regarding the budgeted net income and losses for each venue in relation to their YTD variances to budget.

Housing & Neighborhood Committee

Committee Chairwoman Joanne Berger-Sweeney noted that she will leave the meeting soon and asked Randal Davis to give the monthly report. Mr. Davis went on to present the following project that was evaluated and approved at the Housing and Neighborhood Committee meeting on March 10, 2023. Mayor Bronin added information regarding the specifics of the projects as well. Mr. Diaz-Matos asked what would go in as the retail component and Mayor Bronin responded by saying it is not yet known. Mr. Jorgensen would like to note that this neighborhood sees a lot of drug use and sales and if we are going to make investments in these neighborhoods then we should consider those issues and have a plan to resolve them to make it appealing for folks to live, work and play in this area.

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 235 units. Approximately 45,000 sf of commercial space at grade will be positioned as part of the overall neighborhood program to nurture new business start-ups.

The project received a \$4M environmental clean-up/construction loan from CRDA via the City/CRDA Revolving Loan Fund on June 16, 2022. Those funds will now roll into a cash flow

loan as part of the permanent financing of the project as it moves to actual conversion construction.

Full Project: The full project includes 235 units as well as the aforementioned 45,000 sf commercial space. Total development cost is \$91.64M as follows:

Developer Equity	\$ 12.8 M
Conv Financing	17 M
C-Pace	17 M
Historic Credits	26.4 M
City/Environment	4 M
Developer Fee Def	5.75M
CRDA Loan	<u>8.5 M</u>
	\$ 91.64M

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

“The Executive Director is authorized to make a \$8.5M construction, converting to a permanent loan, at 3% interest only in years 1-5, 3% P&I amortizing in years 6-30 subject to all financing being secured; State Bond Commission approval; and such fiduciary terms as deemed necessary and appropriate by CRDA staff and counsel; and the Executive Director is authorized to convert the existing \$4M environmental loan funded by the City of Hartford Revolving Loan Fund managed by CRDA via a MOU from a construction note to a permanent cash flow note paying up to 3% interest with a 20 year term.”

Regional and Economic Development Projects Committee (RED)s

Michael Freimuth reported that the following project was approved by the committee on March 9, 2023, with the intention of forwarding it to the Board for action. Mayor Bronin added that the Albany & Woodland Project is vital as a center for the community as well as the regional corridor.

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
City Revolving Loan Fund	\$7,000,000
TDC	\$12,500,000

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

“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.”

Mr. Freimuth also reported that the following E. Hartford infrastructure projects are going to or have started:

- the third phase of the Storm drainage project under Route 2 in E. Hartford;
- the sidewalk project along Silver Lane has begun

Venue Committee

Andy Bessette reported on the following Venue Committee items for March.

Pratt & Whitney Stadium

OVG is close to signing a major international soccer match for this fall, with estimated attendance close to 35,000 fans. CRDA is working with OVG to identify additional off-site parking opportunities for patrons as the demand could exceed current lot capacity.

CRDA, OPM and OVG are in discussions with the CT Green Bank about the possibility of installing solar carports in certain parking lots at the Stadium. The Stadium would not need to make any capital investment for the carports and the resultant utility savings would be significant.

Connecticut Convention Center

This weekend, the Convention Center will host the popular 90's Con convention featuring a number of television and movie cast reunions from that decade.

Attendance for the Jurassic Quest dinosaur event last weekend reached 20,000 people. The annual Flower and Garden show held in late February saw 2,000 more people than last year, bringing attendance close to pre-COVID levels. The annual Home & Remodeling show held in March is taking more time to bounce back. Attendance was significantly higher this year than last, but it remains short of pre-COVID levels.

Upcoming events include the CT Golf Show scheduled for the weekend of March 24th and a National College Fair on March 30th and 31st.

Waterford reports that installation of the second passenger elevator has been completed, while the building's lighting control system project is 70% complete.

XL Center

The Wolfpack have played 27 home games to date, averaging about 3,600 fans per game with a per cap of about \$16.

Both the recent Journey/Toto concert and Monster Jam event significantly exceeded budget estimates. Upcoming events include the Paw Patrol kids show, a Bridal Show and Spring Home Show.

Mr. Freimuth gave a PowerPoint presentation, regarding the XL Center Renovation. The presentation is an overview of the renovation background to date as well as renovation cost due diligence through 2022. Mr. Freimuth went on to review the 2023 CRDA Design Upgrades. The task going forward is to complete the drawings and put the property out to bid with the idea that we will bid, get bids by Fall, and make a decision to move forward or not. That decision will be a function of achieving the business plan, securing the improvements that will allow for operating efficiencies in the property, increase the revenue in the property, and meet the goals of OVG if they were to invest in the property.

Executive Director Report

Mr. Freimuth reported on the following items:

Federal Grant Application - housing – CRDA is asking for the Board's consideration of a Federal Grant Application. Should the funds come through, the Board would revisit the project at that time. This request asks the Board to approve a CRDA application of \$5 million for what is known as Economic Development Initiative money to assist in some of the higher construction costs in some of the CRDA projects. There is no certainty that CRDA will be successful in getting the grant however CRDA has no chance of getting it if an application is not filed. The Trinity Project would be the first project that these funds would be used for.

- **HUD Economic Development Initiative (EDI)**

EDI Community Project Funding within the Community Development Fund account of the HUD title is intended for economic and community development activities, consistent with statutory and additional Committee requirements.

Project requests for the FY24 Economic Development Initiative program must be eligible under one or more of the following criteria of the Community Development Block Grant (CDBG) program¹ which are as follows: —but limited to—land or site acquisition, demolition or rehabilitation; blight removal; and construction and capital improvements of public facilities, except for “buildings used for the general conduct of government.”

The Committee expects to fund the following types of projects and other similar projects:

- Water or sewer infrastructure projects, which are not otherwise eligible to be funded as CPFs in EPA STAG (Interior bill) or Rural Water and Waste (Agriculture bill);
- Local road infrastructure, which is not otherwise eligible as a CPF in Highways (in this bill);
- Streetscape improvements;
- Public or non-profit housing rehabilitation, housing development financing, residential conversions, and neighborhood revitalization projects, which would increase housing supply and/or improve housing affordability in the local community;
- Projects with a clear economic development benefit, such as workforce training centers and manufacturing incubators;
- Projects that meet a compelling local need consistent with the statutory purposes. For example, food banks in economically disadvantaged neighborhoods, youth and senior centers, and multipurpose community centers.

Background: Annually, congressional members solicit projects to be earmarked within upcoming appropriation language. This is often done within the Transportation Housing and Urban Development appropriation bill and focuses on housing, economic development, and transportation related initiatives. Deadlines to submit suggested projects are set within various congressional offices for specific dates within March 2023.

Application for Housing Funds: Increasing interest rates and construction costs are making it difficult to meet funding gaps for several projects and simply increasing the potential loan size does not solve the problem as the projects often cannot sustain the cost of such additional debt service. The pursuit of new and additional sources of funds to assist the financing of residential projects would be particularly useful for the proposed conversion of the former state-owned buildings 18-20 and 30 Trinity St (Trinity Project).

The following motion was moved by Andy Bessette, seconded by Randal Davis and approved.

“The Executive Director is authorized to apply for up to \$5 million in federal Economic Development Initiative (EDI) funds that could be used to assist CRDA to meet the higher construction costs associated with the Trinity Project. Assuming such funds are successfully secured, the Trinity Project will be subsequently reviewed and approved by the CRDA Board for its use of these funds.”

Business improvement District (BID) – CRDA has been approached by some business and property owners to resurrect an attempt to get a BID going in the Parkville neighborhood. There was an attempt at doing this a couple of years ago and it did not come together. Mr. Freimuth will be helping with this effort.

U.S.S. Hartford Bell – Iconic and historical item that we should do a little work to make the bell more notable. There is a process that would involve the city and Travelers approving the relocation.

‘Red Wall’ Mural – Amanda Roy & Matt Conway presented their idea that the Greater Arts Council of Hartford would like to have the western facing wall on the Church Street Garage painted. The Greater Arts Council would like to work with Mr. Conroy to go through a process of selecting the artist and artwork. CRDA would have some say in this process and the Board would have to approve it. The council has been working with the City of Hartford and Mayor Bronin for the administration of American Rescue Plan Funds to get creative workers back to work and increase the vitality of the City of Hartford through arts and culture programming.

Construction update

- 99 Pratt St. – completed and approximately 65% occupied
- 525 Main – construction has begun
- 275 Pearl St. old firehouse - construction has begun
- Lawrence Street – complete later this Spring
- Hilton – demolition has begun
- 55 Elm – demolition has begun
- E. Hartford – 3rd phase of the storm drainage will begin this Summer
- E. Hartford – Silver Lane sidewalk project is underway
- XL – sports lounge targeted for summer opening

Executive Session

A motion was made to move into Executive Session by David Jorgensen, seconded by Randal Davis and approved.

The Board came out of Executive Session and adjourned at 4:30pm.

Next meeting – April 20, 2023 at 3:00pm.

“The March 16, 2023 CRDA Board meeting minutes were moved by David Jorgensen, seconded by Alexandra Daum and approved at the April 20, 2023 Board Meeting.”