

Agenda - Revised

**CRDA Regional and Economic Development Projects Committee
Meeting / Microsoft Teams (see below)
Thursday, April 13, 2023
3:00 pm**

- I. Approval of Minutes from March 9, 2023*
- II. Project Updates
 - a. Albany & Woodland*
- III. Adriaen's Landing PILOT Amendments*
- IV. Next Meeting – May 11, 2023
- V. Adjournment

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**Regional and Economic Development Committee
Conference Call
Draft Meeting Minutes
March 9, 2023
3:00 PM**

Members Present via Microsoft Teams: Committee Chair Mike Walsh, Randal Davis and Pam Sucato (for Commissioner Eucalitto)

Staff Present via Microsoft Teams: Mike Freimuth and Kim Hart

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

The meeting was called to order at 3:02 p.m. and the minutes of the January 12, 2023 meeting were approved on a voice vote.

1) **Project Updates**

Albany & Woodland – Mr. Freimuth presented Committee members with a resolution on the Albany and Woodland project in Hartford.

The City has tried unsuccessfully for a number of years to develop this vacant property along Albany Avenue, with multiple plans being presented. In 2020, the State Bond Commission allocated \$5.5 million of CRDA funds for a mixed-use housing and commercial development on the site.

Most recently, the City selected the non-profit National Development Council (NDC) via RFP to partner with them on development of a portion of the site known as "Parcel B". NDC signed a purchase and sale agreement with the City in February and plans call for construction of a new 30,000 sf building housing a new City Health Department, an upscale restaurant, a bank and an additional commercial tenant.

Total development costs for Parcel B are estimated at \$10 - \$12.5 million. CRDA has been asked to use the previously allocated \$5.5 million to provide a construction loan, which will be coupled with up to \$7 million from the City's Revolving Loan funds. Up to \$750,000 of the City funds will be available to NDC for pre-development costs prior to construction.

The following resolution was approved on a voice vote:

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.

2) Front Street PILOT Amendment

Mr. Freimuth noted that he will be presenting a resolution to the Committee in April concerning the Front Street District PILOT agreement with the State. The district covers both the entertainment district across from the Convention Center as well as the Hartford Marriott. A number of refinancings are being negotiated and Mr. Freimuth advised that the PILOT term needs to be extended to match up with those. He also noted that these PILOT payments are crucial as they fund operations and maintenance in the district.

3) Other Project Updates

Mr. Freimuth encouraged Committee members to review the project spreadsheets included in the agenda packet.

The next meeting of the Regional & Economic Development Committee has been rescheduled from April 7th to April 13, 2023, due to the Good Friday holiday.

There being no further business, the meeting was adjourned at 3:13 p.m.

**Albany & Woodland Project
Parcel B
Environmental and Site Work Funding**

Background: On March 9th, the Committee approved a \$5.5 million CRDA construction loan and a \$7 million grant from City Revolving Funds to support a mixed-use development at the corner of Albany Avenue and Woodland Street in Hartford. The full Board approved the funding resolution on March 20th.

The developer, National Development Council (NDC), will construct a 32,000-sf building on 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 the project are estimated at \$10 - \$12.5 million, depending on final design, tenant fit and construction bids.

In addition, the approved resolution included authorization for up to \$750k of the City funds to be released for pre-development costs prior to NDC's receipt of construction bids.

Proposal: In order to move the project more quickly, the City, in recognition of its responsibility and liability for environmental cleanup at the site, has requested that an additional \$1 million for environmental remediation and site improvements be advanced as an assistance agreement. These funds would come out of the City's \$7 million contribution, subject to the terms of an assistance agreement between the developer and CRDA.

Parcel B Development Budget:

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

RESOLUTION:

The resolution adopted by the CRDA Board at its March 20, 2023 meeting authorizing the loan of up to \$5.5M of CRDA bond funds and a grant of up to \$7M of City Revolving Loan funds to Community Development Properties Woodland Inc (or such acceptable single purpose entity) for the Albany & Woodland project is amended to include the distribution of up to \$1 million of the City funds to be released for environmental remediation and site improvements. The early release of these funds shall be subject to such fiduciary terms and conditions as deemed necessary and appropriate by the executive director and CRDA counsel.

**EXTENSION OF THE FRONT STREET TAX FIXING AGREEMENTS
BETWEEN OPM, CRDA, AND HB NITKIN**

Background:

- Pursuant to C.G.S. § 32-600(9), the Secretary of OPM and CRDA jointly designated the Front Street Project as a private development district and as being in need of financial inducement for private development and operation. HB Nitkin, the Master Developer of the Front Street District, along with the CRDA and OPM entered into a Master Development Agreement and a series of resulting Leases each scheduled to expire in 2104. OPM, CRDA, and HBN also entered into a series of PILOT Payment Assessment Fixing Agreements as shown in the table below.

Tax Year	Payment - Percentage of Actual Taxes
1-3	0%
4-7	10%
8-11	20%
12-15	30%

- CRDA utilizes the funds received via the tax fixing agreement to operate and maintain the public improvements located in the Front Street District.
- The current PILOT Agreements are currently scheduled to expire as follows: Phase I in 2027, Phase III in 2032, and Phase IV in 2034, respectively.
- OPM, CRDA, and HBN would like to extend the terms of the existing PILOT agreements for each Phase by an additional thirty (30) years.

Proposed Terms:

Duration – the term of the extension agreement(s) shall be one (1) additional thirty-year term for the respective PILOT agreements.

The payments per the extension agreement(s) shall be calculated on the fixed value of current assessment of the respective Front Street Parcels in accordance with the table below.

Tax Year of the Extension	Percentage of Actual Taxes
Year 16-20	40%
Year 20-45	50%

MOTION

THE CRDA REGIONAL ECONOMIC DEVELOPMENT COMMITTEE HEREBY RECOMMENDS THE PROPOSED TERMS OF THIS TAX FIXING AGREEMENT EXTENSION TO THE CRDA BOARD OF DIRECTORS FOR APPROVAL IN ACCORDANCE WITH THE TERMS AND CONDITIONS PROVIDED ABOVE.

**TAX FIXING AGREEMENT EXTENSION
BY AND BETWEEN OPM, CRDA
AND ADRIAEN'S LANDING HOTEL, LLC
(THE "CRDA - TFA")**

Background:

- Pursuant to C.G.S. § 32-600 (9), CRDA and OPM jointly designated the Adriaen's Landing Hotel (a/k/a the Hartford Marriott Downtown) as a private development district. Such designation authorized CRDA to negotiate a tax fixing agreement with ALH to provide for payment to CRDA in lieu of real property taxes;
- The resulting Tax Fixing Agreement provided for a PILOT of Three Percent (3%) of Gross Revenues for a period of fifteen (15) years beginning October 1, 2020.
- AHL is currently attempting to refinance its existing debt on the Hotel. The resulting refinancing will allow AHL to repay an existing COVID recovery loan of \$3,500,000 to the Department of Economic & Community Development.
- OPM, CRDA, and ALH would like to extend the terms of the existing PILOT agreement for one(1) additional thirty-year period.

Existing/Proposed Terms:

- The tax assessment during the term of the proposed extension shall remain Three Percent (3%) of Gross Revenues.
- Duration -- The term of the proposed extension is thirty-years, effective August 1, 2020 and expiring on July 31, 2065.

MOTION

The CRDA Regional Economic Development Committee hereby recommends the proposed terms of this Tax Fixing Agreement Extension to the CRDA Board of Directors for approval in accordance with the terms and conditions provided above.

CRDA Regional and Economic Development Projects

Project	Description	CRDA Amount	Structure	Committee Approval	CRDA Board Approval	Bond Commission Approval	Status
Hardford 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 5/22
Front Street District	Paving & crosswalk improvements at Front/Columbus intersection, storm drainage improvements and waterproofing & related garage improvements at Front St. North Garage	\$9,000,000	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	1/15/2019	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	\$9,500,000	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	12/9/2021	12/15/2021	12/21/2021	Financing closed 8/29/2022 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 Harrington Part 1	Construction & Environmental loan	\$4,000,000	City Funds loan	1/7/2022	6/16/2022	n/a	Loan closed 8/11/2022 Work underway
235-7 Harrington Part 2	Construction	\$8,500,000	Loan 3% 30 yr.	3/10/2023	3/10/2023	4/6/2023	Pending Closing

4/11/2023

CRDA/East Hartford

Project	Description	CRDA Amount	Structure	Committee Approval	CRDA Board Approval	Board 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 CIRCUS Silver Lane study	\$1,011,887	Grant-in-aid (Balance of funds given to OPM for EBN project)			4/4/2009	Construction underway
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	\$1,240,000	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	Four structures demolished to date Plans for demolition of McCarthy school underway
East Hartford	Acquisition and Redevelopment of Silver Lane Retail	\$10,500,000	Grant	9/9/2021	9/16/2021	12/21/2021 & 5/16/2022	Town has acquired site - demolition planning underway

4/11/2023

¹ Transferred to CRDA from other State Agencies