

Agenda
CRDA Board Meeting
May 18, 2023

*****3:00pm Teams Meeting*****

- 3:00pm - 3:05pm ● Call to Order & Minutes {4-20-23} *
- 3:05pm - 3:15pm ● Mayor Reports
 - Hartford Mayor Luke Bronin
 - East Hartford Mayor Mike Walsh
- 3:15pm – 3:20pm ● Finance Report
 - Monthly Report
 - Reminder – Budget Meetings 6/9 and 6/12
- 3:20pm – 3:45pm ● Housing & Neighborhood Committee
 - Project Updates
 - 690 Albany *
 - 18-20/30 Trinity *
 - 241 Asylum *
 - NINA update
- 3:45pm – 4:00pm ● Regional & Economic Development Projects Committee
 - Project Updates
 - E. Hartford Demo bond request *
 - E. Hartford Showcase Project amendment *
- 4:00pm – 4:20pm ● Venue Committee
 - XL Center
 - * CT Lottery/CRDA MOU *
 - * OPM Sportsbook *
 - * XL Update – construction
 - Pratt & Whitney Stadium at Rentschler Field
 - * Rentschler OPM/CRDA Extension *
 - * Rentschler OVG Extension *
 - CT Convention Center
 - * Waterford CCTC Extension *
- 4:20pm – 4:30pm ● Executive Director
 - USS Hartford RFP
 - Church Street Garage Construction Issues
 - Parkville BID development
 - Construction Report
- Miscellaneous
- 4:30pm ● Adjourn

** Vote item*

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 220 261 343 308

Passcode: Lw5Bvm

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

Or call in (audio only)

[+1 872-242-7941, 440004405#](#) United States, Chicago Phone Conference ID: 440 004 405#

DRAFT
Minutes
April 20, 2023

**Capital Region Development Authority
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Thursday, April 20, 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; Robert Houlihan; Jennifer Gaffey; Kim Hart; Terryl Mitchell Smith

Minutes

“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.”

Mayor Reports

Hartford – Mayor Bronin indicated that the most significant item is that 235-7 Hamilton in Parkville was approved for Bond funds. Looking forward to getting this significant project underway. There are other projects in the works however they are familiar to Board.

East Hartford – Mayor Walsh reported on the following projects:

Silver Lane Plaza – Through the eminent domain process, the Town has owned the property since March 1st. There are approximately twelve businesses, two of them we have successfully moved out, that will allow us to continue the demolition of the largest piece. CRDA is going to be helpful with the demolition RFP.

National Development Ground Breaking – The construction of the Wayfair and the Lowe’s distribution center is well underway. Last report is that they are a month ahead of schedule.

Concourse Park at Showcase – About a month ago the East Hartford Town Council amended the tax incentive and development agreement. They have until September 30, 2023 to produce a new capital stack. The land has been transferred.

Simon Konover Riverview Apartments – 130 apartments on the river. The town continues to work with Simon Konover to find the best path forward given the new banking economies.

Founder’s Plaza –A letter of intent that will be introduced to the Town Council meeting on May 2, 2023. It will just be all of the tools at East Hartford’s disposal from tax incremental financing to enterprise Zone to get it moving. The developers have control over 99 Founders & 300 East River Dr.

Church Corner’s Inn – This project will have to be a full demolition.

McCartin School to Homeownership – sixteen houses will be built on site.

The Main Street Post Office – The post office will not sell to the Town. An appraisal of \$500,000 but they want \$850,000 and the town cannot get them to sell it for fair market value. It is difficult when you

use state, federal or local funds to buy anything that is not at fair market value. Congressman Larson's office is intervening.

Vice Chairman Andy Bessette asked if there is more developable land at P&W Stadium site? Mayor Walsh responded by stating that just about what is left is protected by wetlands or easements, so the answer is no. Also, as you go east, there is quite a bit of buffer area, this could be cleared and another few acres could be created. P&W continues to selectively demolish their manufacturing operations so you could pick up several acres there.

Finance

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

Fiscal Year 2023 Operating Statistics

CT Convention Center – Feb. 2023

Event Update: Scheduled for 107 events this fiscal year vs. budget of 74 events
Corporate and short-term meeting segments returning
Increased attendance at public shows
Increased event inquiries

Feb. financials: Revenues \$1.066M favorable to budget due to increased revenues from "GLOW, Winter holiday event" and increased food & beverage revenues from public shows
Expenses \$50,000 favorable to budget due to savings in event personnel and expenses offset with higher utilities usage
Net Loss of \$2.576M favorable to budget by \$1.116M
Total year projection of \$4.695M loss favorable to budget by \$563,400

CRDA Parking Facilities – Feb./Mar. 2023

Stats (Mar.): Utilization of 70% is favorable to budget by 10%

Feb. financials: Revenues \$209,700 favorable to budget due to transient and validation revenues
Expenses \$29,300 unfavorable compared to budget due to savings in personnel and snow removal offset with increases in credit card fees, insurance, utilities, and repairs & maintenance
Net Income \$180,400 favorable to budget
Total year projection of \$400,500 net income even with budget

Church Street Garage – Feb./Mar. 2023

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

Feb. financials: Revenue unfavorable to budget by \$362,100 due to reduction in corporate monthly parkers offset slightly by an increase in corporate validations
Expenses \$579,900 favorable compared to budget due to deferral of CRDA facility support as well as savings in insurance
Net Income \$217,800 favorable to budget
Total year projection of \$134,000 net loss favorable to budget by \$550,000

Bushnell South Garage – Feb./Mar. 2023

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

Feb. financials: Revenues \$18,300 favorable to budget due to transient revenues
Expenses \$17,100 favorable compared to budget due to savings in personnel
Net Loss \$35,400 favorable to budget
Total year projection of \$325,000 loss even with budget

XL Center – Feb. 2023

- Event Update: Hosted 79 events vs. budget of 81 events including 26 Wolfpack games, 7 UConn men's basketball, 7 UConn women's basketball, and 12 UConn men's hockey games
Concert industry moved holds into Fall/Winter 2023
Increased event group sales activity
- Feb. financials: Event revenue \$395,200 favorable compared to all event type budgets
Other Income \$24,700 favorable compared to budget
Operating expenses \$29,000 favorable compared to budget due to savings in personnel
Hockey operations \$543,200 favorable compared to budget due to increased game revenues as well as savings in sales personnel and home game expenses
Net Loss of \$1.170M favorable to budget by \$992,100
Total year projection of \$3.295M loss even with budget

P&W Stadium at Rentschler Field – Feb. 2023

- Event Update: 6 UConn football games with 33 parking lot and catered events held
- Feb. financials: Event revenue \$362,900 favorable compared to budget with \$305,000 due to UConn football paid ticket surcharges and F&B revenues and \$57,900 due to increase in catered events
Operating expenses \$115,800 favorable compared to budget due to savings in personnel, utilities, as well as repairs & maintenance
Other Income \$42,000 favorable to budget due to increased sponsorship partners
Net Operating loss of \$109,100 favorable to budget by \$520,700
Total year projection of \$1.019M loss favorable to budget by \$305,000

CT Regional Market - Feb. 2023

- Stats: Occupancy: 81% with 13 tenants
- Activity: Farmers' Market opened for 2023 season on April 1
- Feb. financials: Operating revenue \$70,400 favorable to budget due to seasonal parking agreements and increased billboard revenues
Operating expenses \$106,900 favorable to budget due to savings in utilities, maintenance, and security
Net income of \$279,100 favorable to budget by \$177,300
Total year projection of \$224,400 net income favorable to budget by \$73,800

David Robinson asked Mr. Geremia to clarify, that if there is a common theme running through out the performance of the budget, it is both the number of events and the attendance at events vs. what was being budgeted coming out of the pandemic. Mr. Geremia said that is correct and that the area that has not recovered yet is the corporate business and parking garage revenue that is what is hurting the CRDA owned garages.

Housing & Neighborhood Committee

Committee Chairwoman Joanne Berger-Sweeney noted that the Committee has not met since March and that Mr. Freimuth will give a more detailed report regarding ongoing housing projects.

Mr. Freimuth indicated that the project sheets are updated and attached for review. There are approximately 350 units in construction, the large ones are the Hilton conversion & 55 Elm, others are the firehouse and Main Street and some small ones. There are another 400 units that are at the closing table and a little over 400 in the development phase. Approximately 300 of the 750 mentioned are in the neighborhoods, primarily the Fuller Brush building and 235-7 Hamilton. As discussed last month the

construction and interest rate costs are more challenging than they have been in the past and it is causing slowdown in the development of the projects.

Mr. Bessette asked what funds are available to commit to new projects. Mr. Freimuth responded that there is approximately \$57M in unallocated bond authority. This money is on the capital plan of the State for CRDA to use for housing projects that have not yet gotten Bond Commission funds. Mayor Bronin added that although \$57M is a great deal of funds, when you look at projects on the scale of Bushnell South, it is important to look at those authorized and to keep it in context with some of the larger projects that are being developed.

Regional and Economic Development Projects Committee (RED)

Anthony Lazzaro reported on the following:

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%

Mayor Bronin asked if any of these funds would go to the City. Mr. Lazzaro responded no, the funds go back into the Front Street district to pay for maintenance and upkeep. Mayor Bronin asked if this is by statute. Mr. Freimuth responded by stating that the PILOT runs the Front Street operations. Adding that

the PILOT for the Marriott goes to the City. That is a revenue stream to the City based on an agreement that goes back several years. Mayor Bronin asked what the specific deadline is for this to be done and does it have to be done at this meeting? Mr. Freimuth responded that we are asking for it to be done at this meeting for two reason 1) we are negotiating to refinance the Marriott 2) and there is a long-term tenant we are trying to secure on Front Street. Mayor Bronin asked if this is the best and most responsible deal we can get. Mr. Freimuth responded by stating that they all ask for more. It is not different than the other hotels. The Front Street PILOT is being pushed up by 10% over 5 years. Mr. Jorgensen asked why the hotel is looking to refinance? Mr. Freimuth responded that \$3.5M comes back to the State. The mortgage-backed security structure that the Marriot works on is not a prime loan and is at end of its term.

Following a discussion, the motion below was moved by Andy Bessette, seconded by Bob Patricelli and approved.

"The CRDA Board of Directors hereby authorizes the Executive Director to execute and extension of the current Front Street Tax Fixing agreements, in accordance with the terms and conditions provided above."

Tax Fixing Agreement Extension by and between OPM, CRDA and Adriaen's Landing Hotel

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.
- ALH is currently attempting to refinance its existing debt on the Hotel. The resulting refinancing will allow ALH 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.

Andrew Diaz-Matos asked if the \$3.5M that they are using to prepay the loan, is that increased principal or does the hotel have equity built up. Mr. Freimuth responded that the returned funds was an operating loan given to the hotel during COVID and will be financed as part of new loan. Mayor Bronin asked if the \$3.5M that comes back to DECD goes into a particular account or general fund? Alexandra Daum indicated that she will let the Mayor know when she finds out, further stating that DECD does not have a great deal of specific funds, so it will probably go into a fairly unrestricted bucket. Mayor Bronin asked if it was a chance, short of an act of legislation, that funding that gets repaid might be dedicated to something like the expansion of the Convention and Visitors Bureau or something else that would help us build up the hospitality here in keeping with the original purpose of the loan? Alexandra Daum responded stating that the funds almost certainly came from unrestricted funds with a wide mandate so doing that would take funds that came from a wide mandate and putting them into a narrow mandate, which, like you said can be done by the legislature, but would not be my preference.

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

“The CRDA Board of Directors hereby authorizes the Executive Director to execute and extension of the current Adriaen’s Landing Hotel Tax Fixing agreements, in accordance with the terms and conditions provided above.”

Kim Hart presented the following project:

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

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

“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.”

Mr. Diaz-Matos asked why this is coming back to the Board if the Board already approved the funds. Mr. Freimuth indicated that the city has asked CRDA to expedite the environmental cleanup work. We only had authority to let \$750K, not \$1.75M otherwise we’d be waiting 6-7 months when the work can get started now. Mayor Bronin added that the work is being done pre-closing.

Venue Committee

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

Pratt & Whitney Stadium

As noted last month, OVG is working with a number of soccer promoters to bring at least one international soccer match to the Stadium this summer and fall. Upcoming summer events on the site include a car show and a number of charity walks.

OVG and CRDA staff are meeting regularly with representatives of National Development to coordinate traffic and parking at Rentschler Field both during construction and after completion of the developer's new logistics center.

Connecticut Convention Center

The 90's Con convention - featuring a number of television and movie cast reunions from that decade - was held last month, with attendance at roughly 17,000, a 30% increase over the prior year. Confirming the event's tremendous success, promoters have asked to rebook for next year.

This past weekend, the building hosted Brickfest – a celebration of all things Lego – with 13,000 people in the building over the two days.

The Convention Center's event calendar is full for the month of May, with a sizable number of events coming in June. Upcoming events include the Dismantling Systemic Racism conference, Hartford Symphony Gala, the Actuaries Club and Hartford Pokémon Regional Championship. The always popular ConnectiCon convention returns in July.

Waterford also reports that the upgrade of the building's lighting control system is nearly complete.

XL Center

As reported by various news outlets, the cancellation of the Connecticut Lottery's contract with online betting operator Rush Street Interactive is underway. CRDA staff were questioned by the General Assembly's Appropriations Committee at a meeting last Friday about construction delays and how a new operator would impact revenue and the need for future State assistance to the building. The Lottery has already issued an RFP and expects to transition to a new operator later this year. Rush Street will remain to assist with that transition.

The Wolfpack finished their regular season and clinched a playoff berth for the first time since 2015. The team will play the Springfield Thunderbirds in a best of three series starting this week. This was the team's best-attended season at the XL Center since 2006, with an average of 4,700 fans per game, including 16 games exceeding 5,000 fans. There were over 6,200 fans at XL for their last regular home game of the season.

OVG has announced that Andrea Bocelli will perform at XL this December for the first time in 25 years. Other upcoming events include the Connecticut Beer Fest later this month, a Lizzo concert and CT Cannabis and Hemp Convention in May and WWE Raw in early June.

Executive Director Report

Mr. Freimuth reported on the following items:

Mr. Freimuth reported that since Bob Saint is retiring, he's asked Bob S. to introduce his successor Bob Houlihan, also known as "Bob 2.0". Mr. Saint spoke about Waterford sending him to help out with a project at Adriaen's Landing in year 2000 and twenty-three years later he is retiring. He mentioned that he has a lot of rich memories, especially the last ten years with CRDA. Mr. Saint stated that Bob Houlihan will be his successor having a rich background in development, multi-family housing, large construction projects and is very strong in both construction and development. He is going to be a great asset to CRDA.

On behalf of the CRDA Board, Mr. Bessette thanked Bob Saint for his professional and praised him for his knowledge about large facilities and construction. The Board applauded Bob's achievements and said that he has done so much to make this organization what it is today. Wishing you all the best in your retirement. Adding that we are looking forward to working with Bob Houlihan for many years to come.

Legislative activity – The State is working its way through the next two years of appropriations, we are monitoring this and building our budgets accordingly. The Bond agenda is being set on the two-year capital plan, this includes the XL as well as housing monies and additional funds for East Hartford projects.

A variety of bills impacting the operations of quasi state agencies, including CRDA are on the docket. Ongoing discussion depending on what bill you read, there is the possibility of the activation of MRDA (Municipal Redevelopment Authority). In the legislation, CRDA may have a role, we won't know until it is passed.

XL Center – State Bond Commission money was received to advance the design work for the XL Center and put it out to bid. Construction Services is working with Tony to get amendments out to our design team so we can get the construction bid documents on the street.

Bushnell So. – we continue to work on Bushnell South, we are heavy into due diligence with TMO.

Hartford Hospital – possible CRDA project around the hospital in the future depending on overall development agreement between hospital and the City.

Adjourned at 4:00pm

Next meeting – May 18, 2023 at 3:00pm.

Finance Report

Financial Update – May 2023

Fiscal Year 2023 Financial Statements, Audits, and Fiscal Year 2024 Budgets

CRDA Fiscal Year 2023 interim audit

- CRDA Financial Statements
- CRDA Federal Awards audit
- CT Convention Center Contractual-Basis Financial Statements
- XL Center Contractual-Basis Financial Statements
- CRDA Parking Facilities Contractual-Basis Financial Statements
- Rentschler Field Contractual-Basis Financial Statements

State Auditors of Public Accounts

- Fiscal Year 2021 and Fiscal Year 2022 Audit

Fiscal Year 2024 Budgets

- Management companies/CRDA staff prepare draft budgets (March through May)
- CRDA staff review draft budgets followed by appropriate adjustments (May/June)
- CRDA Board Venue Committee presented major venue budgets (June)
- CRDA Board Executive & Finance Committee members presented state appropriation and major venue budgets (June)
- Full Board presented state appropriation and major venue budgets for authorization (June)

Fiscal Year 2023 Operating Statistics

CT Convention Center – Mar. 2023

- Event Update: Scheduled for 108 events this fiscal year vs. budget of 74 events
 - Corporate and short-term meeting segments returning
 - Increased attendance at public shows
 - Increased event inquiries
- Mar. financials: Revenues \$1.268M favorable to budget due to increased revenues from “GLOW, Winter holiday event” and increased food & beverage revenues from public shows
 - Expenses \$50,300 unfavorable to budget due to higher utilities usage offset slightly with savings in event personnel and expenses
 - Net Loss of \$2.683M favorable to budget by \$1.218M
 - Total year projection of \$4.695M loss favorable to budget by \$563,400

CRDA Parking Facilities – Mar./Apr. 2023

- Stats (Apr.): Utilization of 70% is favorable to budget by 9%
- Mar. financials: Revenues \$458,500 favorable to budget due to transient and validation revenues
 - Expenses \$144,100 unfavorable compared to budget due to increases in credit card fees, insurance, utilities, and repairs & maintenance offset with savings in personnel and snow removal
 - Net Income \$314,400 favorable to budget
 - Total year projection of \$400,500 net income even with budget

Financial Update – May 2023 (cont.)

Church Street Garage – Mar./Apr. 2023

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

Mar. financials: Revenue unfavorable to budget by \$454,300 due to reduction in corporate monthly parkers offset slightly by an increase in corporate validations
Expenses \$591,500 favorable compared to budget due to deferral of CRDA facility support as well as savings in insurance and snow removal
Net Income \$137,200 favorable to budget
Total year projection of \$134,000 net loss favorable to budget by \$550,000

Bushnell South Garage – Mar./Apr. 2023

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

Mar. financials: Revenues \$19,300 favorable to budget due to transient revenues
Expenses \$14,700 favorable compared to budget due to savings in personnel
Net Loss \$34,000 favorable to budget
Total year projection of \$325,000 loss even with budget
Bushnell Theatre event parking cooperation – operations personnel coordination

XL Center – Mar. 2023

Event Update: Hosted 92 events vs. budget of 97 events including 33 Wolfpack games, 7 UConn men's basketball, 7 UConn women's basketball, and 12 UConn men's hockey games
Concert industry moved holds into Fall/Winter 2023
Increased event group sales activity

Mar. financials: Event revenue \$494,400 favorable compared to all event type budgets
Other Income \$7,300 favorable compared to budget
Operating expenses \$22,700 unfavorable compared to budget due to increases in credit card fees offset with savings in personnel
Hockey operations \$730,100 favorable compared to budget due to increased game revenues as well as savings in sales personnel and home game expenses
Net Loss of \$933,900 favorable to budget by \$1.209M
Total year projection of \$3.244M loss favorable to budget by \$51,300

P&W Stadium at Rentschler Field – Mar. 2023

Event Update: 6 UConn football games with 36 parking lot and catered events held
Mar. financials: Event revenue \$374,200 favorable compared to budget with \$305,000 due to UConn football paid ticket surcharges and F&B revenues and \$69,200 due to increase in catered events
Operating expenses \$166,200 favorable compared to budget due to savings in personnel, utilities, as well as repairs & maintenance
Other Income \$44,200 favorable to budget due to increased sponsorship partners
Net Operating loss of \$244,500 favorable to budget by \$584,600
Total year projection of \$1.045M loss favorable to budget by \$279,200

CT Regional Market - Mar. 2023

Stats: Occupancy: 81% with 13 tenants

Activity: Farmers' Market opened for 2023 season on April 1

Mar. financials: Operating revenue \$76,400 favorable to budget due to seasonal parking agreements and increased billboard revenues
Operating expenses \$127,300 favorable to budget due to savings in utilities, maintenance, and security
Net income of \$320,800 favorable to budget by \$203,700
Total year projection of \$256,100 net income favorable to budget by \$105,500

**Housing
&
Neighborhood
Committee**

CRDA Housing Approved

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	MIX/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Leased ¹
777 Main	285	\$84.5M	\$296K	\$17.7M	\$62K	80/20	\$7.5M equity / \$10.2M 2nd mortgage	1/30/2013	3/13/2013	3/28/2014	Renting	98%
201 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$750K	\$28.8K	100	Note Paid Off	3/21/2013	6/21/2013	10/29/2013	Renting	86%
179 Allyn	63	\$14.85M	\$233K	\$6.5M	\$103K	80/20	\$3.25M equity, \$3.25M 2nd Loan, Refi 2022	3/21/2013	6/21/2013	11/15/2013	Renting	84%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	Note Paid Off	6/4/2013	6/21/2013	12/5/2013	Renting	97%
Capewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	7/28/2014	7/28/2014	6/30/2015	Renting	96%
390 Capitol	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, 5%, 20 yr.	6/19/2014	3/17/2015	9/22/2015	Renting	99%
36 Lewis	6	\$1.8M	\$306K	\$300K	\$50K	100	construction/perim loan 1.3% 30 yr.	6/19/2014	7/25/2014	4/8/2015	Renting	100%
38-42 Elm	6	\$1.24M	\$206K	\$349,350*	\$61.5K	100	loan 3% 30 yr.	6/19/2014	7/25/2014	2/25/2015	Renting	66%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	2/18/2016	5/21/2015	9/9/2016	Renting	
370 Asylum	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan <3%, 20 yr.	6/16/2016	9/20/2019	12/11/2020	Renting	100%
Millennium	96	\$19.5M	\$202K	\$6.5M	\$67.7K	100	Former Radisson, foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	88%
81 Arch	53	\$23M	\$390K	\$5.6M	\$103.7K	100	Mess 2% 10 yr.	10/20/2016	3/16/2017	11/7/2017	Renting	100%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/perim loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	97%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/perim loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	96%
88 (103-21) Allyn	66	\$21.1M	\$319K	\$6.6M*	\$103K	80/20	construction/perim loan 3% 5 yr.	12/8/2016	2/1/2017	10/31/2018	Renting	99%
Coit North	48	\$13.6M	\$283K	\$2.88M	\$60K	100	construction/perim loan 3% 20 yr.	5/18/2017	11/29/2017	7/2/2018	Renting	100%
28 High	28	\$5.5M	\$196.4K	\$1.9M	\$67.8K	80/20	loan 3% 30 yr., refi 8/21	2/2/2018	2/16/2018	8/29/2018	Renting	100%
100 Trumbull	16	\$1.5M	\$93.7K	\$960K	\$60K	100	loan 3% 20 yr.	9/21/2017	2/16/2018	4/12/2018	2020/2022	97%
246-250 Lawrence	12	\$1.5M	\$125K	\$521K	\$43.4K	100	Historic bridge loan - paid off perim loan 3% 20 yr. (291K)	10/18/2018	12/11/2018	1/4/2019	Renting	100%
Coit "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Renting	100%
Pratt 1 - 99 Pratt	129	\$29.8M	\$231K	\$12M	\$93K	100	\$3M/\$9M 1% 5yr 30yr.	10/17/2019	4/16/2021			
Pratt 2 - 18 Temple	47	\$34.9M	\$210K	\$2M	\$42.5K	90/10	New Units 47 / Total units 166 / 16 Aff Units / 2.75% 30 yr. loan	9/17/2020	12/18/2019	4/16/2021	2022	79%
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	Peak 391/Main 87	9/17/2020	4/16/2021	10/15/2021	2022	76%
Dono "C"	270	\$56.2M	\$208K	\$11.8M	\$43.7K	90/10	3% 30 yr. 15 yr. term	9/20/2018	9/20/2018	6/15/2020	2021/2022	100%
55 Elm	164	\$63.3M	\$395K	\$13.5M	\$81.3K	80/20	2% 30 yr. Perm. 57M	4/16/2020	9/20/2018	9/30/2020	2022	95%
Dono "B"	228	\$52.8M	\$231K	\$13.6M	\$59.6K	90/10	2% bridge \$6.5M 15 yr. term	3/18/2021	4/16/2021	12/15/2022	2024	
Hilton	147	\$17.9M	\$121K	\$5.9M	\$40K	80/20	3% 30 yr.	12/15/2021	12/15/2021	8/29/2022	2025	
Dono Arrowhead Black	44	\$17M	\$395K	\$3.8M	\$88.4K	80/20	3% 30 yr.	10/20/2022	9/1/2018			
Coit "L" "East"	45	\$6.7M	\$148.8K	\$1.5M	\$33.3K	100	3% 20 yr.	11/17/2022	12/8/2022			
Summary	2639 ¹	\$646M	\$240K	\$157.5M	\$64.3K median \$44.7K avg.	86/14	2356 market / 306 affordable					

5/15/2023

¹ deposits and leases
² \$75K/unit est., residential + 168 hotel rooms
³ notes repaid
⁴ \$16K from Housing Cap. Fund
⁵ 3366 including recap and neighborhood deals
⁶ \$200K reserve via Bond Commission

CRDA Housing Approved - Varied Funding Sources

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Occupancy
Front Street	121	\$35.7M	\$310K	\$12M	\$99.1K	Mkt	DECD grant	N/A	12/12/2007	12/17/2013	Renting	97%
Silas Deane	111	\$27M	\$225K	\$5M	\$41.6K	Mkt	Urban Act	N/A	9/30/2016	5/24/2018	Renting	85%
289 Asylum	8	\$1.474M	\$184K	\$485K ²	\$56K	Mkt	Note has been paid off.	12/8/2016	N/A	6/13/2018	Renting	100%
241 Asylum	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	03/22/2018	N/A	01/28/2021	Renting	100%
115-117							\$200,000 Hist. Bridge Loan *	12/8/2016	N/A	5/7/2018	Renting	100%
Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	Heritage Homes - Affordable	5/24/2018	6/1/2018	8/13/2019	Owned	115&117 Sold
86-88 Hawthorn	2	\$830K	\$418K	\$50K	\$25K	Aff	Heritage Homes (NINA) Aff.	5/24/2018	6/1/2018	8/13/2019	Owned	86 & 82 Sold
80-82 Hawthorn	2	\$818K	\$409K	\$200K	\$100K	Mkt	Heritage (NINA) Market	3/18/2021	6/1/2018	7/27/2021	Owned	80 & 82 Sold
213 Lawrence	3	\$900K	\$300K	\$410K	\$126K	Mkt	1st Mortgage 3% 25 Yr.	11/17/2022	N/A	5/5/2023	2023	
525 Main Street	42	\$7.8M	\$186K	\$2.1M	\$50K	80/20	City Funds 2.5% 20 Yrs. + 1% buydown	10/21/2021	N/A	12/21/2022	2024	
275 Pearl	35	\$9.46M	\$242K	\$2.86M	\$73.5K	Mkt	City Funds 1.5% 20 Yrs. + 1% buydown	10/21/2021	N/A	2/15/2023	2024	
Bedford Commons	84	\$21.3M	\$250K	\$1M	\$12K	Aff	City Funds 2% Loan co-term with CHFA	10/20/2022	N/A		2023	
MLK	155	\$62M	\$243K	\$4.8M	\$31K	55/45	\$2.5M CRDA Loan 2%	11/17/2022	N/A	4/6/2023		
29 Ashley	1	\$565K	\$565K	\$150K	\$150K	Aff	Heritage \$50K Loan	2/16/2023	6/1/2018		2023	
847 Asylum	3	\$1.87M	\$623K	\$300K	\$100K	Aff	Heritage \$100K Grant	2/16/2023	6/1/2018		2024	
Summary	575 ³											

5/15/2023

¹ Paydown of note from sale

² New balance at \$485K with interest rolled on initial \$450K condo note

³ 380 Hartford 111 Regional, 84 rehab

CRDA Neighborhood Projects

Project	Description	TDC	CRDA Amount	CRDA Funds	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Bowles Park	Demolition of 410-unit housing project & construction of 91 new rental and owned units on Granby Street (Blue Hills neighborhood)	\$40m	\$5,000,000	FY16 Neighborhoodhood	\$5m grant for demolition	9/9/2016	9/15/2016	9/30/2016	CRDA completed
Brackett Knoll	Construction of 14 two-family owner-occupied homes on Naugatuck Street	\$3.7m	\$1,555,000	FY16 Neighborhoodhood (Promise Zone)	\$20,860 used for MDC connection charges for housing lots. Balance used to construct required road; Board approved additional \$154k for road on 6/20/19	11/10/2016	12/8/2016	2/1/2017	Road completed
Swift Factory	Renovation of historic factory into "Community Food and Job Creation Hub" serving the Northeast, Upper Albany and Clay Arsenal neighborhoods	\$32.7m	\$4,300,000	FY16 Neighborhoodhood (Promise Zone)	\$4.3m loan - minimum debt service calculated using an initial 1% APR and be paid monthly upon stabilization. CRDA to receive 70% of net available cash after payment of first lien debt service & other required distributions. Payment shall continue over a 20-year term until CRDA has received all of its capital with 3% IRR. Funds contingent upon execution of tenant leases (a) for no less than 50% of leasable project space or (b) no less than 50% of projected rental revenue.	3/10/2017	3/16/2017	5/12/2017	CO issued.
Albany Ave/ Main Street	High Speed internet cabling connection to North End Business	TBD	\$525,000	FY16 Neighborhoodhood (Promise Zone)	Funds used to match Federal Promise Zone Funding and compliment Albany Ave. Streetscape project	6/15/2017	6/15/2017	11/29/2017	Completed
Dillon Stadium	Management and renovation of Stadium, including replacement of field, replacement or refurbishment of bleachers, upgraded seating, lighting & sound system, upgrades to concessions, restroom and locker facilities, building code and ADA upgrades and new site entrance. Additional upgrades to be made at neighboring Colt Park.	\$10m	\$10,000,000	FY17 Neighborhoodhood	CRDA to oversee renovations and hold construction contracts. Work at Dillon to be done in conjunction with Hartford Sports Group (HSG) and their architect. Scope of Colt Park renovation to be developed in conjunction with City of Hartford.	1/12/2018	2/8/2018	2/16/2018	Completed
Charter Oak Health Center	Renovation of vacant building into specialty health clinic	\$1.9 m	\$450,000	FY 16 General	Grant for exterior work, historic restoration & site work	NA	6/21/2018	9/20/2018	Completed
Quirk Middle School / PAL	Renovation of former middle school	\$7.5m	\$7,500,000	\$3.9 = FY16 General \$3.6 = FY16 Neigh (PZ)	Includes \$500,000 for implementation of Neighborhood Security Fellows training program			7/25/2018	Completed
Heritage Home	Assistance via NINA to increase home ownership in Asylum Hill area.	TBA	\$2,500,000	FY17 Neighborhoodhood	Loans and grants \$1.6M remaining	5/11/2018 2/3/2023	5/24/2018	6/1/2018	multiple properties see Housing Varied Funding Report
Fuller Brush	Conversion of 2 buildings to res. 155 units	\$42.6M	\$5,500,000 \$3,000,000	Neighborhoodhood	2% 30 yr. bridge historic & perm Two notes CRDA/City	4/1/2022	5/19/2022	7/29/2022	Pending
Liberty Church	Steeple Restoration Historic Rehab	\$1M+	\$1,000,000	Urban Act	Grant Funds	N/A	N/A	5/31/2022	Assistance Agreement Pending
235 Hamilton Part 2	Conv. 235 units Plus commercial	\$91.6M	\$6,500,000		Loan to accompany City revolving Fund Loan of \$4M	3/16/2023	3/16/2023	4/6/2023	Pending Closing

\$49,830,000

5/15/2023

17

690-714 Albany Ave

PROJECT: 690-714 Albany Ave, Hartford
Rehabilitation of 8 residential/3 retail unit mixed use property
Residential units: 6 affordable, 2 market

DEVELOPER: Andaleeb Enterprises LLC, Bloomfield

BACKGROUND: CRDA previously awarded funds to renovate this property but the prior developer failed to secure title for the real estate. The CRDA funds have since been re-allocated to another project.

FUNDING

SUMMARY:	Senior Lender	\$ 640,500
	Equity	564,542
	Sec 8	490,188
	CRDA	<u>800,000</u>
	TDC	\$2,495,230

CRDA

REQUEST: Fund a portion of the rehabilitation construction budget of \$1.3 million via a \$800,000 20-year loan at 3%.

RESOLUTION: *The executive director is authorized to lend to Andaleeb Enterprises LLC or such single purpose entity acceptable to CRDA, up to \$800,000 for the renovation of 690-714 Albany Avenue subject to funds being available within the CRDA Housing Revolving Fund, all other sources of funding being secured and such fiduciary terms as deemed necessary by the executive director and CRDA counsel.*

18-20/30 Trinity Street

PROJECT: 18-20 and 30 Trinity Street, Hartford
Conversion of former state office buildings into 108 units plus retail
80/20 market/affordable unit mix
Parking via leasing of CRDA owned Bushnell South Garage

DEVELOPER: PennRose (Philadelphia, Boston)
Cloud Companies (Hartford)

BACKGROUND: Two state owned and surplus office buildings (staff relocated to SOB) were advertised for sale and redevelopment via a DAS RFP in 2021 resulting in 6 respondents. DAS recommended PennRose/Cloud and has granted them a fiduciary due diligence period to secure their financing package and assess construction/development issues.

The buildings are historic and their conversion to residential use is consistent with the Goody Clancy plan to redevelop the Bushnell South area. The properties are generally in fair to poor condition, are limited by a variety of environmental and design features and must comply with limiting historic rules.

DEVELOPMENT

BUDGET:	Acquisition	\$ 1.1 M
	Soft Costs	4.35 M
	Hard Costs	33.4 M
	Dev Fee	<u>4.5 M</u>
	TDC	\$ 45.35 M

SOURCES:	Senior Mortgage	\$ 10,000,000
	CRDA	6,500,000
	LiHTC	2,379,000
	Fed Hist Credits	7,347,000
	State Hist Credits	7,648,000
	Equity	2,000,000
	Grant	6,000,000
	Def Fees	<u>3,500,000</u>
	Total	\$ 45.350,000

RESOLUTION: *The executive director is authorized to lend to PennRose/Cloud (or such single purpose entity acceptable to CRDA) up to \$6.5 million at 1.5% interest only, for a five year period, with an adjustment of the interest rate and amortization schedule in year 5 and an overall term of 30 years, for purposes of converting the two former state office buildings at 18-20 and 30 Trinity Street, Hartford into 108 units of housing including 20% of them as affordable; subject to State Bond Commission approval, all financing sources being secured; and such fiduciary terms as deemed necessary by the executive director and CRDA counsel.*

241 Asylum Street

PROJECT: Performing subordinate loan (2018)
Loan assisted in converting vacant commercial space into 4 residential units.
Project is a 7-story historic mixed-use retail/residential/office space building.

DEVELOPER: Cast Iron Associates LLC
Keith Warner, Principal
Hartford CT

BACKGROUND: Multi-use historic building that was partially funded by CRDA in 2018. The overall \$2 million renovation had a mix of private and public monies. CRDA made a \$200,000 loan (3%/25 yr amortization/5 yr term) that was to be retired upon the monetization of state historic credits or five years, whichever occurred first. The CRDA funds were allocated from the CRDA Housing Revolving Loan fund (re-capitalized monies) and were used for the residential conversion portion of the overall project and refinanced/retired a city façade loan.

The principal balance of the CRDA note is \$174,109 and is current. The developer has asked to extend the term of the CRDA loan by one more year to allow for the finalization of the historic credit documentation and receipt of the equity resulting from the sale of the credits. The developer is also working to refinance the first senior note, but interest rate variation has stalled that refinancing.

RESOLUTION: *The Executive Director is authorized to extend the original term of the CRDA loan for one additional year or until the historic credit proceeds are monetized, whichever occurs sooner.*

**Regional
&
Economic Development
Projects
Committee**

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 8/29/2022 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 Hamilton Part 1	Construction & Environmental loan	\$4,000,000	City Funds loan	1/7/2022	6/16/2022	n/a	Loan Closed 9/1/2022 Work underway

5/15/2023

CRDA Redevelopment Projects

Project	Description	Promise Zone?	TDC	CRDA Amount	Structure	CRDA Board	Bond Commission Approval	Status
DoNo - Healthy Hub	Grocery Store	N	\$22.7m	\$8,500,000	Loan and cash flow note	9/20/2018	9/20/2018	Site selection process underway
Albany/Woodland	new construction mixed use project	Y	\$21m	\$5,500,000	Loan/Equity	3/16/2023	7/21/2020 and 7/23/2021	Pre-development
				\$ 14,000,000				

CRDA Rescinded Projects

Project	#	Units	TDC	CRDA Amt.	Mkt/AF Split	Structure	CRDA Bd. Approval	Bond Commission
105-7 Whyts	9		\$2.5M	\$800K	100	rescinded	5/18/2017 3/21/2019	11/29/2017
3 Constitution	49		\$1.7M	\$4,289	100	rescinded	9/19/2013	6/26/2019
289 Asylum	16		\$1.7M	\$575K	100	rescinded	4/25/2013	2/28/2014
East Hartford			\$	\$1.7M		reprog/zammung	6/21/2018	11/16/2014
Parkville Market 2			\$4M	\$3.5 M		alt financing	6/16/2022	7/12/2016
690-714 Albany	8		\$3.8M	\$2.5 M	AF	rescinded	6/21/2018	6/1/2018
200 Constitution	101		\$18.7M	\$2.5 M	90/10	expired	6/16/2018	7/25/2018
								7/29/2022

City-CRDA Revolving Loan Projects

Project	Description	Amount	Structure	CRDA Bd. Approval	Status
235-7 Hamilton-Part 1	Construction & Enviro. Clean-up	\$4M	Loan	6/16/2022	Loan closed, 9/22 work underway
525 Main	Housing Conversion	\$2.10	Loan 2.5%, 20 yrs.	10/21/2021	Closed, about to begin work
275 Pearl	Housing Conversion Foreclosure	\$2.86M	Loan 1.5%, 20 yrs.	10/21/2021	Closed work to begin
Bedford Commons	Rehab Aff. Units	\$1M	Loan 2%	10/21/2022	Pending CHFA
MILK	New Construction -155 units	\$2.38M	Loan 20%	2/16/2023	Pending Cap. Stack
Albany Woodland	New Retail Construction	\$7M	Grant	3/16/2023	Contract Development
Fuller Brush	Conversion	\$3M	Loan 2%	5/19/2022	Pending Closing

5/15/2023

23

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 EHBN 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	\$1,340,000	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	Four structures demolished to date Plans for demolition of McCartin school underway
East Hartford	Acquisition and Redevelopment of Silver Lane Retail	\$10,500,000	Grant	9/9/2021	9/16/2021	12/21/2021 & 5/26/2022	Town has acquired site - demolition planning underway

4/11/2023

¹ Transferred to CRDA from other State Agencies

Town of East Hartford Demolition Funding Request

Background: The Town of East Hartford is seeking to use \$10 million of the CRDA funds designated for its use by the General Assembly for demolition, abatement and site work at various development sites.

Some of the funding would be dedicated to abatement and demolition of two office buildings and an outdated garage on and adjacent to the Founders Plaza site on East River Drive. The site's location along the Connecticut River and a short walk from Downtown Hartford across the Founder's Bridge, make it highly desirable for mixed-use development. The Town is working with a development team to finalize a master plan and demolition of these structures would clear the site for the first phase of a significant multi-phase project. .

In 2018, CRDA approved a \$500,000 grant that was used for a structural evaluation of the garage and preliminary site planning at Founders Plaza.

Demolition sites also include the former McCartin school, located on Canterbury Street in the center of a residential neighborhood. Constructed in the late 1950's, the building has been used as a senior center and town office space since the school was closed in the early 1980's. The Town plans to raze the building and offer the site to a developer for construction of approximately 16 single family homes. CRDA staff are currently overseeing environmental investigations in the building and demolition design.

RESOLUTION:

The CRDA Board of Directors authorizes the Executive Director to apply to the State Bond Commission for \$10 million from the designated CRDA/East Hartford authorizations to provide a grant in aid to the Town of East Hartford for demolition, abatement and site work at various sites, including the former McCartin school and parcels on or adjacent to Founders Plaza. The Executive Director is authorized to enter into appropriate assistance agreements with the Town of East Hartford for such grant and to utilize CRDA staff to assist the Town with these projects.

Town of East Hartford Amendment of Showcase Cinemas Allocation

Background: In 2016, the State Bond Commission allocated \$12 million in Urban Act funds for public infrastructure improvements for redevelopment of the Silver Lane and Rentschler Field corridor. Those funds were subsequently designated for the former Showcase Cinemas site and two years later, the Bond Commission amended its allocation to allow the funds to also be used for property acquisition, demolition and remediation.

Since that time, CRDA has utilized approximately \$5 million of those funds for abatement and demolition of the theater building. The Town has partnered with Jasko Zelman Partnership and planning is underway for a roughly \$80 million development consisting of 300+ units of housing on the site.

The Town seeks to use the remaining \$7 million in Urban Act funds to support the actual construction of the new residential units at the site. The funds will be matched by \$3 million from the Town that will be used for public infrastructure and site work. In order for the CRDA funds to be utilized for site work and construction, the original Bond Commission resolution will need to be amended.

RESOLUTION:

The CRDA Board of Directors authorizes the Executive Director to request that the State Bond Commission amend its 2018 resolution allocating \$12 million in Urban Act Funds for redevelopment of the Silver Lane and Rentschler Field corridor in East Hartford to allow such funds to also be used for site work and residential construction, as well as for acquisition, demo, abatement and public infrastructure improvements.

Venue Committee

XL Center

**Retail Sports Wagering Cooperative Agreement
(the “Cooperative Agreement”)**

Background:

CRDA is in the process of constructing a Retail Sportsbook located at the XL Center, which upon completion shall be subleased to an Operator (chosen by the Connecticut Lottery Corporation (“CLC”)) via a separate agreement between the CLC and said Operator.

CRDA and CLC desire to memorialize the manner and their respective obligations with respect to this cooperative joint effort through the proposed Cooperative Agreement.

CRDA Responsibilities:

- Buildout of the Sportsbook, including all cost and expenses associated with the buildout
- Cost and expenses relating to personnel, maintenance, insurance, utilities, licenses, etc.
- Physical security and security personnel
- Provision of ten reserved parking spaces for Sportsbook patrons at no cost to the patrons

CLC Responsibilities:

- Operator shall provide Betting Machines
- Staffing and managing the sports betting operation
- Branding and marketing of the Sportsbook

OPM Responsibilities:

OPM shall distribute the Retailer Revenue Share to CRDA on a quarterly basis.

Term:

Concurrent with CRDA’s management of the XL Center.

MOTION

The CRDA Board of Directors hereby authorizes the Retail Sports Wagering Cooperative Agreement in accordance with the terms and conditions provided above.

**Agreement between the Office of Policy & Management and CRDA
Concerning Proceeds from Retail Sports Wagering at the XL Center
(the “OPM Agreement”)**

Background:

Section 427 of Public Act 22-118 requires the Connecticut Lottery Corporation (“CLC”) to certify to OPM, on a monthly basis, the amount that CLC transfers to the General Fund from the proceeds of retail sports wagering at a retail sports wagering facility at the XL Center in Hartford that exceeds the payment of prizes and winnings, the payment of any federal excise taxes applicable to such sums received, the payment of current operating expenses and the funding of approved reserves of CLC (“XL Center Wagering Proceeds”).

Additionally, Section 428 of Public Act 22-118 authorizes and requires the State of Connecticut, acting through OPM, to enter into an agreement with CRDA to distribute the XL Center Wagering Proceeds to CRDA on a quarterly basis.

CRDA and OPM desire to memorialize the manner and their respective obligations with respect to the distribution of the XL Center Wagering Proceeds through the proposed Agreement.

CRDA Responsibilities:

CRDA agrees to expend the XL Center Wagering Proceeds for the operation of the XL Center while maintaining sound fiscal control, effective management, and efficient use of the XL Center Wager Proceeds.

OPM Responsibilities:

OPM shall distribute the XL Center Wagering Proceeds to CRDA through CORE on a quarterly basis.

Each distribution shall reflect the amounts certified by CLC in accordance with Section 427 of Public Act 22-118 with respect to the calendar quarter.

Term:

Concurrent with CRDA’s management of the XL Center.

MOTION

The CRDA Board of Directors hereby authorizes the Agreement between the Office of Policy & Management and CRDA Concerning Proceeds from Retail Sports Wagering at the XL Center in accordance with the terms and conditions provided above.

Pratt & Whitney Stadium
at
Rentschler Field

**MOTION TO AMEND THE MEMORANDUM OF
UNDERSTANDING BY AND BETWEEN THE OFFICE OF
POLICY & MANAGEMENT (“OPM”) AND THE CAPITAL
REGION DEVELOPMENT AUTHORITY (“CRDA”) RELATING
TO PRATT WHITNEY STADIUM AT RENTSCHLER FIELD**

- On August 28, 2014, OPM and CRDA executed an Amended and Restated Memorandum of Understanding relating to the management and operation of Pratt & Whitney Stadium at Rentschler Field (the “Original MOU”);
- On June 21, 2017, the parties amended the terms of the Original MOU to delegate certain additional responsibilities and obligations to CRDA in order to perform stadium operations in a more efficient and cost-effective manner (the “Existing MOU”);
- The Existing MOU is scheduled to terminate on June 30, 2023. The parties desire to amend further the Existing MOU to extend the termination date to June 30, 2028; and
- All other substantive terms and conditions of the Existing MOU will remain unchanged.

MOTION

The CRDA Board of Directors hereby authorizes to amend the Memorandum of Understanding by and between the Office of Policy & Management and the Capital Region Development Authority relating to Pratt & Whitney Stadium at Rentschler Field in accordance with the terms and conditions provided above.

**MOTION TO AMEND THE OVG MANAGEMENT
AGREEMENT AS IT RELATES TO PRATT & WHITNEY
STADIUM AT RENTSCHLER FIELD (the “STADIUM”)**

- On April 26, 2013, CRDA entered into a ten (10) year Management Agreement with OVG Facilities (f/k/a Global Spectrum L.P.) relating to the management of the Stadium, as amended (the “Existing Agreement”);
- The Existing Agreement is scheduled to terminate on June 30, 2023. The parties desire to amend the Existing Agreement to extend the termination date to June 30, 2024, in order to allow the CRDA/OPM staff to complete a competitive bid process for management services through a request for proposals; and
- All other substantive terms and conditions of the Existing Agreement will remain unchanged.

MOTION

The CRDA Board of Directors hereby approves to amend the OVG Management Agreement as it relates to Pratt & Whitney Stadium at Rentschler Field in accordance with the terms and conditions provided above.

**Connecticut
Convention
Center**

**MOTION TO AMEND WATERFORD VENUE SERVICES
HARTFORD L.L.C. AGREEMENTS RELATING TO
CONNECTICUT CONVENTION CENTER**

- On July 1, 2017, CRDA entered into a five (5) year Management Agreement and a coterminous Catering & Concessions Agreement with Waterford Venue Service Hartford, LLC (“Waterford”) relating to the management, sales, and marketing of the of the Convention Center as well as its catering & concession services (collectively, the “Agreements”);
- On February 25, 2021, the parties extended the terms of the Agreements due to circumstances relating to the State of Connecticut’s declaration of public health and civil preparedness emergencies, proclaiming a state of emergency as a result of the coronavirus disease outbreak in the State of Connecticut;
- The Agreements are scheduled to terminate on June 30, 2023. The parties desire to amend further the Agreements to extend the termination dates to June 30, 2024, in order to allow the CRDA staff to complete a competitive bid process for management services through a request for proposals; and
- All other substantive terms and conditions of the Agreements will remain unchanged.

MOTION

The CRDA Board of Directors hereby authorizes to amend the Waterford Venue Services Hartford LLC Agreement relating to the Connecticut Convention Center in accordance with the terms and conditions provided above.

Miscellaneous

The real reasons stores such as Walmart and Starbucks are closing in big cities

Nathaniel Meyersohn

New York CNN —

[Nordstrom](#). [Walmart](#). Whole Foods. Starbucks. CVS.

These big chains and others have closed stores in major US cities recently, raising alarm about the future of retail in some of the country's most prominent downtowns and business districts.

Several forces are pushing chains out of some city centers: a glut of stores, people working from home, online shopping, exorbitant rents, crime and public safety concerns, and difficulty hiring workers.

To reinvent downtown retail, drastic changes may be required.

That means denser neighborhoods with a broader mix of affordable housing, experiential retail, restaurants, entertainment, parks and other amenities, which won't happen overnight.

"Once [these cities] become true urban neighborhoods, then you will find retailing start to come back in different ways and forms," said Terry Shook, a founding partner at consulting firm Shook Kelly.

How policymakers remake their downtowns — with retail as a crucial attraction — will be crucial to [cities' fiscal health and regional economies](#).

Some of those policymakers, including both Republican and Democratic leaders, have pointed to crime as a chief reason for the closures, following videos of brazen shoplifting incidents.

"We're losing chain stores that are closing down. People who are being employed in those stores are losing their jobs" because of crime, New York City Mayor Eric Adams, a Democrat, [said](#) in February.

But the impact of shoplifting may have been overstated in some cases.

Walgreens said it saw a spike in losses, known as shrink, during the pandemic and cited organized retail crime in its decision to close five San Francisco stores in 2021. But it recently backtracked.

"Maybe we cried too much last year" about shrink numbers, a Walgreens executive [said](#) in January.

And instead of a strong correlation with crime rates, the closures aren't also a recent phenomenon.

San Francisco, Los Angeles, San Diego, New York City, Seattle, Miami and Chicago lost retail stores from the beginning of 2017 to the end of 2021, according to [research](#) from the JPMorgan Chase Institute, a think tank.

37

What's more, experts agree, the closures aren't just about crime. Several trends have converged to put these stores at risk.

Perhaps most key is the glut of stores in America.

According to [Morgan Stanley](#), from 1995 to 2021, more stores closed every year than opened. The trend became popularized as the "retail apocalypse."

So while the big-city closures may capture national attention, in reality they're often part of closures a brand implements across the nation.

"The logic of big box retail, period, is much weaker than it was 20 years ago or even 10 years ago," said David Dixon, an urban places fellow at Stantec, a global design firm.

For example, Walmart has shuttered about 40 stores since 2021 and will close 20 this year. Nordstrom will shut down 15 locations in 2023.

CVS also announced in 2021 that it will [close 900 stores](#) over three years.

Even at stores still in city centers, fewer people are often shopping.

One major factor here is the pandemic-fueled shift to remote work: Between 2019 and 2021, the number of people primarily working from home tripled from around 9 million people to 27.6 million people, according to the Census Bureau.

The rise of remote work has damaged urban downtown shopping areas, which were designed to cater to office workers commuting back and forth daily.

The typical office worker is now spending about \$2,000 to \$4,600 less per year in city centers, according to [research](#) from Nicholas Bloom, a Stanford University economist.

They're shifting that spending to the suburbs, as 1 million people also left city centers during the pandemic, he said.

Retailers have followed this shift.

They left more expensive cities like San Francisco and New York and headed to cheaper Sun Belt cities such as Phoenix and Houston, the JPMorgan Chase Institute found.

San Francisco lost around 6% of its retail establishments from 2019 to 2021, according to the think tank's research. Los Angeles lost around 4% and New York shed 3%.

Meanwhile, Houston and Phoenix gained 4% new retail establishments during that stretch.

Retail stores are also under pressure from the continued shift to online shopping.

E-commerce made up 14.7% of all retail sales during the final quarter of 2022, according to the

38

Census Bureau. The pandemic accelerated that growth.

For example, chain-store closures in New York City have correlated to the products most frequently bought online. Clothing, shoes, accessories, vitamins and electronics stores have fared the worst, said Jonathan Bowles, the executive director of the Center for an Urban Future, a public policy think tank.

And though crime isn't the biggest factor in many cases, higher levels of shoplifting and other losses have taken some toll.

Retail shrink hit \$94.5 billion in 2021, a 53% jump from 2019, according to the National Retail Federation's annual survey of around 60 retail member companies. (The largest contributor to shrink is customer theft, but the metric also includes employee theft, human errors, and other losses.)

Finally, struggles to recruit workers at higher wages and punishing rents in cities have contributed to retail closings.

In San Francisco, the average rental price listed by landlords during the first quarter of 2023 was \$43 per square foot, nearly double the national average, according to Cushman & Wakefield data. In New York, it was \$32 per square foot and \$33 in Los Angeles.

In cities where retailers are growing, such Phoenix, Houston and Dallas, average rental prices were \$22 and \$23 per square foot.

There's no easy fix to slow the exodus of retail chains from cities.

Replacing a Nordstrom with another department store, or swapping out a CVS for a different drug store chain, is unlikely to be sustainable, experts say.

"It's a really tough problem for cities and economic developers," said Chris Wheat, the president of the JPMorgan Chase Institute. "How do you make these live, work and play neighborhoods? That was a question before the pandemic, but it's become more salient now."

It hearkens back to urbanist Jane Jacobs' influential 1958 essay "Downtown is for People," in which she argued a vibrant street life was crucial for neighborhood safety and community.

It is this model, focused on the vitality of the streets and the people who inhabit them, that's needed to create lively and exciting communities and shopping areas.

Streets could be blocked to cars on weekends and other hours. Cities can also host street fairs, food festivals, live music, art exhibits and other events to draw foot traffic downtown.

These so-called "placemaking" investments — which Bowles notes are "not massive, billion-dollar" investments — could be supported by special business improvement districts, where local stakeholders fund the maintenance and promotion of the area.

If the future of shopping is not giant department stores, a wider mix of stores will be needed to make

39

downtowns more appealing.

Traditionally, retail landlords seek out the longest leases. But that makes it difficult for new stores to open.

Cities can provide financial incentives to encourage landlords to offer temporary and more flexible leases and loosen regulations to speed up the permitting process for them.

This will allow for pop-up stores, seasonal retailers and a mix of food and drink vendors.

“Can retail be more responsive?” said Paco Underhill, the founder of behavioral research and consulting firm Envirosell. “Can you have a space that is Crocs during summer and Canada Goose during winter?”

Then there are more intractable challenges, such as improving public transit and creating more [affordable housing in downtown areas](#).

Zoning laws need to be updated to allow for redevelopment of some vacant office buildings and commercial real estate into affordable housing.

The density of housing that will replace some office and commercial spaces matters, said David Dixon from Stantec. People want to shop just minutes from their homes, and a critical mass of housing is needed to sustain surrounding retailers.

“A vibrant downtown, full of housing, can bring its streets to life,” he said. “It’s a much larger story than the fate of retailers themselves.”

40