

Capital Region Development Authority
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Thursday, June 15, 2023
3:00pm – Teams Meeting

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

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

Board Members Absent: Alexandra Daum; Mayor Luke Bronin; David Jorgensen

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

Guests:

The Michael’s Organization – Director of Development, Geoff Lewis; Jay Russo, VP of Development; Principal, Rens Hayes
 Amenta Emma Architects – Principal, Anthony Amenta; Jeremy Jamilkowski
 CT Convention Center – Waterford Management, General Manager Michael Costelli
 XL Center & Pratt and Whitney Stadium at Rentschler Field – Oakview Group, General Manager, Ben Weiss; Aileen Sheluck; Pearson Davis; Charles Tillam

Minutes

“The May 18, 2023 CRDA Board meeting minutes were moved by Bob Patricelli seconded by Joanne Berger-Sweeney and approved at the June 15, 2023 Board Meeting.”



Presentation – The Michael’s Organization

Mr. Lewis and Mr. Amenta presented a Power Point slide presentation on the Bushnell South Building Concepts with the following summary of the project highlights:

BUSHNELL SOUTH PROJECT
 The Michaels Organization
 Amenta | Emma
 June 15, 2023

Project Highlights
 233 units in two mid-rise buildings plus approximately 3,500 square feet of retail

Building	Studio	1BR	2BR	TOTAL
8-story CLT	0	109	24	133
5-story wood frame	84	16	0	100
TOTAL	84	125	24	233


WHAT IS MASS TIMBER CONSTRUCTION?
 Mass Timber construction is a construction typology where the primary load-bearing structure is made of solid or engineered wood.


Wood structural elements include:

- Columns
- Beams
- Cross Laminated Timber Floor Plates

WHY USE MASS TIMBER?

- Sustainability
- Aesthetics
- Construction Schedule
- Low Carbon Footprint
- Cutting Edge Technology
- Thermal Performance
- Biophilic Design





Mr. Patricelli expressed that it seems to depart from the Goody Clancy concept of having restaurants and retail bordering the whole exposure to the new park next to the state office building. He also expressed his surprise at seeing a big surface parking lot as the interior to these buildings.

He asked about the economics and whether underground parking is possible. Mr. Lewis said that it is frightfully expensive, and it is not something that can be done from a financial standpoint. One of the things that TMO tried to do with this plan is hide the parking. It is hidden by the two larger buildings and the townhouses. Mr. Robinson asked if the one hundred parking spaces is sufficient to support the housing. Mr. Lewis said that is conducive to people who want to live in the city, those people either have no car or fewer cars. He also said that ride sharing services can be used such as envoy cars share. There are also two other parking garages nearby that can be utilized.

Mr. Freimuth suggested that two or three members of the Board could sit on the working committee because this needs more thought and attention. If Board members are interested, please reach out and let us know.

Mr. Bessette indicated to the Board that if anyone has more questions to send them to Mr. Freimuth and/or staff and they will be forwarded to Tony Amenta for a response.

Mayor Reports

Hartford – Randal Davis gave a brief report regarding Hartford in Mayor Bronins' absence. Mr. Davis said that the City is extremely busy in terms of the building that is taking place. Permits have reached a record high this year because it is so busy.

East Hartford – Mayor Walsh gave a brief report regarding the following projects.

Silver Lane Plaza – Demolition on the main structure could come as early as September. Relocation plans for the two businesses are ongoing. There is relocation of eleven tenants underway, two in the main building and the remaining are in the two other buildings. Demolition of the two remaining buildings will take place possibly in 2024.

National Development – two large warehouse buildings. The Lowe's warehouse is seven hundred yards long. The floor is being poured in twelve sections, each section takes 90 loads of concrete.

Concourse Park at Showcase – apartments are going onto the old Showcase Cinema site. Jasko's financing package is due by September 30, 2023.

Simon Konover Riverview Apartments – 130 apartment units have been assigned to the tax policy board. This will go to the town council soon.

Founder's Plaza – this will be covered in the regional committee update and includes a request for demolition funds from the State Bond Commission.

Church Corner's Inn – there is a pause with this project. It is a 110 year old building that would make 24 market rate apartments with some set aside for low income. The problem is, in 1910 the building code was different from the current building codes so the iconic front façade cannot accommodate any more than a six foot individual going into the building. It has been decided that it will go on the market in twelve weeks or so.

McCartin School to Homeownership – sixteen houses will be built on site. Waiting on final specs for demolition.

Post Office – it is not likely that they will sell. A land lease has been proposed however they are extremely slow in their response.

Finance

CRDA CFO Joseph Geremia reported on the following Financial Update for June 2023. Mr. Geremia noted that CohnReznick has started CRDA audits of preliminary FY23 financial activity. Mr. Geremia noted that the State Auditors of Public Accounts have been performing their audit of FY21 and FY22 compliance for three months now and will hopefully complete their audit soon.

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 2023 Financial Statements for the Nine Months Ending 3/31/2023

Balance Sheet

- Current cash increase reflects timing differences with state funding regarding housing construction drawdowns, funding of the municipality housing program, and increase in venue event deposits
- Accounts receivable increase due to XL Center sport seasons' billings
- Non-current housing loan's receivable increase reflects housing construction drawdowns from 315 Trumbull St., 237 Hamilton St., 213 Lawrence St., and 55 Elm St. projects as well as Park & Main St.
- Accounts payable net increase relates to timing differences in state funding within the CRDA Housing Initiative program, escrowed funding of the municipality housing program, and an increase in escrowed venue event deposits
- Due to State-contract assistance increase due to 12/15/22 debt service

Statement of Revenues, Expenses and Changes in Net Position

- Grant Income reflects State appropriation funding
- Other Income reflects CRDA housing loan origination fees
- FY23 ARPA funding in the amount of \$2.5M received in 4th Quarter
- Combined facilities income and expenses referenced in venue financial projections

Fiscal Year 2023 Operating Statistics

CT Regional Market - Apr. 2023

Stats: Occupancy: 82% with 14 tenants

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

Apr. financials: Operating revenue \$79,800 favorable to budget due to seasonal parking agreements and increased billboard revenues

Operating expenses \$134,700 favorable to budget due to savings in utilities, maintenance, and security

Net income of \$341,500 favorable to budget by \$214,500
Total year projection of \$328,500 net income favorable to budget by \$178,000

CRDA Parking Facilities – Apr./May 2023

Stats (May): Utilization of 69% is favorable to budget by 8%
Apr. financials: Revenues \$570,000 favorable to budget due to transient and validation revenues
Expenses \$220,600 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 of \$753,000 favorable to budget by \$350,000
Total year projection of \$663,000 net income favorable to budget by \$260,000

Church Street Garage – Apr./May 2023

Stats (May): Utilization of 14% is unfavorable to budget by 3%
Apr. financials: Revenue unfavorable to budget by \$541,500 due to reduction in corporate monthly parkers offset slightly by an increase in corporate validations
Expenses \$928,000 favorable compared to budget due to deferral of CRDA facility support as well as savings in insurance and snow removal
Net Loss of \$473,800 favorable to budget by \$386,800
Total year projection of \$365,000 net loss favorable to budget by \$378,000

Bushnell South Garage – Apr./May 2023

Stats (May): Averaging 175 state vehicles per day-46% utilization
Apr. financials: Revenues \$23,300 favorable to budget due to transient revenues
Expenses \$12,600 favorable compared to budget due to savings in personnel
Net Loss of \$241,500 favorable to budget by \$35,900
Total year projection of \$290,000 loss favorable to budget by \$35,000
Projected net loss covered through CRDA appropriation
Bushnell Theatre event parking cooperation – operations personnel coordination

XL Center – Apr. 2023

Event Update: Hosted 101 events vs. budget of 110 events including 36 Wolfpack games, 8 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
Apr. financials: Event revenue \$311,000 favorable compared to all event type budgets
Other Income \$6,900 favorable compared to budget
Operating expenses \$124,200 unfavorable compared to budget due to increases in credit card fees offset with savings in personnel
Hockey operations \$757,000 favorable compared to budget due to increased game revenues as well as savings in sales personnel and home game expenses
Net Loss of \$1.42M favorable to budget by \$953,600
Total year projection of \$2.859M loss favorable to budget by \$436,000
Projected net loss covered through CRDA appropriation

CT Convention Center – Apr. 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

Apr. financials: Revenues \$1.4M favorable to budget due to increased revenues from “GLOW, Winter holiday event” and increased food & beverage revenues from public shows
Expenses \$88,500 unfavorable to budget due to higher utilities usage offset slightly with savings in event personnel and expenses
Net Loss of \$2.98M favorable to budget by \$1.3M
Total year projection of \$4.75M loss favorable to budget by \$505,000
Projected net loss covered through CRDA appropriation

P&W Stadium at Rentschler Field – Apr. 2023

Event Update: 6 UConn football games with 40 parking lot and catered events held
Apr. financials: Event revenue \$383,000 favorable compared to budget with \$305,000 due to UConn football paid ticket surcharges and F&B revenues and \$78,000 due to increase in catered events
Operating expenses \$186,000 favorable compared to budget due to savings in personnel, utilities, as well as repairs & maintenance
Other Income \$46,400 favorable to budget due to increased sponsorship partners
Net Operating loss of \$398,000 favorable to budget by \$615,000
Total year projection of \$1.045M loss favorable to budget by \$279,200
Projected net loss covered through State/CRDA appropriation

Fiscal Year 2024 Budgets

Mr. Geremia gave an update on the budget process, noting that CRDA prepares and reviews thirteen budgets. Mr. Geremia explained that all budgets being presented are subject to available funding and appropriations from the State of Connecticut and all budgets are fully funded. Mr. Geremia thanked all staff of the venue management companies for their work in the preparation of their respective venue budgets as well as members of the Executive and Finance Committee for their review of all budgets earlier this month.

FY2024 Budget Process

1. Management companies/CRDA staff prepared draft budgets (March through May)
2. CRDA staff reviewed draft budgets followed by appropriate adjustments (May/June)
3. CRDA Board Executive & Finance Committee members reviewed budgets with CRDA staff (June)
4. Full Board presented budgets for authorization (June)
 - All budgets subject to available funding and appropriations from the State of Connecticut
 - All budgets fully funded

Mr. Geremia noted that for the first time, CRDA’s appropriation includes funding for the Stadium at Rentschler Field. He also mentioned the use of approximately \$77,000 of ARPA rollover funding available for venue support during Fiscal Year 2024.

CRDA State Appropriation Allocation Request

	<u>FY24 Appropriation</u>	<u>FY24 ARPA Allocation</u>
CRDA Office	\$ 1,619,942	\$598,934
Bushnell South Garage	\$ 400,000	\$ 0
XL Center	\$ 2,280,000	\$ 0
Convention Services Program	\$ 100,000	\$100,000
CT Convention Center	\$ 5,650,000	\$ 0
P&W Stadium ¹	\$ 650,000	\$ 0
Total	\$10,699,942	\$698,934

¹ - P&W Stadium at Rentschler Field financial results are reported within the operations of the Office of Policy and Management contained in the Consolidated Financial Statements of the State of Connecticut and are not included within the Financial Statements of CRDA.

CT Regional Market **FY24 Operating Budget [Net]: \$121,836**

The Regional Market is funded through three sources. The market receives lease revenue for refrigerated agricultural space, farmers' market fees, and billboard revenue. CRDA will be working with State agencies to determine the financial feasibility of converting static billboards to electronic billboards. Operating expenses consist of maintenance, utilities, security, facility management fees, and transitional expenses, as well as net operating expenses of \$28,881 associated with the farmers' market.

Front Street District **FY24 Operating Budget [Net]: \$80,538**

The Front Street district is funded through PILOT revenues received from HB Nitkin, the district's retail operator. Operating expenses consist of insurance, median and bridge maintenance, utilities, snow removal, and misc. expenses.

CRDA Parking Facilities, Central Utility Plant, and Bond Indenture/Trustee Budgets

The operations and budgets for the CRDA Parking Facilities, Central Utility Plant, and Bond Indenture/Trustee budgets are related to the economic activity generated by the CT Convention Center. Their revenues are netted together with excess funds sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

CRDA Parking Facilities **FY24 Operating Budget [Net]: \$330,687**

The CRDA Parking Facilities include the garages located at the Connecticut Convention Center, the Connecticut Science Center, and the two garages on Front Street, Front Street North and South garages. These garages generate revenues through monthly parking contracts, employee parking, and residential parking contracts. Additional revenues are generated through convention center and hotel events, transient parking, and parking along Front Street.

Central Utility Plant (CUP) FY24 Operating Budget [Net]: \$0 (Breakeven)

The central utility plant ("CUP") is governed by an energy sharing agreement, administered by CRDA, between the Connecticut Convention Center, the Marriott Hotel and the Connecticut Science Center whereby each party is required, among other things, to fund a certain portion of the CUP's operations, debt service and capital needs.

FY24 Budgeted Net Operating Gain of \$0.

Bond Indenture/Trustee **FY24 Operating Budget [Net]: \$4,198**

Revenues from the CRDA Parking Facilities and the CUP are deposited with the Trustee. CRDA then allocates a Board-approved budget to fund the expenses of the operations, capital needs, and the costs associated with the bond debt service. Of these funds, \$936,000 is allocated towards the remaining \$4.7 million of the 5-year capital plan that totaled \$6.7 million. Excess funds are sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

Church Street Garage **FY24 Operating Budget [Net]: \$17,961**

The Church Street Garage generates revenues through monthly parking contracts, corporate validations, transient parking, and through events held at the XL Center.

Expenses include payroll and benefits, insurance, security, utilities, maintenance, and snow removal. Mr. Geremia noted that this garage has historically provided funding to the XL Center but is unable to do so next fiscal year.

Bushnell South Garage FY24 Operating Budget [Net]: \$30,823

The Bushnell South Garage provides parking for State employees from a number of State agencies as well as the Judicial branch. The garage also has the ability to generate revenue in the evening and during weekends by providing parking to patrons of the Bushnell Theatre.

Expenses include payroll and benefits, insurance, security, utilities, maintenance, and snow removal.

FY24 Net Operating Loss of \$369,177 without CRDA appropriation.
Projected CRDA appropriation of \$400,000.

XL Center FY24 Operating Budget [Net]: \$19,601

The XL Center generates operating revenues through rental income, ticket fees, and ancillary income comprised of food and beverage income and from novelty and club income. Net ticket revenue is not retained by and is not reflected in the venue's financials. Events held at the XL Center include concerts, UCONN men's and women's basketball, UCONN hockey, misc. sporting events, and family events. The AHL hockey operations is recorded as a net subsidy.

Operating expenses are facility overhead costs as well as administrative, financial, marketing and sales expenses.

FY24 Net Operating Loss of \$2,260,399 without CRDA appropriation.
Projected CRDA appropriation of \$2,280,000.

Convention Services Subsidy Program FY24 Operating Budget [Net]: \$33,250

Contractual event subsidies are used at the CT Convention Center as a marketing tool to draw business to the city and the Convention Center which has significant economic impact to the state. The event inducements, or event subsidies, or event rebates, are used by groups to offset expenses such as transportation, convention center costs or marketing of the convention. There are guidelines on their use and a formal approval process within the convention center and CRDA.

The convention subsidy program is funded through two sources. The program receives a state appropriation which includes ARPA funds for FY24 and a parking subsidy from the CRDA Parking Facilities due to the increased revenue generated by booking these city-wide events.

Projected CRDA appropriation of \$100,000 and ARPA funding of \$100,000.

Mr. Geremia noted the Executive Committee's support for increased funding in this program to help bring events to downtown Hartford.

CT Convention Center FY24 Operating Budget [Net]: \$0 (Breakeven)

The Connecticut Convention Center net event revenues through building rental income and through event services income for rental of equipment and decorating. The remaining net event revenues represent net food and beverage income with catered events representing 75% and concession income representing 25%.

Expenses are divided into operating expenses, fixed costs, and debt service. Operating expenses consists of all payroll-related expenses as well as administrative, financial, marketing, and security. Fixed costs consist of maintenance, utilities, insurance, and management fees.

FY24 Net Operating Loss of \$5,650,000 without CRDA appropriation.
Projected CRDA appropriation of \$5,650,000.

CRDA Office FY24 Operating Budget [Net]: \$543,117

The CRDA office is funded through numerous sources. The Authority receives a state appropriation, program administrative fees through its management of capital projects at its venues and throughout the region as well as loan origination fees through the residential housing program. The Authority also generates interest on its residential housing loans as well as accrued interest on its residential housing loans and non-residential housing investments payable to the Authority in the future.

Expenses are for payroll and benefits which is transferred to the State Treasurer and fees including legal, auditing, information technology, and consulting. Administrative expenses also include insurance and office expenses which includes marketing, telephone, and office supplies.

Projected CRDA appropriation of \$1,619,942 and ARPA funding of \$598,934.

Mr. Geremia noted that this budget includes an additional construction services superintendent, facilities manager, accountant as well as a 3% COLA and 3% market adjustment for staff effective July 1, 2023. This budget also includes funding for outside legal counsel and administrative assistance, and employee adjustments as needed.

Pratt & Whitney Stadium @ Rentschler Field FY24 Operating Budget [Net]: \$9,082

Financial results of the Stadium at Rentschler Field are reported within the operations of the Office of Policy and Management contained in the Consolidated Financial Statements of the State of Connecticut and are not included within the Financial Statements of CRDA.

Pratt & Whitney Stadium revenues and expenditures are managed through an Operating Account and an Enterprise Fund, a special revenue fund of the State of Connecticut specifically dedicated to the stadium. This mechanism assures that revenue from non-UConn events and other event revenues are dedicated to the venue's operating expenses. Non-UConn events must produce revenues in excess of expenses and any earnings are retained by the Enterprise Fund for the facility.

The Stadium generates operating revenues through rental income, ticket fees, and ancillary income comprised of food and beverage income and from parking fees. Net ticket revenue is not retained by and is not reflected in the venue's financials. Events held at the Stadium include UConn football, international soccer games, as well as catered and parking lot events.

Operating expenses are facility overhead costs as well as administrative, financial, marketing and sales expenses.

FY24 Net Operating Loss of \$890,918 without CRDA appropriation.
Projected State appropriation of \$650,000 and UConn operating assessment of \$250,000.

Mr. Geremia introduces Mr. Costelli who provided an update on the convention industry noting that post pandemic convention business is expected to return between 2025 and 2026. Mr. Geremia introduces Mr. Weiss who provided an update on collegiate sports and concert scheduling as well as positive momentum regarding Hartford Wolfpack sales.

The following motion was moved by Andrew Diaz Matos, seconded by Randal Davis and approved.

“The CRDA Board of Directors hereby authorizes the FYE 2024 State Appropriation and American Recovery Plan Allocation requests and the eleven FYE 2024 Budgets under the scenarios recommended by management subject to available funds known as: CT Convention Center; Convention Services Subsidy Program; XL Center; CT Regional Market; Front Street District; Bond Indenture/Trustee; Central Utility Plant (CUP); CRDA Parking Facilities; Church Street Garage; Bushnell South Garage; and CRDA Office; and for OPM review and recommendation purposes, Pratt & Whitney Stadium @ Rentschler Field.”

Mr. Bessette thanked Mr. Geremia for his hard work and mentioned the State appropriations helped in the budgeting process. Mr. Geremia thanked all Board members who participated in the budget process.

Housing & Neighborhood Committee

Committee Chairwoman Joanne Berger-Sweeney reported on the projects that were listed on the project sheets. Mr. Freimuth said no projects were moved through the committee in June. He added that all of the current projects are in construction or dealing with interest rate variables. There is nothing new this month for the Board to act on.

Generally speaking, all of the occupancies are staying in the ninety percentile and the buildings that came on in late Spring have leased up. There are a few others that are under construction. 200 Constitution has been removed from the list and the funds will be reprogramed.

Andrew Diaz Matos asked what the status is on the litigation for the baseball stadium. Mr. Freimuth responded that the second phase of DoNo, including the CRDA funds is now on hold.

Regional and Economic Development Projects Committee (RED)

The committee did not meet in June. The only update is the Albany Woodland project with the city is the priority project that is being pushed along as well as a few projects that Mayor Walsh mentioned in his report. Bob Patricelli asked if CRDA is taking any position on the federal courthouse up matter. Mr. Freimuth indicated that he is going to speak to this matter in the Executive Director Report.

Venue Committee

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

Pratt & Whitney Stadium

A Guatemala vs. Venezuela soccer match will be held at the Stadium this Sunday, with estimated attendance of around 6,000. Tickets will go on sale next month for the U.S. vs. Germany match scheduled for October 14th. Attendance at that match is expected to exceed 35,000.

The bond package approved by the General Assembly last week included \$12 million in both FY24 and FY25 for repairs and improvements at the Stadium. This funding is consistent with the five-year \$60m renovation plan outlined in the Populous report.

XL Center

The Lizzo concert cancelled on May 6th due to the singer's illness was held on Tuesday of this week, with over 10,000 tickets sold.

Other upcoming events include an All-Elite Wrestling (AEW) event on July 29th and a two-night Hot Wheels Monster Truck Live event in August.

Some improvement work is underway in the building, including the new sports betting lounge. Work has begun on construction drawings for the “lower bowl strategy” of renovation and these drawings will be incorporated into bid documents to be issued later this summer.

The public-private partnership arrangement between CRDA and OVG that will enable the renovation was granted legislative approval last week. A full update on this and other legislation will be provided later in the meeting.

Mr. Freimuth mentioned that there is a FAQ on the XL deal structure for sports betting in the package that the legislature just approved. There will be three benchmarks on the XL agreements: 1) extension of the CRDA city operating agreement, of which is on year thirteen of a twenty-year deal and this needs to be made coterminous with the OVG Agreement 2) the OVG Agreement needs to be approved which will mirror the terms outlined in the legislation 3) get the bids in and have the budget hold. The FAQ is also posted on the CRDA webpage.

Connecticut Convention Center

In addition to funds for the Stadium, the bond package also includes \$5m in both FY24 and FY25 for Improvements at the Convention Center.

Tickets have gone on sale for the Beyond King Tut immersive experience which will open at the Convention Center on August 11th. The show commemorated the 100th anniversary of the discovery of the King Tut’s tomb. The show will run through October 15th.

Upcoming events include the popular ConnectiCon convention in July and the RetroWorld Expo gaming convention in August.

Executive Director Report

Mr. Freimuth reported on the following items:

Federal Courthouse

To Bob Patricelli’s earlier point, there is an outline, regarding the federal courthouse, that was presented at a public hearing on June 6, 2023. Mr. Freimuth testified and subsequently sent a letter to the General Services Administration, the department that is in charge of putting this together, essentially objecting to the overall process. It is a little premature to settle on just three sites. In particular, there are a lot of moving pieces out there from the DOT’s Transportation and Mobility Study to the Hartford 400 Study to the Master Plan calling for ten transformative projects, one, of which, is Bushnell South; to the Goody Clancy Plan and the State Statutory Capital District Plans. None of that was considered or at least it is quite difficult to discern if it was. It would be best if they took a step back from this and took a fresh look at what might be the best site for the federal courthouse from the perspective of these multiple planning efforts. Bob Patricelli indicated that Mike’s comments were on point.

89 Arch Street, Hartford – Property Purchase

Anthony Lazzaro gave an overview of the background and indicated the following regarding this property purchase by CRDA:

Background:

- The Adriaen's Landing Statutes and the Master Plan have always anticipated the acquisition and development of the parcel of property located at 89 Arch Street (formerly home to the "Blind Pig"). In 2018, the neighboring parcel was formally added to the District, so this is the last remaining parcel to be acquired/developed. OPM and CCEDA/CRDA were hesitant to use eminent domain to obtain the property, but once the opportunity to acquire the parcel by purchase presented itself, we have elected to act.
- In 2017, CRDA received \$7M in bond authorization restricted for use within the Front Street District; namely, environmental monitoring and other development. To date, none of this money has been spent; however, the Bond Commission recently authorized (December -allocated) \$2M to CRDA for environmental monitoring and this development.

Existing/Proposed Terms:

- Purchase Price: an amount not to exceed \$650,000
- Purchase shall include all rights, interests, and fee simple title for the real property located at 89 Arch Street and all buildings and improvements located thereon and appurtenances thereto.
- The Premises are subject to that certain lease of the Premises by and between Seller/Landlord and Tenant.
- Purchase is subject to the completion of CRDA's due diligence and all necessary approvals.

The following motion was moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

"The CRDA Board of Directors hereby authorizes the Executive Director to execute a purchase and sale agreement and all manner of other related documents embodying the terms and conditions provided above."

Mr. Freimuth continued with the following project:

Parkville BID

Background: A variety of development projects are underway in the neighborhood, including several financed by CRDA. The Parkville Market, a CtFastTrak station, several commercial areas, former industrial properties being converted or planned for residential use, arts and entertainment and developments in nearby West Hartford on Park Street all define the area. Several property owners/developers have inquired about CRDA assistance to create a business improvement district (BID) that will help sustain the work by increasing community involvement, improving security, promoting infrastructure and streetscape upgrades and assisting to advance a variety of projects.

BID: A business improvement district is a self-taxing area created via state statute and local ordinance. Over 50% of the property owners must agree to the increased assessment and a board of directors would be created to govern the entity. The downtown has had a BID for several years and the Parkville effort will be modeled along similar lines. Initially, Hands on Hartford, a 54 year old neighborhood nonprofit will serve as a fiduciary until the entity is organized.

Proposal: It is expected that the BID can be structured, approved and operationalized by the end of the calendar year. Organizers including several property owners and the Parkville NRZ are seeking CRDA assistance to contact property owners, secure a community vote, legally structure the entity, obtain the necessary municipal approvals and to initiate their first meetings. CRDA has asked for a working budget for this activity, evidence of property owner commitment and a longer-term plan to sustain the organization. It is estimated that this work would cost up to \$30,000 and a grant from CRDA has been requested.

Joanne Berger-Sweeney asked if there would be any connection between the two NRZ's as this is quite close to Trinity. This is less than a mile from the Trinity Campus. She said Trinity thinks this a transformative project if

it can be moved along. Mr. Freimuth responded stating that there is no intention to interfere with what is going on in the other district. There are obviously both policy's and economics that play into working together. That is something that can be probed deeper over the next few months. They have asked for representation from CRDA on whatever the BID Board of Directors will be. That will be for the CRDA Board to decide who and if. Mike suggests that would be the same request made of Trinity at some point. Mary Coursey has been working with the neighborhood and it would be on her agenda to follow up on any questions.

David Robinson asked for clarification that the scope of work that is laid out will be done by them, not CRDA, CRDA is just providing the funding. Mr. Freimuth responded that that is correct.

The following motion was moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

"The executive director is authorized to grant to the Parkville NRZ, via a fiduciary entity a grant up to \$30,000 for the purposes of establishing a business improvement district within the Parkville neighborhood with a focus on the Park Street corridor."

Construction Report

CRDA is going through some changes in our construction team. Mike Yost will be leaving for another job so CRDA is looking to replace him as well as hire another construction staff person.

525 Main - is now onto framing

275 Pearl (the firehouse) – the abatement program is wrapping up

55 Elm – working on the interior is underway

Hilton apartments – looking at late summer to bring them online

Double Tree – two floors are done – the goal is to have the Double Tree flag flying later this year

Sports book at XL – opening target date is Labor Day

East Hartford – last phase of the Storm Drainage Project begins in July

Legislative Summary

Mr. Freimuth said CRDA had a very good legislative session. The legislative summary is below:

Thanks to the Hartford Delegation, CRDA was able to sustain the budget that reflects the ramp down from the Covid numbers while still trying to ramp up the venues and the parking garages. As you can see in the budget earlier, the parking garages are being under utilized and the revenue streams are really down.

2023 Legislative Session – Approved Bills Impacting CRDA

- 1) **Annual Appropriations** – The approved FY24-FY25 budget authorizes \$10.7m and \$10.8m respectively for agency operations over the next two fiscal years. In addition, \$2.25m has been authorized in the current fiscal year for venue operations. (*House Bill 6941, section 1 and 258 as amended*).
- 2) **Bond Funding** – The approved FY24-FY25 bond package includes the following for CRDA projects:
 - FY24** - \$17m for CT Convention Center and Pratt & Whitney Stadium
\$5m for parking garages
\$15m for XL Center
\$25m for CRDA housing & neighborhood projects
\$10m for East Hartford projects
 - FY25** - \$17m for CT Convention Center and Pratt & Whitney Stadium
\$5m for parking garages

\$25m for CRDA housing & neighborhood projects
\$10m for East Hartford projects

The bond package also includes \$5m for the UConn Hartford campus for acquisition or leasing, planning, design and construction of new academic space.

(House Bill 6942, sections 2(i), 2(m)(2), 13(i), 21(g) and 32(h))

- 3) **XL Center Partnership** - Legislation has been approved allowing CRDA to enter into two separate agreements with OVG concerning management and operation of the XL Center and its reconstruction and renovation. Among other provisions, the management and operation agreement must require that OVG invest in the renovation of the XL Center and bear any losses and share in any profits from the facility's operation. Specifically, CRDA must contribute no more than \$80 million toward the renovation, while OVG must contribute at least \$20 million.

(House Bill 6941, sections 410-412)

Other Business

In October, RFP's for Management of the CT Convention Center & Rentschler Field will go out as well as Legal and Audit RFP's.

Annual Report due to the Legislature in September.

Mr. Freimuth said he wants to acknowledge Joseph Geremia and his team for a job well done as they have been dealing with two audits as well as thirteen budgets as well as day-to-day matters.

Bob Patricelli asked if we could invite Goody Clancy to offer their comments on the Michaels proposal. Just to make sure that we are staying true to the concepts that we adopted in that master plan. Mr. Freimuth said yes.

Andy Bessette said that he would just concur that Mike Freimuth and his staff do a phenomenal job and as we head off for July/August hiatus, I will count on you to call us back if we need to take any action prior to reconvening in September. Thank you to you and your staff, you all do excellent work and you make us look good.

Public Mural

As discussed, the Hartford Public Arts Council is looking to create a mural on the Church Street Garage. Tony is confident that an agreement administratively can go forward subject to all of the easements, insurance and permission that will be needed. However, CRDA will bring back the final art to the full Board to ensure that the Board will be comfortable with what is going to be created.

Adjourned at 4:45pm

Next meeting – September 21, 2023 at 3:00pm.