

CRDA Regional and Economic Development Committee

Thursday, January 11, 2024

3:00 pm

Agenda

- I. Approval of Minutes from November 13, 2023*
- II. Project Updates
 - a. Albany and Woodland*
- III. Next Meeting – February 8, 2024
- IV. Adjournment

Microsoft Teams meeting

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

Members Present via Microsoft Teams: Randal Davis and Pam Sucato

Other Board Members Present via Microsoft Teams: Board Chair David Robinson and Bob Patricelli

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

Guests Present via Microsoft Teams: Eileen Buckheit, (Development Director, Town of East Hartford), Vinnie Carbone (Carbone's Restaurant), Matt Edvardsen (Spinnaker) and David Fay and Beth Costello (Bushnell Performing Arts Center)

In the absence of Chairman Walsh, Mr. Davis called the meeting to order at 3:05 p.m. and the minutes of the April 13, 2023 meeting were approved on a voice vote.

Ms. Buckheit gave the Committee a brief update on the Silver Lane Plaza project. Demolition planning for the first building is underway. The Town issued an RFP for a developer and is currently reviewing the single response it received.

Project Updates

A. Prospective Front Street Tenant

Mr. Freimuth reported that CRDA has been asked to assist Carbone's Restaurant in relocating to the vacant movie theater site at Front Street. The historic restaurant was forced to close during the pandemic and the Carbone family has been seeking both a new use for their current Franklin Avenue site, as well as a new location to re-establish the restaurant in the City.

The new restaurant would employ 50 people and would include 11,000 sf of space, including kitchen, dining and bar areas. The total cost of converting the theater space is projected to be \$3.7 million, in addition to nearly \$450,000 of owner investment from the H.B. Nitkin Group.

Mr. Freimuth indicated that CRDA has been asked to provide a \$1.7 million loan, with \$1.4 million coming from Front Street bond funds and the balance from the City of Hartford Revolving Loan Fund. The terms of the loan would be 5% interest, 10 year note with a 15-year amortization and a

20% cash flow participation agreement allowing for excess annual cash to be used to buy down the principal.

CRDA would also play a role in the roughly \$6 million redevelopment of the Franklin Avenue site into a mixed-use building, including 21 residential units and 4,600 sf of commercial space. Mr. Freimuth explained that this project would be considered separately by the Committee and Board at a later date.

Mr. Carbone commented that he was excited about the move to Front Street and that he believed this was a sensible approach moving forward.

Mr. Davis commented that he supported the idea of reinvigorating two different parts of the City, both at Front Street and the South End.

The following resolution was offered and approved:

RESOLUTION: The executive director is authorized to lend \$1.7M to the Carbone's Ristorante on Front Street (or such single purpose entity acceptable to CRDA) per the loan structure noted above and to secure the approvals from the State of Connecticut Bond Commission for use of Front Street development monies and the City of Hartford to use the Revolving Loan Funds as administered by the MOU dated December 3, 2021 subject to all other funds being secured and available and such fiduciary terms and conditions as deemed necessary and appropriate by CRDA and its counsel.

B. Bushnell South Parcel A

Mr. Freimuth reviewed the current status of "Parcel A" within the Bushnell South district. The parcel is currently owned by Konover, however, Spinnaker - the developer of 55 Elm - has an option to purchase the property. That option has been triggered and certain actions must be taken by January 2024 to move the purchase forward.

Spinnaker has asked CRDA for financial assistance for the purchase and Mr. Freimuth indicated that he wanted to make the Committee and Board aware of the ask and gauge their support. He noted how important it was for the site to remain a part of the overall development as envisioned in the Goody Clancy master plan. He also reminded Committee members that this site is one of those being considered for a future federal courthouse.

Mr. Patricelli noted his roles on both the CRDA and Bushnell Theater boards. He reminded Committee members of the Bushnell's support for residential development in this area and their role in initiating the development process. Their primary focus, however, would continue to be protecting the theater's parking needs. Mr. Patricelli explained that Parcel A and Parcel 4 (the parcel to be developed by CRDA) represent 700 surface spaces used by Bushnell patrons and that any development of the parcels would need to provide for replacement of those spaces.

Mr. Patricelli indicated that in order to protect their parking needs, the Bushnell Board recently voted to purchase Parcel A and develop structured parking there. He noted it was critical that district parking be designed to handle "surges", that is those times when Bushnell access to parking conflicted with other nearby uses. Mr. Patricelli questioned whether CRDA would support their effort to acquire Parcel A, noting that the use of private funds would eliminate the need for public financing. Mr. Freimuth explained that CRDA had no role in regard to Parcel A and that the

Bushnell needed to approach Spinnaker with their proposal. He also noted that it was important to the overall district that Parcel A be developed and not remain a surface lot long term.

Speaking on behalf of the City, Mr. Davis indicated he understood how critical parking was to the Bushnell and to all businesses in the face of new development efforts around the City.

Mr. Patricelli noted that the Bushnell was engaging a consultant to conduct a parking study and that he hoped that CRDA and the City would take the results of that study into account as it moved forward with development planning.

Mr. Freimuth commented that CRDA recognized that parking would be the biggest challenge of the Bushnell South development. He indicated that the Authority would take into account the Bushnell's parking study, however, on those parcels where CRDA was not a participant, it had no authority to say what could or could not be built.

Mr. Freimuth emphasized the need to balance parking and development in the district. He also reminded Committee members that the CRDA garage was constructed specifically to replace the surface lot spaces to be lost with the development of Parcel 4. He conceded that the garage may need to be enlarged to address parking needs, but those spaces should not be included in the Bushnell's 700-space replacement calculation.

Mr. Patricelli questioned the timeframe for the Parcel A purchase. Mr. Freimuth indicated that action needed to be taken right away to meet the January timeframe outlined in the Konover-Spinnaker agreement. He indicated that conversations with the Board on the issue would continue.

The next meeting of the Regional & Economic Development Committee is scheduled for December 14, 2023.

There being no further business, the meeting was adjourned at 3:33 p.m.

**Albany & Woodland Project
Parcel B**

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

The City is proposing a public/private partnership in which the property will be subdivided into two lots and sold to two separate developers. One of those parcels – Parcel B - will be sold to the non-profit GrowAmerica (acting as “Community Development Properties Woodland Inc” for this project), who plans to 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 this project were originally estimated at between \$10 million and \$12.5 million.

Proposal: Construction estimates have increased and projects costs are now expected to total \$19.4 million, including Health Department fit out. To fill the gap, the City is proposing to increase its contribution from the Revolving Loan Funds held by CRDA from \$7.0 million to \$12.85 million. The City will grant an additional \$1.05 million directly to the developer.

The \$5.5 million CRDA construction loan approved by the Committee and Board in March of 2023 will not change. The \$1.75 million of the Revolving Loan Funds approved in April for distribution as pre-development funding, however, has been increased to \$3.1 million.

Parcel B Development Budget:

CRDA Bond Funds	\$ 5,500,000
City Revolving Loan Fund	\$12,850,000 (to be administered by CRDA)
<u>Additional City Funds</u>	<u>\$ 1,050,000 (to be administered directly by City)</u>
TDC	\$19,400,000

RESOLUTION:

The executive director is authorized to grant up to \$12.85M of City funds consistent with the CRDA/City of Hartford MOU of December 3, 2021 to Community Development Properties Woodland Inc (or such acceptable single purpose entity). Such funds would be distributed as a grant, with up to \$3,100,000 released as pre-development funding. All funding shall be subject to such fiduciary terms and conditions as deemed necessary and appropriate by the executive director and CRDA counsel.

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 170 Rooms	\$5,100,000	Loan	12/3/2021	12/15/2021	12/21/2021	Work underway - Expected opening in March 2024
Bond	Elevator work	\$1,000,000	Loan	1/7/2022	3/24/2022	n/a	Construction underway
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
Albany/Woodland	New construction, mixed use project	\$5,500,000	Loan / Equity	3/9/2023	3/16/2023	7/21/20 7/23/2021	Pre-Development
Carbone's Restaurant	Restaurant relocation to Front Street	\$1,700,000	\$1.4m CRDA loan \$300k City MOU Loan	11/9/2023	12/6/2023	12/14/2023	