

Capital Region Development Authority

100 Columbus Boulevard, 5th Floor

Hartford, CT 06103

Thursday, October 26, 2023

3:00pm – In-person or Teams Meeting

(The Board Meeting was held with an in-person option as well as via Microsoft Teams with public access)

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

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

Guests: ConnDOT – Scott Hill, Chief Engineer; Michael Calabrese, Division Chief for Highway Design OVG - Ben Weiss, GM of the XL Center, Hank Abate, President, OVG360 Northeast Region; Frank Russo, Executive VP, OVG360 Business Dev. & Client Relations.

Minutes

“The September 21, 2023 CRDA Board meeting minutes were moved by David Jorgensen seconded by Andy Bessette and approved at the October 26, 2023 Board Meeting.”

Presentation by ConnDOT – Greater Hartford Mobility Study

Mr. Scott Hill and Mr. Michael Calabrese gave a presentation on the Greater Hartford Mobility Study which shared the GHMS Vision & Goals. The Process consists of the PEL Study; National Environmental Policy Act (NEPA), 2-4 years; Design, ROW 6-8 years; Construction, Early 2030’s.

The GHMS vision is to improve mobility by planning an integrated, resilient, multimodal transportation system in the Greater Hartford Region, thereby enhancing the quality of life, economic vitality, and opportunity in the region.

Upon completion of the GHMS, many steps must be taken before a project can be implemented. As the DOT moves into the subsequent phases of the projects, there will be many opportunities for community input and participation. There will be upcoming meetings and they will be announced on the hartfordmobility.com website as well as facebook, instagram & X.

Mayor Bronin asked if a biking and walking bridge, rather than cars, is being considered as an alternative to one of the vehicular bridges. Mr. Hill responded by stating that it is something that will be considered.

Mayor Reports

Hartford –Mayor Bronin reported on the following:

DoNo Settlement - The City has reached a settlement, pending City Councils approval, of the DoNo and Centerplan parcels around the ballpark. This allows for the development around the ballpark to proceed immediately. Chairman Robinson asked if Arch has to approve the settlement as well? Mayor Bronin responded that the key to getting the settlement done was negotiating with Arch. The city agreed to pay \$9.9M to Arch and Arch is paying Landino/Centerplan \$1.8M and releasing the judgement that they have against Landino.

East Hartford – Mayor Mike Walsh reported on the following:

Silver Lane Plaza – The largest building is empty and the town is working with CRDA to have it demolished in early 2024. In an adjoining building, nine tenants are not paying rent, they have no signed leases. While working through the eviction process, we are working concurrently through the uniform relocation process however, the tenants will not engage with the town because they cannot find rents equivalent to the dollar for sq. ft. that they were paying.

National Development – construction is going ahead of schedule. They should be open for business when they get their Certificate of Occupancy in April 2024. That means about \$4.5M of new annual tax revenue to the Town after the fifth year because it is in an Enterprise Zone and approximately one thousand new jobs. This will start to knit together the promise of Silver Lane.

Concourse Park at Showcase – the developer Jasco, who is planning to build somewhere between 300-480 market rate apartments has been granted a six-month delay, by the Town, to get their capital stack in order. This will be revisited in April 2024.

Founder's Plaza – they are recalibrating due to the death of Mr. Kenny. Kudos to Mayor Bronin for pointing out the need for a pedestrian/bicycling bridge. There is a lot to do on Founder's, a lot of moving parts and I will continue to Champion these efforts as a private citizen.

Church Corner's Inn – while the paperwork hasn't been official yet, Parker Benjamin Company, has been selected to do a historic preservation project and has proposed 24 apartments, predominately market rate but some low-income apartments.

Mayor Walsh thanked everyone affiliated with CRDA for the work that they do for the Town of East Hartford. I think in the next mayor, you will have a good individual that will continue the progress.

Chairman Robinson spoke on behalf of the Board, thanking Mayor Walsh for his service in East Hartford and continuing to be a champion for the Town.

Finance

CRDA CFO Joseph Geremia noted that the farmers market operated from April through October this year. He also noted that Jeremi Johnson is completing his MBA internship with CRDA in November and thanked him for his participation and project work.

Mr. Geremia presented the following financial update for October 2023:

Fiscal Year 2024 Operating Statistics

CT Regional Market - Aug. 2023

Stats: Occupancy: 82% with 14 tenants

Activity: Farmers' Market: 2023 season from April 1 through October 28

10 CT Local Grown farms/vendors

Highest weekend – 1,400 customers Average weekend – 375 customers

Aug. financials: Operating revenue \$13,300 favorable to budget due to seasonal parking agreements and increased billboard revenues

Operating expenses \$35,800 favorable to budget due to savings in maintenance and security

Net income of \$85,600 favorable to budget by \$49,200
Total year projection of \$121,800 net income even with budget

CRDA Parking Facilities – Aug./Sept. 2023

Stats (Sept.): Utilization of 70% is favorable to budget by 11%
Aug. financials: Revenues \$161,400 favorable to budget due to hotel guest overnight revenues and transient revenues from CT Science Center summer program
Expenses \$4,300 favorable compared to budget due to savings in personnel and utilities offset with increases in credit card fees due to increased transient revenue
Net loss of \$49,000 favorable to budget by \$165,700
Total year projection of \$325,900 net income even with budget

Church Street Garage – Aug./Sept. 2023

Stats (Sept.): Utilization of 15% is unfavorable to budget by 2%
Aug. financials: Revenues \$51,800 favorable to budget due to payment timing of corporate monthly parkers
Expenses \$5,100 unfavorable compared to budget due to increase in repairs and maintenance offset with savings in personnel
Net Loss of \$151,500 favorable to budget by \$46,700
Total year projection of \$18,000 net income even with budget

Bushnell South Garage – Aug./Sept. 2023

Stats (Sept.): Averaging 160 state vehicles per day-42% utilization
Tuesday through Thursday average of 200 state vehicles per day
Apr. financials: Revenues \$100 favorable to budget due to transient revenues
Expenses \$7,100 unfavorable compared to budget due to increase in insurance offset with savings in personnel
Net Loss unfavorable to budget by \$7,000
Total year projection of break-even with CRDA appropriation even with budget
Bushnell Theatre event parking cooperation – operations personnel coordination

XL Center – Aug. 2023

Event Update: Hosted 7 events this fiscal year vs. budget of 5 events
Scheduled for 116 events this fiscal year vs. budget of 116 events
Concert scheduled in Dec. 2023 with holds from Jan. 2024 through Apr. 2024
Increased Hartford Wolfpack group sales activity
Sports lounge averaging 350 to 500 transactions per week
Aug. financials: Event revenue \$121,800 favorable to budget due to Monster Truck events
Other Income \$70,400 unfavorable compared to budget due to timing of sponsorship partners
Operating expenses \$55,600 favorable compared to budget due to savings in personnel
Hockey operations \$23,800 favorable compared to budget due to savings in sales personnel
Net operations favorable to budget by \$130,800
Total year projection of \$19,600 net income even with budget with CRDA appropriation

CT Convention Center – Aug. 2023

Event Update: Hosted 5 events this fiscal year vs. budget of 7 events
Scheduled for 112 events this fiscal year vs. budget of 109 events
Corporate and short-term meeting segments returning
Increased event inquiries and returned contracts for FY2025 and FY2026
Beyond King Tut opened to the public for two months with approx. 28,750 in attendance
Aug. financials: Revenues \$28,700 unfavorable to budget due to timing of revenues from King Tut show
Expenses \$71,000 favorable to budget due to savings in event personnel and expenses

Net operations favorable to budget by \$42,300
Total year projection of break-even with CRDA appropriation even with budget

P&W Stadium at Rentschler Field – Aug. 2023

Event Update: 1 UConn football game with 9 parking lot and catered events held
Aug. financials: Event revenue \$87,600 favorable compared to budget with \$90,100 due to UConn football paid ticket surcharges and F&B revenues offset with \$2,500 decrease in catered events
Operating expenses \$15,100 favorable compared to budget due to savings in personnel and insurance
Other Income \$3,400 favorable to budget due to sponsorship partners
Net operations favorable to budget by \$106,100
Total year projection of \$9,100 net income even with budget with CRDA appropriation

Housing & Neighborhood Committee

Mr. Freimuth reported that there are three/four projects that are headed to the next Housing and Neighborhood Committee on November 3rd, including revisiting Downtown North parcel B as well as a couple of other projects. All the projects have been running about 90% plus, rents are steady. We've had a year where expense increases have exceeded rents but it seems to be leveling off.

Regional and Economic Development Projects Committee (RED)

Mr. Freimuth reported that the Committee did not meet last month however there are two projects that will be included in the November 3rd meeting, one being a Bushnell South project.

Venue Committee

Andy Bessette reported on the following Venue Committee items:

Pratt & Whitney Stadium

UConn has played five games at the Stadium this season, averaging about 13,000 fans per game. The team is now 0-5 at home and 1-6 overall.

The US vs. Germany soccer match on October 14th was a big success for the building with nearly 35,000 fans in attendance.

As discussed at previous meetings, the FY24 bond package included \$12m for renovations and improvements at the Stadium and CRDA will be requesting that full amount from the Bond Commission in December. The first projects will include Tower and Concession Stand roof replacements, IT and Security improvements and Structural Repair Work (including caulking).

An RFP for a construction manager will go out shortly. An additional \$12m will be available in FY25 and these will hopefully be the first of five tranches that will be needed to complete the estimated \$60m in work identified in the Populous report.

Connecticut Convention Center

An RFP for Convention Center Building Management and Catering & Concessions Management was issued on October 4th and proposals are due on November 20th.

The Beyond King Tut immersive experience closed on October 15th after two months in the building and about 30k tickets were sold over this period. Upcoming events in November include the CT Children's Foundation annual gala and the Hartford Glow Holiday Light Festival and Market, which will run through Christmas.

There are no capital improvements underway in the building at this time, however, in early January, the facility will be replacing its domestic hot water system. That project is estimated to cost about \$200k.

XL Center

The Wolfpack began their season on October 20th and are now 2-0 at home, with attendance of 6,700 and 3,000 fans respectively. UConn hockey will play the first of four games at XL on October 28th. XL will also host the Connecticut Ice Tournament in January, featuring teams from UConn, Yale, Sacred Heart and Quinnipiac.

UConn women's basketball will play the first of seven games at XL on November 8th against Dayton. Other games will include Louisville, Butler, Marquette, Providence, Seton Hall Creighton. The UConn men will play their first XL game on November 11th against Stonehill. They'll play seven additional games, including against Mississippi Valley State, Manhattan, St. John's, Georgetown, Xavier, Butler and Marquette.

Mr. Freimuth reported that at the October Venue Committee, committee members were brought up to speed with regards to the XL Center renovation program. There are two aspects of the program that are currently being worked on. The first is the lower bowl strategy and the second partnering with OVG, to explore some other issues including the loading docks, rigging and stage systems and try to integrate them into the program. The bid packages are being worked on to build out the program and what we'd like to have Jeff Armstrong, SCI Architects, with whom has been working with CRDA /XL for the past several years, working through multiple phases of the property, walk the full Board through the program. Following will be a business perspective from OVG executives and how they see the building plan from their perspective, with a resolution affirming the decision to go forward with the bid packages.

There are three components to the XL initiative: 1) The lease with the city that was approved on October 23 by the City Council; 2) The construction documents, making sure the program comes in at the budget of \$100M; and 3) a new contract with OVG to manage the building under a new program of how it will governing operational expenses as well as profit sharing.

Jeff Armstrong gave a project update on the XL Center Renovation program. He reviewed the original priorities of the renovation objectives. The latest strategy with OVG is to attract more events with faster load in's and better areas for talent; maximize seating in front of the stage; increase revenues to become financially sustainable and operate more efficiently, safely and with certainty. Adding Premium Lower Bowl Seating and adding more loge seating from 64 to 224 seats. Event level club seating is proposed to be 766 and adding five event level suites.

Fan amenities will include new general seating throughout the building, wider seats in the lower bowl; ADA seating upgrades; concourse improvements and more points of sale and fixtures per guest.

2023 CRDA/OVG Design strategy maximizes seating in front of the stage; attracts more events with better areas for talent; increases revenues to become financially sustainable and operate more efficiently.

The current project schedule is as follows:

Issue for Bid: November 2023; Final GMP from Dimeo, January 2024; Award Bids & Mobilize: Feb. 2024 (Subject to Fund Availability); XL Center to be closed to events, Summer 2024 & Summer 2025; Project completion: end of 2025.

Andy Bessette asked if the new world class kitchen is just for the Sports Book or is it for the arena as well. Mr. Freimuth responded that the kitchen upgrade is meant to serve both as well as the loges on the main concourse level. Mr. Robinson asked if patrons would notice a difference as the work gets completed or will it not be noticed until the construction is complete. Mr. Armstrong replied that it depends on funding availability as some of the projects have long lead times.

The other component is what is the return on the investment. Mr. Freimuth expressed that there are three ways of looking at this: 1) the economic spin the XL has in the downtown whether it is parking garages of restaurants, hotels, jobs, tax generation (The Stone report was done to answer these questions).; 2) catching up on the depreciation schedule, example, the generator is fifty years old, etc. and 3) how does the building's performance improve in the way of revenue and economies for a better bottom line.

Ben Weiss, GM of the XL Center, introduced Hank Abate, President, OVG360 Northeast Region and Frank Russo, Executive VP, OVG360 Business Dev. & Client Relations.

Mr. Russo gave a brief bio of himself and his history with the Civic Center, now XL Center, stating that he was the first General Manager of the facility and has worked in the business since.

Mr. Abate explained that a major focus is on ways to increase business in the facilities. One of the main revenue streams is the generation of concerts. Mr. Abate gave an overview of the success that OVG has had in other markets including Savannah, GA; Baltimore MD and Palm Desert, PA. We feel that we are going to create the same great results for the XL Center that we have done with other arenas. OVG has proposed a plan that will totally relieve XL/CRDA from having to fund any deficit as has been done for the past several years. OVG agrees to take 100% of the risk on for the bottom line, in doing that, we also feel that XL/CRDA should participate in some upside as we propose that when we get over the \$4M net mark, you will start participating in the upside of the building. That is probably not going to happen in the first year, it could happen the second year, our hope is that by the third year, you will start to see the results. So, you will go from being in a negative \$2M or more situation per year, at least for the first couple of years, not having to put any funds into the operation and then hopefully start participating in the profits from year two to three on.

XL Center Renovation Lower Bowl Improvement Program

Over the past several years, the Authority has been developing and securing support and financing for the renovation of the XL Center, more specifically the lower bowl improvement program, including the possibility of partnering with OVG, the current venue manager as discussed in various committee and board meetings in 2022 (March, May, June, Sept). With the passage of PA 22-204 in June 2023, the General Assembly authorized an investment up to \$80 Million to renovate the property with the understanding that no less than \$20 million in additional private funds would be secured to match this investment. Within the State of Connecticut Capital Plan there is an authorization to CRDA of \$73 M (\$7M was released in March 2023 to begin design and prepare construction packages) that can now be applied to the project upon final agreement with the existing management company to operate the facility for 20 years, invest the minimum \$20M and take responsibility for any operational losses at the building while sharing upside profits above \$4M annually.

The design and improvement objectives are oriented to improving the attractiveness of the building to concert promoters, newer and more demanding family shows and to meet the expectations of collegiate sports programs. The focus will be to make critical structural upgrades to the loading and unloading of shows via a new ramp and show set up system, to re-orient the stage to meet a minimum concert capacity of 13,000 and to rebuild the lower bowl seating area into loges, clubs, suites and premium amenities that will drive greater revenues into the operating budget. Together, these components have been entitled the "lower bowl

improvement program”. Preliminary budget expectations were developed by the design team in a joint partnership with OVG as approved by the board in 2022. Building system improvements including IT and audio/visual systems as well as some mechanical upgrades will be made. Budget permitting, improvements to the concourse will also be made.

For several years, two primary contractors have been used by CRDA including SCI Architects to prepare the necessary designs consistent with the evolution of the redevelopment plans and budgets while Dimeo Construction has been retained to manage the construction, having recently completed the sportsplex addition as well as system upgrades throughout the building during the earlier phases of capital upgrades undertaken in 2014 and 2018.

“The following motion was moved by David Jorgensen seconded by Randal Davis and approved at the October 26, 2023, Board Meeting”.

The CRDA Board, having reviewed operating and financial assumptions and the development program, and with the securing of the authority to proceed by the General Assembly, hereby concurs with the “lower bowl improvement program” as outlined above and instructs the staff to continue the design, bid and improvement process while also securing the necessary agreements with contractors; and to finalize the agreements with the operating manager and the City of Hartford for subsequent review and approval by the board.

Executive Director Report

USS Hartford Bell

Mr. Freimuth gave the following background information regarding the USS Hartford Bell:

Background: In 1959, the U.S. Navy permanently loaned to the city a bell from the U.S.S Hartford, a Civil War sloop of war steamer once under the command of Admiral David Farragut. The ship was key to the Union’s 1864 victory at the Battle of Mobile Bay - a turning point in the war in which Farragut urged his men to fight on with the infamous cry of “Damn the torpedoes, full speed ahead.”

The roughly 400-pound bell was displayed at various locations around the city until 1964, when it was loaned to the Travelers affiliate that owned the newly completed Constitution Plaza. From 1964 until August of this year, the bell was displayed at the Plaza.

Lamenting the bell’s forlorn location and noting that, among other provisions, CRDA’s statutory mission charges it “to stimulate family-oriented tourism, art, culture, history, education and entertainment through cooperation and coordination with city and regional organizations”, the Executive Director reached out to the City and Travelers. He offered CRDA’s assistance in relocating the bell to a more prominent location and suggested the Convention Center or the larger Adriaen’s Landing site as potential candidates.

While helping preserve a piece of history and fulfilling part of the Authority’s mission, it was also noted that siting the bell here would also provide an interesting spot for visitors (aka “Instagrammable moments”) and enhance the local ambience, something a recent Convention Center assessment noted was sorely lacking around the facility.

Since that initial CRDA inquiry, the bell’s granite stand was damaged by vandals and Travelers placed the bell in storage for safekeeping in August.

As Travelers made plans to display the bell in a public location on its campus, the city felt that Adriaen’s Landing would be a better location. In September, with Travelers consent, the City Council drafted a resolution transferring the bell to CRDA for placement at an exterior location at Adriaen’s Landing. The resolution

indicates that the bell is to be seen as “a tribute to the historical significance of the Ship and a further testament to the men and women of the United States Armed Forces, along with the freedom which they protect”.

On October 4th, the resolution was approved by the City’s Planning, Economic Development & Housing Committee and it was later approved by the full Council at its meeting on October 23rd.

The following motion was moved by Bob Patricelli seconded by Joanne Berger Sweeney and approved with Andy Bessette abstaining at the October 26, 2023, Board Meeting.

The CRDA Board accepts the loan of the U.S.S. Hartford’s bell for placement at Adriaen’s Landing and authorizes the Executive Director to (i) to develop a plan for relocating, restoring and displaying said bell, (ii) to negotiate agreements necessary to bring about the relocation, restoration and display of said bell and (iii) to seek sources of funding to cover the cost of such work, all subject to Board approval.

Joanne Berger Sweeney explained that Trinity College campus has two cannons from the USS Hartford and asked that everyone think about perhaps putting them at a location so they could be together. Andy Bessette reminded everyone that the University of Hartford also has the USS Hartford anchor on their campus.

Board Meeting Update

November 16 scheduled Board Meeting has been moved to December 7, 2023, at 6:00pm. More information to follow.

89 Arch St.

It was noted that CRDA has taken title to the property and Attorney Lazzaro reported that the new tenants are doing a fairly aggressive renovation making the space a Peruvian restaurant. CRDA is working with them to make sure they apply and receive the proper permits.

Construction

Hilton (to be transferred to the Double Tree Brand)– the upper floors to be finished in the next 6-8 months.

55 Elm – expected to be completed mid-late 2024

525 Main & 275 Pearl – expected to be completed late 2024

Fuller Brush & Arrowhead Block – start construction early 2024

East Hartford – Storm Water Drainage system – Phase 3 – almost complete

Adjourned 4:42pm

Next Board Meeting - December 7, 6:00pm

The October 26, 2023 CRDA Board meeting minutes were moved by David Robinson, seconded by Randal Davis and approved at the December 6, 2023 Board Meeting.