

**Capital Region Development Authority
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103**

Thursday, January 18, 2024

3:00pm – Virtual or In person Meeting

(The Board Meeting was held in person with Microsoft Teams with public access availability)

Board Members Present: Chairman David Robinson; Vice Chairman Andy Bessette; Andrew Diaz-Matos; Paul Hinsch; Randal Davis; Bob Patricelli; Pam Sucato; David Jorgensen; Seila Mosquera-Bruno; Daniel O’Keefe/Matthew Pugliese

Board Members Absent: Mayor Arunan Arulampalam; Mayor Connor Martin; Joanne Berger-Sweeney

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

Guests: Mike Zaleski, Riverfront Recapture

Chairman David Robinson called the meeting to order at 3:00pm.

Minutes

The minutes from December 6, 2023 were moved by Andy Bessette, seconded by Andrew Diaz-Matos and approved.

New CRDA Board Members & Organizing Issues

- DECD Commissioner Daniel O’Keefe with Matthew Pugliese as Proxy
- Hartford Mayor Arunan Arulampalam
- Committees
 - ° RED Chairman – East Hartford Mayor Connor Martin
 - ° Members
 - Housing – Hartford Mayor Arulampalam
 - Executive & Finance – Hartford Mayor Arulampalam
 - RED – DECD (O’Keefe/Pugliese)

The following motion was moved by Andy Bessette, seconded by Randal Davis and approved.
“Effective January 18, 2023, the CRDA Committee assignments noted were approved.”

Mayor Reports

Due to the Mayors’ absence, the mayor reports were omitted.

Financial Update – December 2023

CRDA CFO Joseph Geremia reported on the following financial information:

Financial Update – January 2024

Fiscal Year 2024 Operating Statistics

CT Regional Market - Nov. 2023

Stats: Occupancy: 82% with 16 tenants

Activity: Farmers' Market: 2023 season from April 1 through October 28
Nov. financials: Operating revenue \$40,600 favorable to budget due to seasonal parking agreements
Operating expenses \$91,000 favorable to budget due to savings in security and maintenance deferred to spring
Net income of \$150,500 favorable to budget by \$131,600
Total year projection of \$161,800 net income favorable to budget by \$40,000

CRDA Parking Facilities – Nov./Dec. 2023

Stats (Dec.): Utilization of 75% is favorable to budget by 14%
Nov. financials: \$281,900 favorable to budget due to increase in monthly parkers, hotel guest overnight revenues, as well as transient and corporate validation revenues
Expenses \$194,100 unfavorable compared to budget due to repairs & maintenance, and increases in credit card fees due to increased transient revenue offset with savings in utilities
Net income of \$16,900 favorable to budget by \$87,800
Total year projection of \$325,900 net income even with budget

Church Street Garage – Nov./Dec. 2023

Stats (Dec.): Utilization of 14% is unfavorable to budget by 4%
Nov. financials: Revenues \$98,600 favorable to budget due to increases in Hilton parkers and corporate validations as well as slight increase in corporate monthly parkers
Expenses \$55,600 unfavorable compared to budget due to increases in insurance and repairs & maintenance offset with savings in personnel
Net Loss of \$168,700 favorable to budget by \$43,000
Total year projection of \$18,000 net income even with budget

Bushnell South Garage – Nov./Dec. 2023

Stats (Dec.): Averaging 160 state vehicles per day-42% utilization
Tuesday through Thursday average of 200 state vehicles per day
Nov. financials: \$8,300 favorable to budget due to transient revenues
Expenses \$14,500 unfavorable compared to budget due to increase in insurance offset with savings in personnel
Net Loss unfavorable to budget by \$6,200
Total year projection of break-even with CRDA appropriation even with budget
Bushnell Theatre event parking cooperation – operations personnel coordination

CT Convention Center – Nov. 2023

Event Update: Hosted 46 events this fiscal year vs. budget of 46 events
Scheduled for 125 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 exhibit and GLOW holiday show performed better than budget
Nov. financials: Revenues \$308,500 favorable to budget due to two additional banquet catering events and F&B revenues from public events
Expenses \$260,100 favorable to budget due to savings in event personnel and vacant positions
Net operations favorable to budget by \$568,600
Total year projection of break-even with CRDA appropriation even with budget

XL Center – Nov. 2023

Event Update: Hosted 32 events this fiscal year vs. budget of 28 events

Scheduled for 116 events this fiscal year vs. budget of 116 events
Concerts scheduled in Feb. and Mar. 2024 with holds from Mar. 2024 through May 2024
Increased Hartford Wolfpack group sales activity
Sports lounge seeing weekend and event-day activity; minimal week day activity
Sports betting CT Lottery YTD net revenue of \$18,000 through Dec. 2023
Nov. financials: Event revenue \$82,400 unfavorable to budget due to concert schedule pushed back, Jurassic World event, as well as UConn women's basketball and men's hockey offset slightly with favorable Monster Truck event and UConn men's basketball
Other Income \$175,300 unfavorable compared to budget due to timing of sponsorship partners and ticket charge fees
Operating expenses \$92,000 favorable compared to budget due to savings in personnel offset with increased expenses in utilities as well as F&B personnel, credit card fees, and supplies
Hockey operations \$127,100 favorable compared to budget due to increase in TV revenues and savings in sales personnel
Sports lounge net operations loss of \$284,100 through Dec. 2023
Net operations unfavorable to budget by \$68,600, excluding sports lounge net operations
Total year projection of \$19,600 net income even with budget with CRDA appropriation, exclusive of estimated sports lounge net operations loss

P&W Stadium at Rentschler Field – Nov. 2023

Event Update: 6 UConn football games, 1 int'l soccer game, with 18 parking lot and catered events held
Nov. financials: Event revenue \$175,500 favorable compared to budget with \$325,200 attributed to professional soccer offset with \$112,800 unfavorable UConn football season and \$36,900 unfavorable parking lot and catered events compared to budget
Operating expenses \$34,300 unfavorable compared to budget due to F&B personnel and credit card fees slightly offset with savings in insurance
Other Income \$45,400 favorable to budget due to sponsorship partners
Net operations favorable to budget by \$186,600
Total year projection of \$9,100 net income even with budget with CRDA appropriation

Mr. Diaz-Matos asked what the projected loss for the Sports Book is for the year. Mr. Geremia replied that it is being recorded under the Sports Lounge, and it is projected that it may be a \$600,000 to \$700,000 gain for the year. There is also the Sports betting portion, from the CT Lottery and so far, CRDA has received \$18,000. The Lottery projections were that we would be able to offset the lounge loss, but we haven't seen that volume come through yet.

Housing and Neighborhood Committee

Mr. Freimuth gave the briefing in Joanne Berger Sweeney's absence.

55 Elm - late Spring opening

Hartford Hilton to Doubletree/residential – March opening

Colt – closed & occupied

525 Main – June opening scheduled

275 Pearl – June opening scheduled

29 Ashley – sold by NINA

Regional & Economic Development Projects Committee (RED)

Mr. Freimuth gave the briefing in Mayor Martin's absence.

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.

Albany Woodland 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

Chairman Robinson confirmed with Mr. Freimuth that the City of Hartford is putting in more funds and CRDA is allowing the city to utilize the funds in a slightly different proportion than before. Mr. Freimuth added that the CRDA funds are a loan.

The following motion was moved by David Jorgensen, seconded by Randal Davis and approved.

“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.”

Bushnell South Property Acquisition Loan

Term Sheet – Loan to acquire real estate within Bushnell South redevelopment area.

Borrower: Spinnaker Development (SREP HTFD II LLC, the single purpose entity)
Purpose: Acquisition of ‘Parcel A’ (90,000 sf/2 acre +/-) in accordance with existing Option between Owner (Alkon/Konover) and Borrower

(Block bordered by Hudson, Capitol, West and Buckingham)
Currently vacant lot used for parking with one small building and billboard.
250 parking spots (estimated)
3 parcels (63, 67 Capitol, 186 Buckingham)

Acquisition of 'Parcel B' (13,000 sf)
3 Parcels (94,98, 110 Buckingham Street)

Long term redevelopment to start within five years as part of Bushnell South plan for residential mixed use with parking in accordance with Goody Clancy plan and City of Harford land use/zoning

Loan: Up to \$3M at 3% I/O for a five-year term, Interest deferred during the non-exclusive and at no cost utilization of Parcel A to Bushnell Theatre patrons for designated events.
Borrower to provide additional funds for acquisition and to cover closing costs.
No prepayment Penalty
First Position priority loan, security, collateral on all six parcels, no other liens.
Loan and interest due upon maturity

Subject to CRDA approval, an extension of the term may be made if developer is actively pursuing development, or market conditions are unfavorable and/or CRDA unable to commit and deliver necessary public financial support for a project on the parcel and/or CRDA does not wish to exercise its option to purchase at end of year 5.

Covenants: Long term redevelopment program acceptable to CRDA (to be governed by a land development agreement following Goody Clancy development envelope (# units, # parking spaces, # s.f. commercial)
Covenants travel with parcels for any third-party acquirer.
Covenants remain with parcels after loan retirement.
Borrower responsible for all operating expenses (taxes, utilities, insurance, etc)

Other Conditions: Confirming appraisal
Environmental assessment with any costs/liabilities on borrower
Alkon/Konover to rescind offer to Federal General Services Administration Federal Court House solicitation (with confirmation from GSA likely to lag loan closing)
Funded (\$2M from CRDA Recapitalized loan pool, \$1M from COH MOU Revolving Loan)
CRDA may include the initial acquisition loan as part of a restructured development financing package at a future date.
Release of Parcel B for a separate development, independent of Parcel A with pay down of principal.

CRDA Options At loan maturity (or at such time as allowed by extension) providing Borrower is not pursuing active development or market conditions prohibit development consistent with Goody Clancy plan, there shall be an Option to CRDA to purchase Parcel A prior to any offer of sale to others at Borrowers cost, inclusive of loan, its deferred interest, and approved/eligible holding/predevelopment costs but in no event for more than appraised value at time of option.

Other Deal Elements Post Loan Closing: Subject to securing funding, CRDA with Bushnell and developers active in the area will create parking management and development plan consistent with Goody Clancy to

address parking and traffic issues within the Bushnell South Redevelopment area, such plan to explore options to improve access and egress of Buckingham and Capitol Ave garages as well as use of other vacant lots in area adjacent to development area.

Minimum of three-year agreement for Bushnell Theatre patrons to utilize on a nonexclusive basis an estimated 250 parking spaces at Parcel A at no fee/charge to the Theatre for designated Theatre events.

Seek to allow the Bushnell Theatre to invest equity for first floor commercial space and/or parking facilities within land development agreements for Parcel A or abutting Parcel 4 should such investment be feasible.

Take steps to improve communication loop between city, CRDA, Bushnell and various developers as to final plan of development and construction related implementation.

Andrew Diaz-Matos said that some of these are cost items, i.e. the survey; the parking plan, etc. are we taking on those costs or are they shared with Bushnell or Spinnaker? Mr. Freimuth responded stating that CRDA will try to spread out the cost but there is some capacity at CRDA to take on some of this initiative. There are some funds set aside for predevelopment.

Mr. Patricelli, with the advice from counsel, will abstain from voting on this item. He stated that he would like the record to show that he is very supportive of the proposal that is being made by Mr. Freimuth and would also like you to know that the Bushnell would like to express their appreciation to the Chairman and Executive Director, particularly to their interventions to come to this collectively suitable compromise proposal on parking. Further stating that a key piece going forward is the creation of the communications loop. We would welcome that and would propose that, something like an updated version of the Bushnell South Planning Group be constituted by the CRDA, not as a formal CRDA body, but as an advisory body, to inform other parties of interest and gather input for the CRDA, not as a binding set of recommendations but as an advisory to the CRDA.

The Chairman thanked Mr. Patricelli for his comments and participation in the process. He also stated that Bob is abstaining because he also sits on the Board of the Bushnell. Mike will continue to spearhead putting something together regarding the “communication loop”.

Mr. Bessette asked Mr. Patricelli if this addresses everything that Mr. David Fay asked Andy to address last month? Mr. Patricelli responded yes, in spirit. There will be new issues that will come up once the parking study is done. The Bushnell is withdrawing its proposal to acquire the option itself.

The Chairman asked Mr. Freimuth if he’s reviewed the terms with Spinnaker and if they are on board with the approach? Mr. Freimuth responded yes, and that Spinnaker is on the Board Meeting call. They owe CRDA some information, appraisals, environmental reports, surveys, the letter to the Federal Government, things of that nature. There have been discussions regarding our counsel and their counsel getting together the week of January 22, 2024, to start mapping this out.

Sila Mosquera Bruno stated that she would like to thank Mr. Freimuth for putting this together and there is a path forward. David Jorgensen also stated that he was happy that we were able to move this forward.

The following motion was moved by David Jorgensen, seconded by Randal Davis and approved with Bob Patricelli abstaining.

“The Executive Director is authorized to 1/ lend up to \$3M to Spinnaker (or such acceptable single purpose

entity) at the terms and conditions as outlined above; 2/to secure the aforementioned land development agreement for subsequent board approval; 3/to undertake a traffic and parking management study to guide the entire Bushnell South development area; and 4/ to establish a process to integrate the various concerns of the multiple parties and developers active in the area including but not limited to development scale, density, traffic, parking, storm water management, design and overall operational issues.”

East Hartford Projects update

Showcase Theater site –development starting in April

Silverlane Shopping Center – preparing for demolition

Founder’s Plaza - Land development agreements for demolition and site work

Venue Committee

XL Center

The Wolfpack are currently 10-6 at home, with attendance averaging around 3,900 fans per game. UConn hockey has played four games at XL and their attendance has averaged about 3,600. The UConn women’s basketball team has played five games with an average attendance of 8,000, while the men have played five games with an average attendance of 11,600.

The CT Ice Tournament featuring teams from UConn, Quinnipiac, Sacred Heart and Yale will be played January 26th and 27th at XL. Other upcoming events include the Hartford Home Show this weekend, Andrea Bocelli on February 23rd (following cancellation of his December show) and a Toby Mac show on March 20th.

Pratt & Whitney Stadium

For the third year in a row, the Stadium played host to the *Magic of Lights* drive-through holiday light display. Attendance has roughly been the same each year, with about 20,000 cars over the show’s five-week run and the Stadium receiving a flat fee per car, plus expenses.

Major renovation work at the Stadium is still awaiting Bond Commission approval. CRDA had requested the \$12 million approved by the General Assembly for the first phase of the \$60 million project. Construction management bid documents have been drafted and will be issued once funds have been allocated.

Mr. Bessette asked Mr. Freimuth when the Bond Commission will or if this project will be approved. Mr. Freimuth responded that the request did not make December’s Bond Commission meeting and although the meetings are scheduled monthly, the next meeting will likely be in the Spring and we will try to get this on the Bond Commission then.

Connecticut Convention Center

The Convention Center has recently completed the replacement of its domestic hot water system. In December, the State Bond Commission allocated \$1.4 million to the facility for necessary security upgrades, replacement/repair of variable fan drive motors and other repairs throughout the building.

The Glow Holiday Light Festival and Market was a resounding success with over 54,000 tickets sold.

Larger upcoming events include the RV and Camping show in January, as well as the Connecticut Wedding and Bridal Expo and the ever-popular Connecticut Flower and Garden Show in February.

Executive Director

OVG – CRDA is in discussions with OVG on the Management Agreement for the XL Center, working to get to the Board and to OPM for consideration.

XL Center Bid Process – Bob Houlihan is working on getting the bids in the next few weeks. Also, RFI's had to be clarified and sent out.

UConn Campus Expansion – Northland and UConn have come to an agreement for UConn to take over the former St. Joseph's space at the XL Center, bringing new programs downtown to the 50,000 sq.ft. of space. The programs will be: Food Entrepreneurial Agricultural related curriculum; Community Based Clinic; PhD Training - Wellness and Mental Health Facility; Institutional Sports Medicine & Health Research Unit, connected to the Farmington UConn Health Center. The plan is to be in by the end of 2024. They are anticipating 50-75 staff members plus students. They may also utilize the Church Street garage, similar to the agreement they have at the convention center.

Riverfront Land Inc. (RFI) - Update

Acquired by Riverfront Recapture at Windsor/Hartford Line

Riverfront Recapture is working in partnership with the City of Hartford and numerous state agencies to build 2.5 miles of Riverwalk and a new park that will make a regional connection to Windsor. CRDA has provided \$1,025,000 to Riverfront Recapture for the park's conceptual planning, environmental site investigation, building assessment, remediation and demolition, riverwalk design, regulatory permitting and commercial market analysis.

In addition to the CRDA contribution, the project has also secured private funding, Federal EPA and CT DECD Brownfield funds, a CT DEEP greenways and trails grant, Federal Highway TAP and Community Connectivity grants via the DOT, contributions from both the City of Hartford and Town of Windsor and more recently a CT DECD CIF grant.

Riverfront has started the Master Planning work for the future park and its associated commercial development site. In November, Riverfront contracted with Hargreaves Jones, an internationally recognized Landscape Architecture firm that specializes in waterfront development projects. Services include community engagement, program development, economic research, improving the natural environment, master planning, and cost estimating funded via a Federal HUD grant secured through Congressman Larson's office. The goal is to complete the project's Master Plan (park and commercial space), begin fundraising for the next phase of development, and hopefully start the design and permitting work before the close of 2024.

In addition to Master Planning efforts, the project is working through its initial phase environmental challenges including impacts to numerous endangered, threatened, and special concern species and securing the regulatory permits for remediating the Brownfield site which includes significant excavation to provide cap material for covering impacted soils. The excavation and cap work will result in an expanded cove connected to the river and a new 10-acre commercial development pad away from the river and out of the floodplain.

Remediation and initial site work was scheduled to start in the spring of 2024, but recent regulatory setbacks have increased development costs, created delays, and negatively impacted the start of construction. And there

are real concerns project funding secured years ago will not be sufficient to complete the work as post-Covid inflation has caused material, equipment and labor prices to jump.

Mr. Freimuth updated the Board on the Riverfront Land Inc. project:

Chairman Robinson asked what the risk to the project of the delay? Mr. Freimuth responded it is a cost exposure. Right now it is compromised due to environmental rules, and the cost continues to go up.

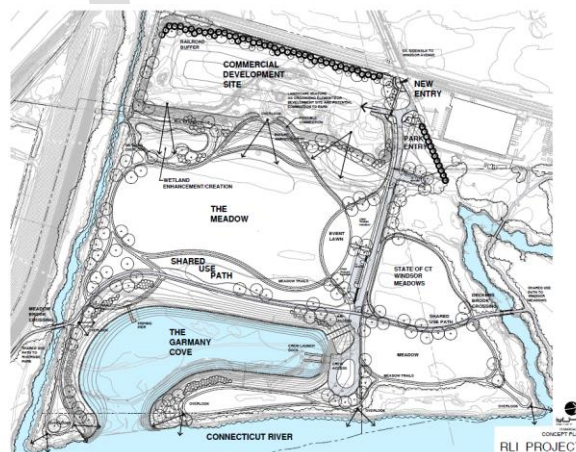
Mr. Mike Zaleski thanked Chairman Robinson for the support and also the opportunity to update the Board on this project. Riverfront Recapture is working on a variety of project along the river including the Hartford to Windsor Riverwalk which will connect to the sixty acres of new riverfront space that we were able to purchase in 2019 and as Mike Freimuth mentioned we are moving forward a master plan for the design of a brand new community space, a public park along the Connecticut River, which will help us achieve our mission of connecting people to the Connecticut River. There is an additional ten acres of commercial development that will go there as well. The challenge is building in a flood plain. There should be significant regulations but what we are coming up against is understaffing at certain agencies, the Army Corp of Engineers has had our projects for a while. We are trying to reach out to others who have influence over these agencies and trying to get some consideration to move up the line.

Chairman Robinson asked if the Hartline Trail is running through Riverfront Park and will run up to and through this parcel as well?

Mr. Zaleski said the Hartline would connect to Riverside Park, then Riverside Park will connect two and half miles north to the Hartford Windsor line where Riverfront Recapture owns these sixty acres of property and then there are additional connections to Kenney Park and other ideas that will connect the region through a multi model trail. These are projects that are successful in other cities/regions, and we are hoping to continue to move this project forward. This is only one piece of the puzzle.

Randal Davis said the city has been working closely with Riverfront and they are extremely good stewards of the area and have been exceptionally good partners throughout this process.

Mr. Jorgensen asked if we have the support high enough from Federal officials that can help to try to move this forward? Mr. Zaleski responded stating that Congressman Larson has been helpful and a lot of the holdup is being caused by staffing issues.



Construction Report

Mr. Freimuth stated that at each meeting he has been going through the construction report and decided to include it in the materials for the Board package.

Mr. Freimuth asked Board members to review the Board of Director information sheet and give any updates to Jennifer Gaffey.

Mr. Bessette asked for clarification of Board Meeting dates/times. Chairman Robinson indicated that once a quarter there will be a late meeting, 5:00pm and the other three meetings will be on Teams at 3:00pm. This will be reviewed at the end of the year to see if his will change.

Executive Session

The following motion was moved by David Jorgensen, seconded by Seila Mosquera-Bruno and approved.

“CRDA Board members were moved to a separate “virtual room” to discuss a personnel matter.”

The Executive Session ended and Board Members were brought back to the Board Meeting. The meeting adjourned with no further action.

Adjourn – 4:20pm

Next Board Meeting – February 15, 2024, 3:00pm –virtual with in-person option.