

**Capital Region Development Authority**

**100 Columbus Boulevard, 5<sup>th</sup> Floor**

**Hartford, CT 06103**

**Thursday, April 25, 2024**

**3:00pm –In person Meeting with virtual option**

*(The Board Meeting was held via Microsoft Teams with in-person availability)*

**Board Members Present:** Chairman David Robinson; Vice Chairman Andy Bessette; Paul Hinsch; Randal Davis; David Jorgensen; Matthew Pugliese; Mayor Arunan Arulampalam; Mayor Connor Martin; Joanne Berger-Sweeney; Andrew Diaz-Matos

**Board Members Absent:** Bob Patricelli; Pam Sucato; Seila Mosquera-Bruno

**CRDA Staff Present:** Michael Freimuth; Joseph Geremia; Robert Houlihan; Jennifer Gaffey; Kim Hart; Terry Mitchell Smith; Mark O’Connell; Derek Peterson

Vice-Chairman Andy Bessette called the meeting to order at 3:00pm.

**Minutes**

The minutes from March 21, 2024, were moved by Joanne Berger Sweeney, seconded and approved.

**Mayor Reports**

East Hartford Mayor Connor Martin reported that there are 15 economic development projects moving forward simultaneously, four being supported by CRDA. Silver Lane Plaza, the entire center building is mostly done and should be completed by May 31<sup>st</sup>. CRDA is helping East Hartford manage the demolition. The second phase of Silver Lane Plaza is currently being worked on, which entails demolishing the two outer buildings. An RFP for a hazardous material study should be back by the end of April. Continuing to work with CRDA on Old McCartin School, the old school that we hope to demolish and subdivide the property into 16 single family home lots. Working with CRDA to potentially get on the May Bond Commission meeting for \$4.5M ask which would cover a great deal of the infrastructure that would be needed to support the housing development.

Partnering with Simon Konover to work on a 120-unit market rate apartment building off of East River Dr. which could potentially be an ask for CRDA to help the project with a loan.

Hartford Mayor Arulampalam reported on the following:

DoNo Parcel-Phase one has broken ground. It is a \$58M project. It will be 227 apartments and a 501-space parking garage.

3580 Main Street - fka the former Fuller Brush Factory, is under construction. It is a \$36M project, 155 one- and two-bedroom apartments.

270 Albany Ave. – rehab of a historic structure near Main and High Streets into eight units with 1200 sf of retail space below and also new construction of 32 residential units that is currently being reviewed by Hartford’s legal counsel.

Arrowhead Development – Almost closed and is moving towards construction.

525 Main Street – Anticipating completion July 2024, of the 42 units, 8 are affordable with 3 commercial units.

Main Street – redevelopment of Main Street is an essential next step.

275 Pearl Street - anticipated completion July 2024, 34 units 4,200 s.f. of restaurant space.

Albany and Woodland – have closed and transferred site control, groundbreaking soon.

## Introduction

Executive Director Michael Freimuth introduced Derek Peterson as CRDA's Sr. Underwriter. Mr. Peterson gave a brief bio of his career which includes 25 years in the real estate industry and underwriting all types of properties. Most recently working for CIGNA Realty Investors underwriting multi-family development and also working in loan originations as well.

## Financial Update – April 2024

CRDA's CFO Joseph Geremia reported the following financial update for April 2024:

### Fiscal Year 2024 Financial Statements, Audits, and Fiscal Year 2025 Budgets

CRDA Fiscal Year 2024 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

Fiscal Year 2025 Budgets

Management companies/CRDA staff prepare draft budgets (April through May)

CRDA staff review draft budgets followed by appropriate adjustments (May/June)

CRDA Board Venue Committee presented major venue budgets (June)

CRDA Board Executive & Finance Committee members presented state appropriation and major venue budgets (June)

Full Board presented state appropriation and major venue budgets for authorization (June)

### Fiscal Year 2024 Major Venue Operating Statistics

CT Convention Center – Feb. 2024

Event Update: Hosted 70 events this fiscal year with YTD attendance over 282,600

Scheduled for 127 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

Feb. financials: Revenues \$382,800 favorable to budget due to two additional banquet catering events and F&B revenues from public events

Expenses \$111,300 favorable to budget due to savings in event personnel and vacant positions as well as CUP utilities

Net operations favorable to budget by \$494,100

Total year projection \$345,000 favorable to budget with CRDA appropriation P&W

Stadium at Rentschler Field – Feb. 2024

Event Update: 6 UConn football games, 1 int'l soccer game, with 24 parking lot and catered events held

Feb. financials: Event revenue \$203,000 favorable compared to budget with \$325,200 attributed to professional soccer offset with \$112,800 unfavorable UConn football season and \$9,400 unfavorable parking lot and catered events compared to budget

Operating expenses \$45,100 unfavorable compared to budget due to utilities expense and F&B personnel offset with savings in insurance

Other Income \$53,300 favorable to budget due to sponsorship partners

Net operations favorable to budget by \$211,100

Total year projection of \$9,100 net income even with budget with CRDA appropriation

XL Center – Feb. 2024

Event Update: Hosted 77 events this fiscal year with YTD approximate attendance of 369,000

Scheduled for 116 events this fiscal year vs. budget of 116 events

Concerts scheduled in April with holds for end of Q1 in FY2025

Increased Hartford Wolfpack group sales activity

Feb. financials: Event revenue \$131,700 favorable to budget due to concerts \$39,000,

UConn men's basketball 134,100, men's hockey \$3,200, and misc. family events \$114,900  
offset with unfavorable UConn women's basketball (\$159,500)

Other Income \$235,900 unfavorable compared to budget due to order fee ticket charges

Operating expenses \$13,800 unfavorable compared to budget due to F&B personnel and  
expenses as well as insurance expense offset with savings in utilities and event personnel

Hockey operations \$557,800 favorable compared to budget due to increase in TV revenues  
and ticket sales as well as savings in sales personnel and advertising expense

Net operations favorable to budget by \$439,800, 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

Sports lounge weekend and event-day activity outperforming minimal weekday activity

Initial marketing campaign ran January through April

Launched a new menu with staffing changes in March with local events from April  
through June

Sports betting CT Lottery YTD net revenue of \$32,000 through Mar. 2024

Sports lounge net operations loss of \$495,000 through Mar. 2024

Mr. Andrew Diaz Matos questioned the amount of the loss at the sports book stating that an article projected the annual loss to be \$350K. Mr. Geremia stated that he believes it was a misprint as at the time the article was written the loss was already \$350K.

### **Housing and Neighborhood Committee**

Joanne Berger Sweeney and Michael Freimuth briefed the Board together on the following projects:

President Berger Sweeney stated that the occupancies speak for themselves for the properties that have been renovated. Mr. Freimuth stated that the Hilton property already has 21 units leased even though it is still going through some final signoffs. Chairman Robinson asked if the DoNo Parcel B and RPI projects will be in construction simultaneously. Mr. Freimuth responded stating that Parcel B is Mr. Salvatore's priority and there is a second phase to this project that has not yet been underwritten. Mr. Salvatore has acquired the RPI site and does have exposure while those buildings are up so he'd like to get some environmental cleanup and demolition work done.

UConn Dormitory – currently underwriting this project. Looking forward to moving this to the Housing Committee and the Board sometime in May.

RPI site – moving forward with Randy Salvatore on the RPI site and will go before the Housing Committee in May to do some preliminary work on the site to get it ready for construction.

Bedford – getting ready to close on the project

Arrowhead – as reported by Mayor Arulampalam, this project is getting ready to close

## **Regional and Economic Development Projects Committee**

Mr. Freimuth stated that Mayor Martin reported on the projects for East Hartford in his Mayor's Report so there is no need to duplicate. Mr. Freimuth added that the Carbone's Restaurant Project is still being worked out. Mr. Bessette asked the Data Center site near the stadium. Mayor Arulampalam responded that the city applied for a federal grant however the project was not awarded in this round. He indicated that he would continue to work with DECD and Speaker Ritter to try to get this accomplished.

## **Venue Committee**

Vice Chairman Andy Bessette reported on the following venue Committee update for April 2024:

### *XL Center*

The Wolfpack finished their regular season 18 and 18 at home, with attendance averaging around 4,200 fans per game – 17% higher than last year and the second highest increase in the AHL. (Per caps were also 16% higher than last year.) The AHL, meanwhile, reported a league-wide average of 5,900 fans per game – a 5% increase over last year.

The Wolfpack have qualified for the playoffs and will play their first three games in North Carolina against the Charlotte Checkers. Should the team win two of those games, they will return to XL for the second playoff round.

XL has had a strong run of successful shows in recent months. The Andrea Bocelli show in February was the highest grossing show in the history of the arena, but that record was surpassed last weekend by Bad Bunny. The recent Nicky Minaj shows and Monster Jam both exceeded budget expectations by significant amounts.

Upcoming events include Los Tigres Del Norte concert on April 27<sup>th</sup>, Ringling Brothers circus May 3<sup>rd</sup>-5<sup>th</sup>, WWE on May 6<sup>th</sup> and USA Gymnastics on May 17<sup>th</sup> and 18<sup>th</sup>.

Mr. Freimuth gave an update regarding the RFP going out for a second time on May 1, 2024. Bids are expected to be back by early June. Mr. Freimuth has been speaking with legislators regarding the budget in case assistance is needed to bridge the gap. One item that was eliminated was the improvements to the loading dock and ramp system.

Mr. Freimuth also noted that OVG has been awarded the Providence Building. Providence is a competitor in the convention center business, however that is not the case with the XL Center. The Executive Director will issue a memo stating that CRDA has approved OVG management of the Providence arena as they are 75 miles from the XL Center.

### *Pratt & Whitney Stadium*

OVG has recently announced two international soccer matches to be held at the Stadium this summer. Columbia and Bolivia will play on June 15<sup>th</sup>, while Ecuador and Honduras will play on June 16<sup>th</sup>. CRDA has requested \$5 million from the next Bond Commission meeting for roof repairs, renovation of team facilities and other minor work in the building. Other renovation work at the Stadium remains on hold pending Bond Commission approval.

The Management Services RFP will be issued by CRDA on April 26, 2024.

Upcoming events in May include the 87<sup>th</sup> Omega Psi Phi New England Regional Conference, the Trinity College Bicentennial Gala and Brick Fest Live for Lego enthusiasts.

As noted at the last meeting, water issues continue to plague walkways around the Convention Center, particularly along the Riverfront Esplanade. To address these issues, CRDA has requested \$2 million from the next Bond Commission meeting for replacement of pavers and repair of waterproofing and drainage.

### **Executive Director**

Mr. Freimuth reported on the following:

**Bushnell South** – Waiting for the Bushnell Theater to give us their updated parking and traffic analysis. The Parking RFP is drafted and awaiting the traffic study from Bushnell. The new construction area is a concern for storm water management since the area is served by a combined water/sewer system. It is likely that each new construction zone is probably going to come up with some sort of water retention/water management and logically it may make sense to put in a new storm drain system and have each property buy into it. Kim Hart explained the stormwater consultant with Board Members.

#### Bushnell South Stormwater Consultant

**Background:** In early 2021, the Bushnell South Planning Consortium - comprised of the City of Hartford, the Bushnell Center for the Performing Arts, Spinnaker Real Estate Partners and CRDA – selected via RFP a team of consultants to develop a comprehensive master plan for the Bushnell South area.

The team included Goody Clancy as lead, with a number of subconsultants, including Langan Engineering, who would be responsible for site engineering and landscape elements of the plan. Goody Clancy's proposal noted that Langan had extensive experience with other high-profile mixed-use development projects in Connecticut.

In October 2021, the Goody Clancy team issued its Master Plan and Implementation Strategy. Among other provisions, the plan included Langan's analysis of water and sewer capacity for the development, based in part on its communications with fellow engineers at the MDC.

As various owners moved ahead with development of their respective parcels, the MDC began raising concerns in the spring of 2023 about sewer capacity in the area. Following a meeting with MDC in September 2023, it became clear to CRDA and other property owners that additional analysis was required and that Langan could best represent the interests of the larger development. Not only had Langan been part of a competitively selected team, but they had also analyzed preliminary data on the development and assisted with the crafting of the Master Plan. In addition, Langan had a history of working with the MDC relative to Bushnell South. Staff also concluded that entering into a sole source contract with Langan would be more cost-effective than hiring a new consultant who would need considerable time to get up to speed on the planned development.

**Proposal:** In response to a request from CRDA, Langan has offered a proposed scope of work and financial proposal. Among other provisions, their tasks would include (1) reviewing existing storm and sanitary mapping and local stormwater requirements for the Bushnell South area, (2) reviewing storm and sanitary flow projections from the three current developers (TMO, Spinnaker and Pennrose), (3) comparing cost and efficacy of on-site stormwater storage versus new storm main options and (4) identifying potential green stormwater options. Total contract cost would be \$57,700.

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

*“The executive director is authorized to enter into a contract with Langan for combined sewer separation concept planning services not to exceed \$57,700 in accordance with the terms and conditions provided above.”*

Mr. Freimuth noted that the Board awarded a \$30K grant to the Parkville neighborhood to work through the dynamics of putting together a business improvement district (BID). The following are the details regarding the Parkville BID.

#### Parkville BID

Background: A variety of development projects are underway in the Parkville neighborhood, including several financed by CRDA. Phase II of the Parkville Market, several new 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 and 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. Downtown Hartford has had a BID for several years and the Parkville effort will be modeled along similar lines.

Proposal: At its June 2023 meeting, the CRDA Board approved a \$30,000 grant to the Parkville NRZ for the purpose of establishing a BID. Hands on Hartford, a 54-year-old neighborhood nonprofit was to act as fiduciary agent and administer these funds on behalf of the NRZ. Pursuant to the budget provided to CRDA, the funds would be used to contact property owners, secure a community vote, legally structure the entity, obtain the necessary municipal approvals and to initiate their first meetings.

It has since come to the attention of the City and CRDA that a more efficient method of utilizing these funds would be for Hands on Hartford to be the direct recipient, rather than the Parkville NRZ. No CRDA grant funds have been distributed to date.

The following motion was moved by Andrew Diaz Matos, seconded by Paul Hinsch and approved.

*“The executive director is authorized to grant to Hands on Hartford 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

Housing initiatives this calendar year include the opening of 55 Elm; 525 Main and 275 Pearl. Hoping to wrap up a couple of projects in East Hartford including the storm drainage system and the paving that is part of it. We are still waiting for permits to get the riverfront projects started.

Statement of Financial Interest (SFI) - CRDA’s Attorney Anthony Lazzaro reminded Board members that their Statement of Financial Interest is due by May 1, 2024.

89 Arch - The project is approximately 80%-85% complete as of last month. When we report back in June it is the hope is that it will be open by then. Until then, the proprietors are making slow progress.

Bond Commission – the following projects are waiting on bond commission funds

Rentschler Field

Convention Center

Front Street

Two garages

McCartin School demolition

30 Laurel

The Board wished Joanne Berger Sweeney well, on her plans to retire in June 2025. She mentioned that Larry White will become the President of UHART, noting that he is a Greater Hartford Connecticut native.

Next meeting is Wednesday, May 22 at 3:00pm.

Board adjourned at 4:02pm

*“The April 25, 2024 minutes were moved by Joanne Berger Sweeney, seconded by Paul Hinsch and approved.”*