

Capital Region Development Authority

100 Columbus Boulevard, 5th Floor

Hartford, CT 06103

Tuesday, June 18, 2024

5:00pm –In-person meeting with virtual option

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

Board Members Present: Chairman David Robinson; Paul Hinsch; David Jorgensen; Matthew Pugliese; Joanne Berger-Sweeney; Bob Patricelli; Pam Sucato; Mayor Connor Martin; Seila Mosquera-Bruno

Board Members Absent: Vice Chairman Andy Bessette; Mayor Arunan Arulampalam; Randal Davis; Andrew Diaz-Matos

CRDA Staff Present: Michael Freimuth; Joseph Geremia; Anthony Lazzaro; Robert Houlihan; Jennifer Gaffey; Terryl Mitchell Smith; Mark O’Connell; Derek Peterson; Erica Levis

Guests: General Manager, XL Center/P&W Stadium, Ben Weiss; General Manager CT Convention Center, Michael Costelli. Director of Development Services for the City of Hartford, Jeff Auker and Economic Development Director, Patrick Pentalow.

Chairman David Robinson called the meeting to order at 5:00pm.

Minutes

The minutes from May 22, 2024, were moved by Bob Patricelli, seconded by Paul Hinsch and approved.

Mayor Reports

Director of Development Services for the City of Hartford, Jeff Auker and Economic Development Director, Patrick Pentalow reported on the following in Mayor Arulampalam’s absence.

Albany and Woodland – Closed on the Real Estate transaction. Working on closing checklist so a financial closing can be done for next phase of the project.

Arrowhead Development –Mortgage closed, groundbreaking in near future

525 Main Street – Construction to be completed by end of August 2024

275 Pearl Street - Construction to be completed by end of August 2024

17&35 Bartholomew & 235-7 Hamilton – Carlos Mouta and City are working through options. Parking study is required.

17 Wells – Phase II of 525 Main. City owes CRDA feedback from the development team.

64 Pratt St – UConn Dormitory project, moving forward. city identified the \$2M, also have a preliminary tax deal that’s been submitted to CRDA. Working with developer.

Mayor Connor Martin reported on the following:

Silver Lane Plaza – Continue relocating the last four tenants, trial is Monday, June 24, 2024.

Completed demolition of center building. Currently out to bid for some hazardous waste abatement for the two side remaining buildings. Those are where the remaining tenants reside so demolition cannot happen before the tenant issue is resolved. The town is working with the Grossman Realty Group, the sole respondent to the RFP. A final concept plan is close to being solidified to present to the town council.

Concourse Park – Positive meeting with CRDA and Brian Zellman, charting a path forward that includes more involvement by CRDA in terms of programming needs \$10M of public funds. The town is working with Jasko and Brian Zellman to close on the property sometime this fall. There has been a request to sub-divide the property. This may have to go back to the Town Council for an amended PDD, an amended development agreement and an extension of the tax agreement.

McCartin School – The State Bond Commission approved \$4.5M request for East Hartford. This project is to demo the old Sr. Center/elementary school and sub divide into 16-20 single family homes or townhouses can be built.

Founders Plaza – continue to work with CRDA and the Town’s Bond Council and Port East Side Partners to get the grant agreement finished.

Main Street revitalization – the town is looking to create a version of Pratt Street and possibly a “Parkville Market” East model at an old movie theater. The town is submitting a CIF application for \$4.5M, that is to reconfigure the traffic around Bissell Street. Making Bissell St a pedestrian only plaza and to bury the utility poles and any utilities that are near and around the area. \$1M of the funds will be used for the planning and engineering of a complete street model such as round-abouts, decreasing the number of lanes and addressing the traffic flow on Main St.

Financial Update – June 2024

CRDA’s CFO Joseph Geremia reported the following financial update for June 2024. Mr. Geremia presented the CRDA Standby Bond Purchase Agreement Renewal terms and need for agreement.

CRDA Parking and Energy Fee Revenue Bonds - Standby Bond Purchase Agreement Renewal

Fifth amendment expiring on August 25, 2024
Sixth amendment – three-year extension with Bank of America

CRDA Parking & Energy Fee Revenue Bonds Standby Bond Purchase Agreement

Request to approve a three-year extension (the sixth amendment) of the Standby Bond Purchase Agreement {SBPA} per the attached resolution and rates provided effective on or before August 25, 2024. Extension assumes no material changes to the terms or conditions of the current SBPA.

Agreement extension reviewed by bond counsel: Updike, Kelly, Spellacy, P.C.

Extension requires approval by the State Treasurer's office and OPM per the Contract for Financial Assistance related to CRDA's revenue bonds.

Fee Letter Table:

Bank of America, the existing liquidity provider on the Authority's Series 2004B Variable Rate Bonds, proposed the following fee grid for a three-year extension on the SBPA.

(State's GO Rating)

Level	Moody's	S&P	Fitch	Current Fee	Proposed Fee
1	Aa3 or >	AA- or >	AA- or >	0.47%	0.44%
2	A1	A+	A+	0.52%	0.49%
3	A2	A	A	0.62%	0.59%
4	A3	A-	A-	0.72%	0.70%
5	Baa1	BBB+	BBB+	0.87%	0.85%
6	Baa2	BBB	BBB	1.02%	1.00%
7	Baa3	BBB-	BBB-	1.17%	1.15%

The following motion was moved by Bob Patricelli, seconded by Paul Hinsch and approved.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL REGION DEVELOPMENT AUTHORITY AUTHORIZING EXTENSION OF THE AMENDED AND RESTATED STANDBY BOND PURCHASE AGREEMENT IN EFFECT WITH RESPECT TO ITS REVENUE BONDS, 2004 SERIES B, AND AUTHORIZING RELATED AGREEMENTS

ADOPTED: June 18, 2024

BE IT RESOLVED by the Board of Directors of the Capital Region Development Authority (the "Authority") as follows:

Section 1. The extension of the Amended and Restated Standby Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Authority, U.S. Bank National Association, predecessor in interest to U.S. Bank Trust Company, National Association, as Trustee and Tender Agent, and Bank of America, N.A. (the "Bank"), in effect with respect to the Authority's Parking and Energy Fee Revenue Bonds, 2004 Series B (the "Bonds"), for an additional three years pursuant to a Sixth Amendment to the Amended and Restated Standby Bond Purchase Agreement (the "Sixth Amendment"), and on terms outlined in the fee proposal set forth in that certain Third Amended and Restated Fee Letter between the Authority and the Bank (the "Fee Letter"), is hereby approved.

Section 2. The proper officers of the Authority are hereby authorized to execute and deliver, in the name of the Authority, the Sixth Amendment to effect such extension and the Fee Letter on terms at least as favorable as the fee proposal presented to this meeting, with such further changes and additions as such officers shall approve, such approval to be conclusively evidenced by their execution and delivery of the Sixth Amendment and the Fee Letter.

Section 3. The proper officers of the Authority are hereby authorized to do and perform such acts, and execute and deliver, in the name of the Authority, such additional instruments, agreements, notices and certificates, including a remarketing supplement, with respect to the Bonds and the amendment of the Bond

Purchase Agreement, as they deem necessary or appropriate to carry into effect the intent of the foregoing resolutions, and as shall not be inconsistent with the foregoing resolutions.

Section 4. For purposes of this resolution, the “proper officers” of the Authority shall be the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Executive Director and the Deputy Director of the Authority, and each or any of them.

Section 5. This resolution will take effect immediately.

Mr. Geremia provided an audit update.

Fiscal Year 2024 Financial Statements and Audits

- CRDA Fiscal Year 2024 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

Mr. Geremia noted that the Executive and Finance Committee met June 4, 2024 and approved the following budgets to be presented for Board approval.

Fiscal Year 2025 Budgets

FY2025 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

CRDA State Appropriation Allocation Request

	<u>FY25 Appropriation</u>
CRDA Office	\$ 1,445,022
Bushnell South Garage	\$ 400,000
XL Center	\$ 2,000,000
XL Center Sports Bar	\$ 600,000
Convention Services Program	\$ 100,000
CT Convention Center	\$ 5,650,000
P&W Stadium ¹	\$ 650,000
Total	\$10,845,022

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 FY25 Operating Budget [Net]: \$122,428

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 \$20,480 associated with the farmers' market.

Front Street District FY25 Operating Budget [Net]: \$107,549

The Front Street district is funded through PILOT revenues received from the district's retail operator and residential housing 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 FY25 Operating Budget [Net]: \$358,754

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) FY25 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.

Bond Indenture/Trustee FY25 Operating Budget [Net]: \$4,893

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, \$240,000 is allocated towards the capital plan. This budget authorizes up to \$960,000 to be allocated towards the capital plan upon available funds. Excess funds are sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

Church Street Garage FY25 Operating Budget [Net]: \$76,997

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

This budget includes a market monthly contract rate increase that continues to offer the lowest level downtown rates.

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

Bushnell South Garage FY25 Operating Budget [Net]: \$1,433

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.

FY25 Net Operating Loss of \$398,567 without CRDA appropriation.
Projected CRDA appropriation of \$400,000.

Jospeh Geremia introduced OVG's General Manager Ben Weiss and CTCC General Manager Michael Costelli. Both gentlemen gave an overview of their respective facilities and how the buildings are performing.

XL Center **FY25 Operating Budget [Net]: \$3,350**

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 net profit.

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

FY25 Net Operating Loss of \$1,996,650 without CRDA appropriation.
Projected CRDA appropriation of \$2,000,000.

Mr. Geremia noted that venue naming rights are currently being negotiated by OVG and not included in the budget being presented.

XL Center Sports Bar **FY25 Operating Budget [Net]: \$762**

The XL Center Sports Bar generates operating revenues through food and beverage income.

Operating expenses are food and beverage cost of goods, payroll and benefits, as well as administrative, financial, marketing, and utility expenses.

FY25 Net Operating Loss of \$599,238 without CRDA appropriation.
Projected CRDA appropriation of \$600,000.

Mr. Geremia noted that this budget does not contain any possible gaming venues received by CT Lottery.

Convention Services Subsidy Program **FY25 Operating Budget [Net]: \$(85,000)**

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 between the convention center and CRDA.

The convention subsidy program is funded through two sources. The program receives a state appropriation and a parking subsidy from the CRDA Parking Facilities due to the increased revenue generated by booking these city-wide events. Program commitments are reserved through fiscal year 2030.

Projected CRDA appropriation of \$100,000.

CT Convention Center **FY25 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 70% and concession income representing 30%.

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.

FY25 Net Operating Loss of \$5,650,000 without CRDA appropriation.
Projected CRDA appropriation of \$5,650,000.

CRDA Office **FY25 Operating Budget [Net]: \$24,204**

The CRDA office is funded through numerous sources. The Authority receives a state appropriation {\$1.45M}, program administrative fees through its management of capital projects at its venues and throughout the region {\$400K} as well as loan origination fees through the residential housing program {\$405K}. The Authority also generates interest on its residential housing loans {\$1.48M} as well as accrued interest on its residential housing loans and non-residential housing investments payable to the Authority in future fiscal years {\$1.16M}.

Expenses are for payroll and benefits which are 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. This budget includes fully staffing 14.5 FTEs and reflects State COLA adjusted with Authority market analysis.

Projected CRDA appropriation of \$1,445,022.

Pratt & Whitney Stadium @ Rentschler Field **FY25 Operating Budget [Net]: \$8,144**

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.

FY25 Net Operating Loss of \$891,856 without CRDA appropriation.
Projected State appropriation of \$650,000 and UConn operating assessment of \$250,000.

The following motion was moved by Chairman David Robinson, seconded by Pul Hinsch and approved

“The CRDA Board of Directors hereby authorizes the FYE 2025 State Appropriation request and the twelve FYE 2025 Budgets under the scenarios recommended by management subject to available funds known as: CT Convention Center; Convention Services Subsidy Program; XL Center; XL Center Sports Bar; 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. Freimuth thanked and highlighted the work performed by Mr. Geremia and his staff. Mr. Geremia thanked the financial staff at CRDA as well as the management and financial staff at each venue for the work performed in this budget presentation.

Housing and Neighborhood Committee

Michael Freimuth presented the Housing and Neighborhood report. He reported that the Committee did not meet in June. He noted that the apartments at the Revel are above 50% occupancy. Derek Peterson is working to understand the projections and the proformas and the debt structures so that we can adjust our underwriting to compliment what private monies are available and their terms for future housing projects.

Regional and Economic Development Projects Committee

Michael Freimuth presented the Regional and Economic Development Projects report. He reported that the Committee did not meet in June. A majority of the projects, that are on the project spreadsheets, were reported on by the Mayor of East Hartford in his report.

Venue Committee

Mr. Freimuth presented the Venue Committee report.

XL Center

The Wolfpack advanced to the Atlantic Division Finals of the Calder Cup championships for the second year in a row, but saw their hopes dashed by the Hershey Bears. It was nevertheless a successful season in terms of attendance with 24 of the team’s 36 regular season home games drawing more than 5,000 fans. Nineteen of those games featured lower bowl sellouts. Overall, the team averaged 5,500 fans per game, the club’s highest average attendance since the 2010-11 season and a 56% increase in ticket sales since the 2021-22 season.

The building continues a run of successful events this spring. Aventura performed on May 27th with nearly 13,000 fans in attendance – 25% higher than expected, with per caps also exceeding budget expectations. Columbian singer Feid performed on June 9th in front of 10,000 fans – per caps and net F&B sales outperformed budget by nearly 20%.

Upcoming events include a Karaoke Night in the Sports Lounge later this month, as well as Monster Trucks in September and a cannabis convention in October. Tickets have also gone on sale for a Katt Williams comedy show scheduled for May of 2025. The popular comedian is expected to draw a significant crowd.

Pratt & Whitney Stadium

Last weekend, the Stadium hosted two international soccer matches - Columbia and Bolivia on Saturday with over 21,000 fans in attendance and Ecuador and Honduras on Sunday with approx. 10,000 fans in the venue.

The Stadium will be the site of a number of fun runs and charity events this summer, including a flag football tournament, the Mudgirl run and a Wishes on Wheels event. UConn football will play their 2024 home opener on Saturday, September 7th against Merrimack. Upper Deck golf will visit on September 13th and 14th, allowing fans to play a round of golf in the Stadium.

On June 7th, the State Bond Commission approved \$5 million in funding for roof repairs, renovation of team facilities and smaller projects around the building. Full implementation of the Populous repair/renovation plan remains on hold pending Bond Commission approval.

Connecticut Convention Center

Upcoming events this summer include a Connecticut Health Foundation conference, the Little House on the Prairie 50th Anniversary Cast Tour and the Retro World Gaming and Esports Expo.

In addition to funding for Stadium repairs, the Bond Commission has approved \$2 million for replacement of pavers and repair of waterproofing and drainage on the Convention Center's riverfront esplanade.

Executive Director

Mr. Freimuth reported on the following:

The State Bond Commission was good to us this past month. East Hartford received funds for the McCartin project, as did a housing project on Laurel Street. Church Street garage and Front Street also received capital funds.

July Board Meeting – Based on where we are with the most recent bids with XL, we will need a July board meeting to discuss the construction budget for the XL building and approve a new management agreement with OVG.

The Board adjourned at 6:15pm. The next meeting will be July 18, 2024, 3:00pm.