

Capital Region Development Authority

100 Columbus Boulevard, 5th Floor

Hartford, CT 06103

Thursday, October 17, 2024

3:00pm – virtual meeting with in-person 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; Matthew Pugliese; Pam Sucato; Andrew Diaz-Matos; Olusegun Ajayi; Mayor Connor Martin; Seila Mosquera-Bruno; David Jorgensen; Bob Patricelli; Mayor Arunan Arulampalam

Board Members Absent: Joanne Berger-Sweeney

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

Guests: David Rosenfeld, Co-Founder/Partner, GoodWorks Entertainment; Tyler Grill, CEO/Co-Founder, GoodWorks Entertainment

Minutes

The minutes from September 19, 2024, were moved by Matthew Pugliese, seconded by Andrew Diaz-Matos and approved.

GoodWorks Entertainment Presentation

David Rosenfeld, Co-Founder/Partner, GoodWorks Entertainment along with Tyler Grill, CEO/Co-Founder, GoodWorks Entertainment gave a presentation to the Board regarding Infinity Hall on Front Street. Mr. Rosenfeld gave a brief history on their business. He gave an update on Hartford’s New Music Festival, Capitol Groove and Hartford Live, A free Music Series and spoke about the challenges and support that is needed to continue to grow and thrive on Front Street. Mr. Rosenfeld is asking for CRDA to partner with them to secure a three-year agreement with CRDA at \$50,000 and a corporate match of the same per year.

Board Members asked questions of Mr. Rosenfeld and discussed how they will need to bring this up at the Venue Committee to see if this request might be workable.

Th Board Meeting schedule for the remainder of 2024 and 2025 was provided to the Board for review.

CRDA Board Meeting dates 2024-2025

To: Board of Directors- Capital Region Development Authority (CRDA)

From: Michael Freimuth

Date: October 15, 2024

Subject: CRDA Board Meeting dates 2024-2025

The CRDA Board Meeting dates are listed below:

CRDA Board meetings will always be virtual, however in-person once a fiscal quarter.

Month/Year

Meeting Day/Dates

October 2024	Thursday, October 17, 2024, 3:00pm
November 2024	Thursday, November 21, 2024, 3:00pm
December 2024	No Meeting
<u>January 2025</u>	Thursday, January 16, 2025, <u>6:00pm, in-person</u>
February 2025	Thursday, February 20, 2025, 3:00pm
March 2025	Thursday, March 20, 2025, 3:00pm
April 2025	Thursday, April 17, 2025, 3:00pm
May 2025	Thursday, May 15, 2025, 3:00pm
<u>June 2025</u>	Thursday, June 19, 2025, <u>6:00pm, in-person</u>
July 2025	<i>Thursday, July 17, 2025 (call of Chair)</i>
August 2025	No Meeting
September 2025	Thursday, September 18, 2025, 3:00pm
October 2025	Thursday, October 16, 2025, 3:00pm
<u>November 2025</u>	Thursday, November 20, 2025, <u>6:00pm, in-person</u>
December 2025	No Meeting

Finance Report

CRDA CFO Joseph Geremia reported on the following October 2024 Financials:

Fiscal Year 2025 Operating Statistics

CT Regional Market - Aug. 2024

- Stats: Occupancy: 82% with 12 tenants
- Activity: Farmers' Market: 2024 season opened on April 6
Approx. 20,050 YTD seasonal attendance
- Aug. financials: Operating revenue \$13,800 favorable to budget due to seasonal parking agreements
Operating expenses \$6,000 favorable to budget due to savings in maintenance deferred to spring
Net income of \$13,400 favorable to budget by \$19,800
Total year projection of \$122,400 net income even with budget

CRDA Parking Facilities – Aug./Sept. 2024

- Stats (Sept.): Utilization of 77% is favorable to budget by 5%
- Aug. financials: \$101,600 favorable to budget due to increase in monthly parkers
Expenses \$204,300 favorable compared to budget due to favorable utility expense and timing of insurance invoices offset slightly with increased repairs & maintenance
Net income of \$12,500 favorable to budget by \$305,900
Total year projection of \$358,800 net income even with budget

Church Street Garage – Aug./Sept. 2024

- Stats (Sept.): Utilization of 36% is favorable to budget by 14%
- Aug. financials: Revenues \$73,000 favorable to budget due to increase in monthly residential parkers and corporate validations
Expenses \$50,200 favorable compared to budget due to favorable utility expense and timing of security and IT invoices offset slightly with increased repairs & maintenance
Net loss of \$88,700 favorable to budget by \$123,200
Total year projection of \$77,000 net income even with budget

Bushnell South Garage – Aug. 2024

Stats: Averaging 160 state vehicles per day-42% utilization
Tuesday through Thursday average of 200 state vehicles per day
Aug. financials: \$1,800 favorable to budget due to event revenues
Expenses \$19,500 favorable compared to budget due to favorable utility expense and timing of IT and misc. services invoices
Net loss of \$94,500 favorable to budget by \$21,300
Total year projection of break-even with CRDA appropriation even with budget
Bushnell Theatre event parking cooperation – operations personnel coordination

CT Convention Center – Aug. 2024

Event Update: Hosted 8 events this fiscal year with YTD attendance over 70,000
Scheduled for 136 events this fiscal year vs. budget of 135 events
Aug. financials: Revenues \$66,800 unfavorable to budget due to event cancellation
Expenses \$25,800 favorable to budget due to savings in event personnel and vacant positions
Net operations unfavorable to budget by \$41,000
Total year projection even with budget with CRDA appropriation

XL Center – Aug. 2024

Event Update: No hosted events
Scheduled for 112 events this fiscal year
Aug. financials: No event revenues
Other Income \$1,500 favorable compared to budget
Operating expenses \$25,600 favorable compared to budget due to savings in personnel offset slightly with increased insurance expense
Hockey operations \$31,800 favorable compared to budget due to savings in sales personnel
Net operations favorable to budget by \$58,900, excluding sports lounge net operations
Total year projection of \$3,300 net income even with budget with CRDA appropriation, exclusive of estimated sports lounge net operations loss
Sports lounge weekend activity outperforming minimal weekday activity
Launched a new menu and operations hours in September
Sports betting CT Lottery YTD net revenue of \$6,300 through Aug. 2024
Sports lounge net operations loss of \$32,400 through Aug. 2024 \$2,000 favorable compared to budget.

P&W Stadium at Rentschler Field – Aug. 2024

Event Update: 11 parking lot and catered events held
Aug. financials: Event revenue \$7,600 unfavorable compared to budget
Operating expenses \$11,000 favorable compared to budget due to event savings in personnel
Other Income \$12,700 favorable to budget due to increased cell tower revenue
Net operations favorable to budget by \$16,100
Total year projection of \$8,100 net income even with budget with CRDA appropriation

Mayor Reports

Hartford

Mayor Arunan Arulampalam reported on various City projects that are under construction including Albany Woodland; 614 Albany; 270 Albany Ave.; Bristol & Main; Arrowhead; DONO Parcel B; Data Center; 525 Main Street; 275 Pearl Street; UConn Dorms.

East Hartford

Mayor Connor Martin reported on various Town projects that are under construction including Main Street; Bissell Street; Concourse Park; Silver Lane Plaza; McCarten School; Founders Plaza; Commerce Park; Riverfront Recapture, Army Corp of Engineers was reached and connected with Riverfront Recapture – Both Port Authority Grant & Recreational Trails Grants were obtained.

Housing & Neighborhood Committee

Derek Peterson, CRDA Senior Underwriter, gave an overview of CRDA Housing projects that are in various stages of development including two projects brought forth by the Housing & Neighborhood Committee for support by the Board.

Project: Elm & Capitol

Address: 65 Elm St., and 100 Capitol Ave., Hartford, CT

Developer: Spinnaker

Background: 65 Elm Street and 100 Capitol Avenue (The “Project” or “Development”) are part of a larger redevelopment known as the Bushnell South Neighborhood Development (“Bushnell South”). The area includes public and private land for development, controlled by the Goody/Clancy masterplan. The long-term goal of the plan is to transform 20-acres of empty blocks and surface parking to a new, mixed-use neighborhood focusing on pedestrian friendly access to multifamily residential, arts, entertainment, and public spaces. The addition of 65 Elm Street and 100 Capitol Avenue will create continuity from Main Street to Bushnell Theatre and the State Capitol.

Spinnaker Real Estate Partners (“Spinnaker,” or “Borrower”) is a national multifamily developer that has experience in Bushnell South at 55 Elm Street, on the same block as the Project and currently under construction. CRDA helped finance 55 Elm, with a \$7 million permanent loan, and a \$6.5 million bridge loan for State Historic Tax Credits. Spinnaker expects to monetize the tax credits by year-end. The Borrower has requested that funds coming back from tax credits be applied to the 65 Elm and 100 Capitol Avenue Project, consistent with the Board’s approval of the 55 Elm Street project in March 2021. While both properties, or “phases,” make up the Project, CRDA is considering 65 Elm and 100 Capitol separately. Spinnaker will start construction on 65 Elm, and only if the full \$6.5 million tax credit is monetized will CRDA participate in the second phase, applying the returned proceeds to the construction of 100 Capitol Avenue.

The Project: The Development includes two new apartment buildings in Bushnell South consisting of 239 units, with 20% below market rate units (50%-120% AMI). 65 Elm will contain 127 apartment units and 3,250 sq. ft. of retail, while 100 Capitol will contain 112 apartment units and 5,250 sq. ft. of retail. The retail is expected to complement the long-term goals of Bushnell South, and may include restaurant tenants, studios, galleries and shops, consistent with the plan. The unit mix will consist of spacious studios, one- and two-bedroom apartments, and amenities such as a pool, beer garden, courtyard, a linear green and a sunken garden that will all be shared. Access to both properties will be to the north along Elm Street, with additional parking access to the east via Hudson Street. To the south, street parking will be allowed for tenants along 100 Capitol.

An estimated 466 parking spaces will support the Project and 55 Elm Club, providing a total of 1.2 parking spaces per unit.

Proposal: Staff recommends making a loan of up to \$8,000,000 to Spinnaker for the development of 127 apartment units at 65 Elm Street in Bushnell South. Only if \$6.5 million in tax credits from 55 Elm Street are monetized, will an additional \$1,500,000 in loan proceeds become available for the development of 112 apartment units at 100 Capitol Avenue. This will result in a total loan allocation of \$8 million to each property, or \$67,000 per unit (and a total of \$9.5 million requested from Bond Commission). Each proposed loan will have a term of 10-years and earn interest at 3%, with an interest only period for the first 36 months. Principal and interest payments will be made for the remaining 84 months, or until the loan pays off. Interest payments will be calculated using a 360-month amortization schedule and the loan is pre-payable at any time without penalty.

The following motion was moved by Bob Patricelli, seconded by David Jorgensen and approved.

1) The Executive Director is authorized to make a construction-to-permanent loan to Spinnaker Real Estate Partners, LLC (or such single purpose entity as approved by CRDA) in the amount of \$8 million, to be used for the construction of approximately 137 units of housing (20% income restricted units) at 65 Elm Street. The loan will carry a 10-year term at 3% interest-only for years 1-3 and amortizing principal and interest on a 30-year/360-month basis beginning in year four. The loan will be subject to State of Connecticut Bond Commission approval, all financing sources being secured, and such fiduciary terms as deemed necessary by the Executive Director and CRDA counsel. 2) Further, the Executive Director is authorized to make a construction-to-permanent loan to Spinnaker Real Estate Partners, LLC (or such single purpose entity as approved by CRDA) in the amount of up to \$8 million, to be used for the construction of approximately 112 units of housing (20% income restricted units) at 100 Capitol Avenue. The loan will carry a 10-year term at 3% interest for years 1-3 and amortizing principal and interest on a 30-year/360-month basis beginning in year four. The loan will be subject to the successful monetization of approximately \$6.5 million in tax credits related to 55 Elm Street, resulting in a reduction of the 55 Elm St. loans with the repayment of such funds into the CRDA Housing Revolving Capital Fund, the subsequent application of this \$6.5 million to the loan, and requesting approximately \$1.5 million from State of Connecticut Bond Commission. This loan will also be subject to State of Connecticut Bond Commission approval, and other such fiduciary requirements deemed necessary and appropriate by the Executive Director and CRDA counsel.

***Project: Commerce Center Apartments
Address: Riverview Square, East Hartford, CT
Developer: The Simon Konover Company***

Background: Commerce Center Apartments (The “Project”) is a proposed multi-family development located in East Hartford, consisting of 150 new apartment units along the Connecticut River with walkability to downtown Hartford. The property is over 35-acres in size, and has been owned and managed by Eastford Associates, an affiliate of Simon Konover Co. (“Konover”), for over 40-years. Konover originally envisioned the site as an office development, but with changing workforce dynamics and the supply-demand imbalance for apartments in Greater Hartford, the highest and best use shifted towards housing. Konover has approached the Town of East Hartford and CRDA to provide up to \$6.5 million in second-position financing and has finalized an 8-year graduated tax abatement with the town, which will help make the Project economically feasible. Like other CRDA projects in East Hartford, the funds are specific to East Hartford and will be made available through a Memorandum of Understanding (“MOU”).

The Project: The proposed Project contemplates developing the vacant site into 150 multifamily units. Early plans show five, three-story buildings surrounding both covered and uncovered surface parking, with two

points of ingress/egress along East River Drive. The unit mix will consist of 19 studios, 38 one-bedroom, 75 two-bedroom and 18 three-bedroom units. Community amenities include a clubhouse which will house a management office, fitness center, dedicated work-from-home spaces, a community room and café area. Outdoor amenities adjacent to the clubhouse include a pool, lounge area and grilling stations. The site is located between the American Eagle Financial Credit Union and Two Rivers Magnet School, and benefits from easy highway access to Route 2, Route 15, I-84 as well as direct connectivity to trails along the Connecticut River. Walking north along the river provides access to Great River Park, Founders Plaza (also a priority for redevelopment by the town), the pedestrian friendly Founders Bridge, and downtown Hartford. South of the Project is riverside greenspace and trails leading to Goodwin University's recently built and growing Riverside Campus.

Proposal: Staff recommend making a loan of up to \$6,500,000 to Konover for the development of 150 apartment units in East Hartford. The proposed loans will carry a term of 10 years and earn interest at 3.00%, with an interest only period for the first 36 months. Principal and interest payments will be made for the remaining 84 months, or until the loan pays off. Interest payments will be calculated using a 360-month amortization schedule and the loan is pre-payable at any time without penalty.

Board members inquired about the program and if it is a condition of the bonding? Mr. Freimuth responded stating that it is a specific allocation by the legislature for East Hartford through CRDA and any funds that come back will go back into this fund.

The following motion was moved by David Jorgensen seconded by Andrew Diaz Matos and approved.

The Executive Director is authorized to make a construction-to-permanent loan of up to \$6.5 million to Simon Konover (or such single-purpose entity acceptable to CRDA) for the purposes of developing 150 apartment units (\$43,333/unit) in East Hartford, CT. The loan will carry a 10-year term at 3% interest-only for years 1-3 and amortizing principal and interest on a 30-year/360-month basis beginning in year four. The loan is subject to State of Connecticut Bond Commission approval, all financing sources being secured, a new or amended Memorandum of Understanding ("MOU") executed with the Town of East Hartford, and such fiduciary terms as deemed necessary by the Executive Director and CRDA counsel.

Mr. Freimuth added that the \$6.5 Million comes out of the East Hartford projects account, that is specifically dedicated to the Town of East Hartford.

Mr. Peterson also reported on the following projects:

275 Windsor; 30 Laurel Street; 31-45 Pratt; 18-30 Trinity Street; 847 Asylum Street

Mr. Freimuth noted that 18 Temple refinance approved by Housing and Neighborhood Committee, was subsequently modified to be within CRDA Loan Agreements and no longer needed Board approval.

Regional & Economic Development Projects Committee (RED)

Mayor Martin reported that his mayor report touched on the RED projects.

Pulaski Circle update: Pam Succato, CTDOT reported that in mid-September the CTDOT was developing conceptual plans for the improvements of Pulaski Circle. The project is intended to provide safety improvements to achieve reduced vehicle speeds, easier traffic controls and safe access for pedestrian/bicycle use. Currently this is in the project development phase/ proof of concept phase. Over the next two months CTDOT will be primarily focusing on traffic patterns and modeling with the goal of narrowing down

alternatives that will eventually lead to a conceptual plan that can be brought to the public in the Summer of 2025.

Mr. Freimuth gave an overview of the planning study for the Southside Institutions Neighborhood Alliance (SINA) Washington Street Development Plan. Below is the summary and the motion:

Project: Washington Street Development Plan

Background: The Southside Institutions Neighborhood Alliance (“SINA”) is a partnership between Connecticut Children’s Medical Center, Hartford Hospital and Trinity College. Since 1978, the Alliance has collaborated with community stakeholders to foster economic vitality and improve the health and quality of life of the people who live, work, visit, study and play in the neighborhoods of South Central Hartford.

The redevelopment of the Washington Street corridor, extending from the State Capitol to New Britain Avenue, is central to SINA’s mission and is identified as a transformative project in the City’s Plan of Conservation and Development. Over the next few years, this area will see significant investment, including a \$326 million expansion of Connecticut Children's. Looking to build on such momentum, SINA will convene a planning committee and undertake a development planning study that will look at the following components:

- Innovation - Creation of a med-tech corridor,
- Healthier neighborhood - Quality rental housing - particularly for medical staff working in the area - as well as a grocery store, day care and fitness facilities,
- Neighborhood Prosperity - Commercial development, including neighborhood amenities (i.e., restaurants, dry cleaners, laundromat) and medical-related businesses,
- Enhanced Safety and Environment - Reimagined streetscapes that address traffic and pedestrian flows, new lighting and signage,
- Community Trust – Ways to strengthen neighborhood partnerships, and
- Investment – Identify priority projects and potential funding sources.

CRDA has been asked to participate in the planning committee and to contribute toward the cost of the planning study. It should be noted that the redevelopment of the Washington Street corridor ties seamlessly into our work on the Bushnell South project, which sits at the northeast corner of the corridor.

SINA Development Planning Budget:

Liberty Bank	\$15,000
LAZ Foundation	\$ 7,500
Webster Bank	\$ 5,000
<u>CRDA Grant</u>	<u>\$25,000</u>
Total	\$52,500

The following motion was moved by Connor Martin seconded by Andy Bessette and approved.

“The Executive Director is authorized to grant up to \$25,000 to the Southside Institutions Neighborhood Alliance for the purpose of hiring a consultant to undertake a development planning study for the Washington Street Corridor in Hartford. Such funding shall be subject to 1) all other required funds being secured and 2) such fiduciary terms and conditions as deemed necessary and appropriate by the Executive Director and CRDA counsel.”

Venue Committee

Andy Bessette reported on the various venues and events for the October 2024 Board Meeting.

XL Center

Over 12,000 fans attended a sold-out Sabrina Carpenter concert at the XL Center on October 2nd. The event was an enormous success for the facility with actual revenues nearly double OVG's preliminary estimates.

The Wolf Pack will play their first home game of the 2024-25 season tomorrow evening against the Springfield Thunderbirds. UConn hockey played its first XL game of the season on October 12th, defeating Holy Cross in front of about 1,800 fans. The UConn Women's basketball team will play their first XL game of the season on November 7th, with the men playing their first game on November 9th.

Other upcoming events include a Chris Tomlin concert on October 23rd. Nitro Circus - featuring BMX, freestyle motorcross and scooter stunts and competition - will be in the building on November 22nd.

Bob Houlihan, CRDA's Director of Design and Building Services, gave an update on the XL construction. Mr. Houlihan suggested a tour of the construction in the near future. Chair Robinson suggested once there are a few milestones, taking the Board through the project on a particular day is a good idea.

Pratt & Whitney Stadium

UConn football is now undefeated at home, playing four games at the Stadium to date. Attendance is steadily increasing, with an average of nearly 15,000 fans per game. The next game is scheduled for October 19th against Wake Forest.

OVG has announced that the Stadium will once again host the "Magic of Lights" drive through holiday light show. The event will run from November 22nd through January 4th.

Connecticut Convention Center

Upcoming events include the Aerospace Components Manufacturers' job fair and trade show, as well as the 45th Annual Home Show and the Greater Hartford Arts Council gala.

The building will once again host "Glow", an indoor holiday light festival that will run from November 29th through December 29th.

Repair work has begun on the waterproofing and pavers of the Convention Center's riverfront esplanade. The project is estimated to take about three months to complete (weather-permitting) and will utilize \$2 million approved by the Bond Commission in June. Repair of the buildings outside elevators has been delayed by issues with securing parts, but work is set to begin shortly.

Executive Director

Mr. Freimuth shared a Construction Project update that is found in the package. He mentioned that the Mayor reported on 525 Main Street & 275 Pearl Street, the two projects were financed through the City's revolving loan fund and have both run into supply chain issues primarily switch gear, which is affecting the schedules.

The Steeple Restoration of Liberty Christian on Vine Street is almost complete as the scaffolding will be coming down soon.

UConn Dorm – working through legal documents

Grocery Store – the City of Hartford has another request for a grocery store for the North End. These funds have been held for some time so hopefully something will happen with this request.

Parkville – BID District analysis and recommendations are underway.

Bushnell South. – there are a variety of moving pieces including the two new projects with Spinnaker and significant progress in discussions with MDC on coming up with an alternate method to manage flood issues in the neighborhood and it ties into what Pam Sucato reported on. It envisions the construction of a new storm drainage system in the immediate area of Elm and Buckingham, intersecting at Hudson and traveling to the circle. This will be helpful in that retention systems will not have to be built out for the project.

The Parking Study is still getting through the contract stage.

The Michael's Organization (TMO) sent a budget, spreadsheet and project proforma.

Urban Land Institute – Mr. Freimuth called the Boards attention to an article in the package regarding “The Future of American Downtowns”.

Search Committee – Chairman Robinson reported that he created a temporary subcommittee of the Board to handle the Search process. Staff have reached out to outside search firms with the intent of bringing someone on board to help with the process and the Search Committee will keep the full Board apprised as it moves through the process of a new Executive Director.

Board members had questions regarding the Draft job specs and Chairman Robinson suggested that would be worked on as part of the Search Committee process.

Legislative Session – This session will set a bi-annual budget. The Venue Committee will need to lend guidance on the transition at XL to OVG. The Executive Committee will need to lend guidance on the budget with OPM, as COVID funds will no longer be part of the budget.

Chairman Robinson asked when the budget must be given to OPM. Mr. Geremia responded stating that he has already been working with draft budgets going back and forth with OPM before session begins. CRDA needs to document how CRDA has done over the past years and what to do with the XL Center budget, do we include full subsidy in the first year of the bi-annual budget or both years based on the construction budget and progress?

The Board adjourned at 4:37pm. The next meeting will be virtual on November 21, 2024, 3:00pm