

**Capital Region Development Authority**

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

**Hartford, CT 06103**

**Thursday, January 16, 2025**

**3:00pm – virtual meeting**

*(The Board Meeting was in person with a Microsoft Teams option)*

**Board Members Present:** Chairman David Robinson; Vice Chairman Andy Bessette; Paul Hinsch; Matthew Pugliese; Olusegun Ajayi; Seila Mosquera-Bruno; Bob Patricelli; Mayor Arunan Arulampalam; Andrew Diaz-Matos; David Jorgensen; Mayor Connor Martin; Pam Sucato

**Board Members Absent:** Joanne Berger-Sweeney

**Guests:** Housing Authority of the City of Hartford - Annette Sanderson, Executive Director; Elisa Hobbs, Development Director

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

**Minutes**

The minutes from November 21, 2024, were moved by Andy Bessette, seconded by Paul Hinsch and approved.

**Agenda Item Added**

Chairman Robinson asked for a motion to suspend the rules and add the following item to the Board Agenda for consideration. The project, 338 Asylum Street – The Bond, to amend loan agreements to extend the project completion date.

*The request was moved by David Jorgensen, seconded by Bob Patricelli and approved.*

**Presentation – Dutch Point Development Summary**

Ms. Sanderson and Ms. Hobbs gave a brief overview of the history of Dutch Point as well as the cost projection of the project. Board members asked questions regarding the development of the homeownership units.

**Finance Report**

CRDA CFO Joseph Geremia reported on the following Monthly Financial Update for January 2025.

**Fiscal Year 2025 Operating Statistics**

CT Regional Market - Nov. 2024

Stats: Occupancy: 82% with 12 tenants

Nov.financials: Operating revenue \$54,400 favorable to budget due to seasonal parking agreements  
Operating expenses \$14,400 favorable to budget due to savings in maintenance deferred to Spring  
Net income of \$104,500 favorable to budget by \$68,800  
Total year projection of \$122,400 net income even with budget

CRDA Parking Facilities – Nov./Dec. 2024

Stats (Dec.): Utilization of 81% is favorable to budget by 7%

Nov. financials: Revenues \$197,300 favorable to budget due to increase in monthly parkers  
Expenses \$90,200 favorable compared to budget due to favorable utility expense and timing of insurance invoices offset slightly with increased repairs & maintenance  
Net income of \$116,600 favorable to budget by \$287,500  
Total year projection of \$358,800 net income even with budget

Church Street Garage – Nov./Dec. 2024

Stats (Dec.): Utilization of 41% is favorable to budget by 16%  
78 residential monthly parkers

Nov. financials: Revenues \$194,100 favorable to budget due to increase in monthly residential parkers and corporate validations  
Expenses \$8,300 favorable compared to budget due to favorable utility expense and timing of security and IT invoices offset slightly with increased repairs & maintenance  
Net income of \$9,000 favorable to budget by \$202,400

Total year projection of \$77,000 net income even with budget

Bushnell South Garage – Nov. 2024

Stats: Averaging 180 state vehicles per day-47% utilization  
Tuesday through Thursday average of 225 state vehicles per day

Nov. financials: Revenues \$13,500 favorable to budget due to event revenues  
Expenses \$15,800 favorable compared to budget due to favorable utility expense and misc. services invoices  
Net loss of \$166,100 favorable to budget by \$29,300  
Total year projection of break-even with CRDA appropriation even with budget  
Bushnell Theatre event parking cooperation – operations personnel coordination

CT Convention Center – Nov. 2024

Event Update: 44 events this fiscal year with YTD attendance over 112,500  
Scheduled for 113 events this fiscal year vs. budget of 135 events

Nov. financials: Revenues \$292,800 favorable to budget due to increased catering revenue from Corporate meeting and gala, as well as decreased food cost compared to budget due to event mix  
Expenses \$162,600 favorable to budget due to savings in event personnel and vacant positions  
Net operations favorable to budget by \$455,400  
Total year projection even with budget with CRDA appropriation

XL Center – Nov. 2024

Event Update: 25 events this fiscal year with YTD approximate attendance of 113,500  
Scheduled for 112 events this fiscal year vs. budget of 112 events

Nov. financials: Event revenue \$626,100 unfavorable to budget due to cancelled and underperforming events  
Other Income \$109,200 unfavorable compared to budget due to timing of sponsorship partners and ticket charge fees  
Operating expenses \$175,400 favorable compared to budget due to savings in personnel offset slightly with increased insurance expense and credit card fees  
Hockey operations unfavorable compared to budget due to unfavorable ticket sales and attendance – projected increase in ticket sales during second half of season though projected to be \$200,000 unfavorable to budget  
Net operations unfavorable to budget by \$897,600

Total year projection \$900,000 unfavorable to budget with CRDA appropriation

Sports betting CT Lottery YTD net revenue of \$61,800 through Nov. 2024

Sports lounge net loss of \$180,800 through Nov. 2024.

Sports lounge operations loss of \$254,100 is \$10,500 unfavorable compared to budget offset with \$73,300 event-day revenues

P&W Stadium at Rentschler Field – Nov. 2024

Event Update: 7 UConn football games with 16 parking lot and catered events held

Nov. financials: Event revenue \$36,900 unfavorable compared to budget with \$17,900 attributed to an unfavorable UConn football season and \$19,000 unfavorable parking lot and catered events compared to budget

Operating expenses of \$72,500 unfavorable compared to budget due to F&B personnel, equipment rental, and credit card fees

Other Income \$13,300 favorable to budget due to increased cell tower revenue

Net operations unfavorable to budget by \$96,100

Total year projection of \$8,100 net income even with budget with CRDA appropriation

The Board discussed XL finances and event load in light of the venues budget projections.

## **Mayor Reports**

### *Hartford*

Mayor Arunan Arulampalam reported on various City projects:

Community Investment Fund (CIF) Application – The application was submitted for the demolition of the Talcott Street Property.

Department of Public Services – The Department has cut accessing permit timing by over 57%.

Innovations Cluster Program – An application has been submitted for the AI program.

### *East Hartford*

Mayor Connor Martin reported on the following projects:

McCartin School – have gotten bids back for demolition.

Concourse Apt. Project – Potentially closing in February.

Silver Lane Plaza – In the process of conducting a hazardous waste abatement on the two side buildings.

Commerce East, E. River Drive – December Bond Commission approved a \$6.5M Loan.

Great River Park – Pier Project - Army Corp. of Engineers is reviewing permits.

Founders Plaza Project – Weston & Sampson were awarded the RFP for hazardous waste testing & bid specs.

Bissell & Main Street Project - \$1.5 M from CIF for reconfiguring of power lines and

Shared Services – The Mayors of Hartford & E. Hartford spoke about the need for shared services between the city and town including procurement, share infrastructure and creating efficiencies between the municipalities. They are working on this collaboration.

## **Housing & Neighborhood Committee**

Derek Peterson reported that the Housing and Neighborhood Committee last met on January 10, 2025. Mr. Peterson gave a recap of 2024 projects.

The following projects were presented for Board action:

Project: 64 Pratt Street (UConn Housing)  
Sponsor: Lexington/LAZ/Shelbourne

Background: 64 Pratt St. (The “Project”) will be the most recent addition to the downtown Hartford UConn campus, giving up to 200 students the ability to live and go to school in Hartford’s central business district. The University is entering into a long-term lease with the owners of the property, a partnership between Lexington Partners, LAZ Investments, and Shelbourne Global Solutions, who will convert the existing 87,000 sq. ft. of vacant office space into approximately 50 student housing units.

CRDA Assistance:

In May of 2024, CRDA’s Board of Directors approved a construction loan in the amount of \$10 million that will convert to a permanent note after a refinancing in year three, with any additional proceeds from the refinance applied to the \$10 million construction loan balance. At the time of refinancing, the newly sized loan will carry a term of 20-years with an option to extend the loan for 10-years if UConn renews their lease. The loan will be amortized over 30 years and earn interest of 3%. The CT Bond Commission allocated these funds at its June 7<sup>th</sup> meeting.

Sources and Uses:

The funds are expected to be allocated as follows:

Sources:

Senior Debt	\$10,575,000
CRDA Loan	\$10,000,000
City of Hartford Grant (from the Revolving Loan Fund)	\$2,000,000
Urban Act Funds	\$3,000,000
Owner’s Equity	<u>\$3,352,270</u>

Total Sources: \$28,927,270

Uses:

Land/Acquisition	\$3,000,000
Hard Costs	\$19,907,168
Soft Costs	\$3,635,680
Financing Costs	\$1,384,422
Carry	<u>\$1,000,000</u>

Total Uses: \$28,927,270

City of Hartford and Urban Act Funds:

In addition to the previous CRDA Board action approving a \$10 million loan for the Project (as outlined above), CRDA’s Board must also act to formally structure and allocate the City of Hartford and Urban Act funds to the Project. CRDA has or will enter into agreements with the City of Hartford and Office of Policy Management to allocate \$5 million to 64 Pratt St. LLC in the form of grants. Therefore:

The following motion was moved by Bob Patricelli, seconded by Connor Martin and approved with Vice-Chairman Andy Bessette recusing himself.

*“The Executive Director is authorized to enter into agreements to grant \$2 million of City of Hartford Funds (through the Revolving Loan Fund), and \$3 million of Urban Act funds to the Project, for purposes of converting 64 Pratt Street (annex of 242 Trumbull St.) into student housing units, subject to 1) All funding sources sufficient to complete the project being committed; and 2) such fiduciary terms as deemed necessary and appropriate by CRDA legal counsel and the Executive Director.”*

Project: 235-7 Hamilton  
Carlos Mouta, Parkville Management

Background: A planned 235-unit conversion of the former Whitney Manufacturing site in Parkville. Initially this was an estimated \$90M project that now is being restructured due to increased environmental and construction costs, higher interest rates and a variety of historic preservation obstacles. An \$8.5M CRDA loan was approved in early 2023 (March Board Approval, April State Bond Commission approval) but this financing has not closed, and it will have to be restructured to meet the new development proposal reflecting the above changes.

Increased demolition has eliminated some of the commercial space and decreased the redevelopment budget for that component of the project. Concurrently, the housing unit mix has also changed, increasing the number of units and further modifying the budget.

In addition, an initial \$4M/3% I/O brownfield clean up loan via the City/CRDA Revolving Loan Program (approved June 2022) has been fully expended but additional environmental work remains and will have to be undertaken as part of the overall redevelopment plan for the property. This loan was structured to be an interest only construction note and upon full project financing, it would be converted to a subordinate loan based on cash flow from the project. The loan has been in servicing with CRDA but due to the delays in assembling the project financing and the lack of earned income, the developer has had to use cash equity to service the note that would better used to meet the financial and administrative costs being incurred to structure the final capital stack. Consequently, ownership has asked for a forbearance on the debt service pending the restructuring of the project's capital stack.

Recommendation:

Staff and the Housing Neighborhood Committee recommend up to a nine-month forbearance (November 1, 2024 – July 31, 2025) on the existing brownfield loan allowing the developer time and the funds to complete the restructuring of the project's financing program.

The following motion was moved by Seila Mosquera-Bruno, seconded by Connor Martin and approved.

*“The Executive Director and the Chief Finance Officer are authorized to forebear the interest only payments due on the \$4M City Revolving Loan for a period of up to nine months, with the understanding that the first three months have already been awarded. Further, the Board of Directors shall review and approve any new financing program for the redevelopment of 235-7 Hamilton Street, Hartford CT.”*

Project: 338 Asylum Street – The Bond  
Amend loan agreements to extend the project completion date

Background: In 2022, CRDA made a \$1M capital loan to The Bond at 338 Asylum Street for the replacement of the building's elevator core along with other major capital upgrades necessary as the building converted from hotel use to residential use following economic changes brought on by the Covid pandemic. The term loan expires in 2027 with the initial work having had to be completed by December 2024.

Substantial elevator work has been completed but additional improvements have recently come to light (late December 2024) that need further investment. The loan has not been fully drawn and has sufficient funds remaining to cover this work. However, the project construction period has expired. Staff recommend an extension of the loan Completion Date to Dec 31, 2025, in order to finish necessary work on the property.

The following motion was moved by David Jorgensen, seconded by Paul Hinsch and approved.

*The executive director is authorized to define and extend the Completion Date within the Loan and Security Agreement to The Bond Development LLC dated March 30, 2022, to the new Completion date of December 31, 2025, all other conditions and terms of the loan agreements remain unchanged.*

### **Venue Committee**

Andy Bessette gave the following update regarding the XL Center, Pratt & Whitney Stadium and the CT Convention Center.

Connor Martin asked if there have ever been discussions regarding signage around the stadium to let advertise what events are happening at the stadium. Mr. Freimuth suggested all venues could advertise/promote shows on signage for each other.

#### *XL Center*

Bob Houlihan, Director of Design and Building Services, gave a brief update regarding the construction at the XL Center. The work that is happening now is focused on the lower bowl, including seating, stage restructure, UConn locker rooms, the event club, a new kitchen and the bunker suite. The star dressing rooms may need to be temporarily pushed out to a later date however the locker rooms will be finished and able to be utilized until the dressing rooms are completed.

The Wolf Pack are currently 11-9 at home, with an average attendance of 3,700. This past Saturday saw nearly 8,000 fans at XL for a game against the Lehigh Valley Phantoms that included a celebration of 50 years of hockey in Hartford. Ticket revenue for the game set a record for the highest since OVG took over the building in 2013.

UConn hockey has played two games at XL this season, averaging just under 2,000 fans per game. UConn women's basketball has played five games at XL to date, averaging 10,700 fans, while the Husky men have played four games with an average attendance of just over 11,700 fans.

In addition to Wolfpack and UConn games, upcoming XL events include the Grammy-award winning Christian music group, Elevation Worship, Cirque Du Soleil Ovo and Monster Jam in March. A Mary J. Blige concert is scheduled for April.

#### *Pratt & Whitney Stadium*

In mid-December, the Stadium hosted the CIAC high school football championships with about 9,000 fans attending the three division finals. Approximately 21,000 cars traveled through the "Magic of Lights" drive-through light show this holiday season, with the event running from November 22<sup>nd</sup> through January 4<sup>th</sup>.

As noted previously, CRDA received a \$5 million State Bond Commission allocation last June and an additional \$4 million in December to cover a variety of renovation projects at the Stadium. An architect has been selected to design the roof replacement for the Tower and several smaller outbuildings. Renovation of the home and visiting team locker rooms is scheduled to begin shortly and is expected to be completed by June. An RFP for new metal detectors was issued in December and OVG and CRDA staff are currently reviewing several proposals.

## *Connecticut Convention Center*

The popularity of the building's *Glow* holiday light show remains steady, with approximately 44,000 people attending this year's event. The first weekend of the New England Regional Volleyball's (NERVA) annual Winterfest tournament was held last weekend and will continue over the next two weekends. Attendance is up slightly over last year, with the number of participating teams continuing to grow. NERVA organizers have been vocal in their praise for the Convention Center and Hartford in general, however, the shortage of hotel rooms in the area remains a challenge.

Upcoming events include the Northeast RV and Camping Show on January 31st. In February, the Convention Center will host YouthCon 2025 – a gathering of student ministries from across Southern New England - and the Connecticut Bridal Show. The popular CT Flower and Garden Show returns to the building on February 20<sup>th</sup>.

Waterproofing and paver repairs on the Convention Center's riverfront esplanade have been completed and repairs to the outside elevators should finish up later this month. Work on the P3 stairwell of the garage - including concrete repairs and railing replacements – will begin next month.

### **Regional & Economic Development Projects Committee (RED)**

Mr. Freimuth reported that the committee did not meet in January and most of the projects are in E. Hartford and Mayor Martin reported on them.

Founders Plaza – CRDA, along with E. Hartford are working on this project.

Fuller Brush Project – the project is under construction and is moving along.

### **Executive Director**

Mr. Freimuth shared a Construction Project update that is found in the package.

Regional Ag Market – MIRA Dissolution Authority focused on the future development of the MIRA site, have reached out asking what is ahead for the market.

Carbone's Restaurant– demolition has begun.

Parkville – The BID is drafted and soon to be before the Hartford City Council.

December Bond Commission – Fund were received for the Spinnaker projects

Sports Book – Planning a meeting with CT Lottery to look into the Sports Book after the first year with the new vendor.

CRDA Board Members – The Governor's office is aware of openings on the CRDA Board.

Search Committee - Chairman Robinson reported that the Search Committee has retained an outside firm named Select Leaders that has a close association with Urban Land Institute. Select Leaders will do the first round of vetting. Of those that the Search Committee chooses, Mike Freimuth will interview first and give them some insight into the role itself, then the Search Committee will interview the candidates. Once finalists are chosen, the full board will have an opportunity to meet with the candidates, either as a group or one-on-one.

CRDA Director of Accounting Retirement - Dorine Channing, a seventeen-year employee retired from CRDA on January 1, 2025. Congratulations Dorine!

New Hire – Mr. Geremia is looking to hire an accountant for the Finance Division.

The next Board meeting is scheduled for February 20, 2025 at 3:00pm.

The Board adjourned at 7:45pm.

DRAFT