

Capital Region Development Authority
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Thursday, November 21, 2024
3:00pm – virtual meeting
(The Board Meeting was held via Microsoft Teams)

Board Members Present: Chairman David Robinson; Vice Chairman Andy Bessette; Paul Hinsch; Matthew Pugliese; Pam Sucato; Olusegun Ajayi; Seila Mosquera-Bruno; Bob Patricelli; Mayor Arunan Arulampalam; Joanne Berger-Sweeney

Board Members Absent: Andrew Diaz-Matos; Seila Mosquera-Bruno; David Jorgensen; Mayor Connor Martin

Guests: Ben Weiss, OVG General Manager of XL Center and Pratt & Whitney Stadium

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

Minutes

The minutes from October 17, 2024, were moved by Andy Bessette, seconded by Matthew Pugliese and approved.

Finance Report

CRDA CFO Joseph Geremia reported on the following Quarterly Financial Statements and Update for November 2024. Mr. Geremia announced the retirement of Dorine Channing, Director of Accounting, who has been with the Authority for over seventeen years. He introduced two of his financial team members, Lauren Vaz and Sean Harrison, who will be reporting on the respective elements of their parts of the financial reporting.

Ms. Vas introduced herself as working with the Authority for over ten years. She explained that she is primarily focused on general accounting, financial statement preparation and fixed asset maintenance. She reported that over this time span over \$160 Million state and city funds have been dispersed through the housing portfolio. Venue and Regional initiatives, over \$83 Million has been dispersed for the XL Center, and an additional \$75 Million for garages and other related projects has been distributed. For the P&L Statement for this Quarter, the State Appropriations is in line with what CRDA received last year, in addition, the venues had limited events and activities and that is reflected in the revenues and expenses for the Quarter. \$4.6 Million was added to the State Housing Program through loan activities this Quarter.

Mr. Harrison reported that he has been with the Authority for just under two years as an Accounting Analyst. He explained that he works with Ms. Vaz on loan servicing for over fifty housing loans, thirty are billed monthly totaling over \$300 thousand in principal and interest. He noted Ms. Vas and himself oversee all of the invoicing, cash receipts and general ledger work. In additional loan servicing, he is responsible for recording wires in the general ledger, the States Set-Aside Reporting regarding the Supplier Diversity Program, State Election Enforcement compliance reporting on a monthly, quarterly and yearly basis. Sean also reviews Debt Service and reviewing funding draw packages for housing, venue and regional projects.

Fiscal Year 2025 Financial Statements for the Three Months Ending 9/30/2024

Balance Sheet

- Accounts Receivable increase reflects increased venue event activity
- Non-current housing loan asset increase reflects housing construction drawdowns from 55 Elm St. and Fuller Brush renovation.

Statement of Revenues, Expenses and Changes in Net Position

- Grant Income reflects State appropriation funding
- Other Income reflects CRDA housing loan origination fees and project administrative fees
- Combined facilities income and expenses referenced in venue financial projections

Fiscal Year 2025 Operating Statistics

CT Regional Market - Sept. 2024

Stats: Occupancy: 82% with 12 tenants

Activity: Farmers' Market: 2024 season - April through November

Approx. 21,000 YTD seasonal attendance

Sept. financials: Operating revenue \$31,300 favorable to budget due to seasonal parking agreements
Operating expenses \$11,300 favorable to budget due to savings in maintenance deferred to spring
Net income of \$82,100 favorable to budget by \$42,600
Total year projection of \$122,400 net income even with budget

CRDA Parking Facilities – Sept./Oct. 2024

Stats (Oct.): Utilization of 80% is favorable to budget by 7%

Sept. financials: Revenues \$71,100 favorable to budget due to increase in monthly parkers
Expenses \$154,700 favorable compared to budget due to favorable utility expense and timing of insurance invoices offset slightly with increased repairs & maintenance
Net income of \$35,300 favorable to budget by \$225,800
Total year projection of \$358,800 net income even with budget

Church Street Garage – Sept./Oct. 2024

Stats (Oct.): Utilization of 33% is favorable to budget by 10%

Sept. financials: Revenues \$112,700 favorable to budget due to increase in monthly residential parkers and corporate validations
Expenses \$56,900 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 \$64,100 favorable to budget by \$169,600
Total year projection of \$77,000 net income even with budget

Bushnell South Garage – Sept. 2024

Stats: Averaging 180 state vehicles per day-47% utilization

Tuesday through Thursday average of 225 state vehicles per day

Sept. financials: Revenues \$9,400 favorable to budget due to event revenues
Expenses \$20,700 favorable compared to budget due to favorable utility expense and timing of IT and misc. services invoices
Net loss of \$115,200 favorable to budget by \$30,100
Total year projection of break-even with CRDA appropriation even with budget
Bushnell Theatre event parking cooperation – operations personnel coordination

CT Convention Center – Sept. 2024

Event Update: Hosted 17 events this fiscal year with YTD attendance over 82,000

Scheduled for 123 events this fiscal year vs. budget of 135 events
Sept. financials: Revenues \$11,200 favorable to budget due to increased concession revenue and event cancellation
Expenses \$100,600 favorable to budget due to savings in event personnel and vacant positions
Net operations favorable to budget by \$111,800
Total year projection even with budget with CRDA appropriation

XL Center – Sept. 2024

Event Update: 3 events this fiscal year with YTD approximate attendance of 8,500
Scheduled for 112 events this fiscal year vs. budget of 112 events
Concerts holds during Q3 in FY2025
Sept. financials: Event revenue \$365,200 unfavorable to budget due to cancelled concert (\$215,800) and underperforming misc. family events (\$149,400)
Other Income \$37,700 unfavorable compared to budget due to timing of sponsorship partners and ticket charge fees
Operating expenses \$60,500 favorable compared to budget due to savings in personnel offset slightly with increased insurance expense and credit card fees
Hockey operations \$56,900 favorable compared to budget due to savings in sales personnel
Net operations unfavorable to budget by \$285,500, 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 \$44,900 through Oct. 2024
Sports lounge net operations loss of \$192,700 through Oct. 2024 is \$3,300 unfavorable compared to budget.

P&W Stadium at Rentschler Field – Sept. 2024

Event Update: 3 UConn football games with 13 parking lot and catered events held
Sept. financials: Event revenue \$119,000 unfavorable compared to budget with \$131,700 attributed to an unfavorable UConn football season offset slightly by \$12,700 favorable parking lot and catered events compared to budget
Operating expenses \$12,700 favorable compared to budget due to event savings in personnel
Other Income \$11,000 favorable to budget due to increased cell tower revenue
Net operations unfavorable to budget by \$95,300
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:

Data Center - The City is beginning an alternative approach to the Data Center demolition and remediation working with DECD, thank you to Matt Pugliese who has been very involved in this process. Working with RMS Construction there may be new demo numbers and there is a possibility that a significant portion of that can be covered by Brownfield funds. The scope of work may be ready and out to bid early in 2025.

Federal Court House location – A location is expected to be announced soon. The city expressed that the Allyn Street location would be the best location.

Hartford & E. Hartford – talking about the capacity for shared services between the city and town, shared procurement, create efficiencies between municipalities.

East Hartford

Mayor Connor Martin was not available.

Housing & Neighborhood Committee

Derek Peterson reported that the Housing and Neighborhood Committee did not meet in November.

RPI – finalized loan documents and closed on the \$3M land acquisition loan with RMS.

30 Laurel Street – Spectra is looking for construction financing in the next 30-45 days.

31-45 Pratt – 38 units going into obsolete office space. Working with Konover and Webster Bank to finalize loan documents.

18-20 & 30 Trinity – conversion of state office buildings. Loan documents expected to be finalized in early December. CRDA will have a final walk through the week of December 2nd.

55 Elm – Will begin leasing in December.

525 Main – intends to start leasing January 2025

275 Pearl - intends to start leasing January 2025

Fuller Brush - intends to start leasing late 2025

Arrowhead – in construction, intends to start leasing late 2025

Chairman Robinson inquired as to how many apartments will come online in 2025. Mr. Freimuth responded that it will be roughly 650 apartments should DoNo Parcel B be completed.

Regional & Economic Development Projects Committee (RED)

Anthony Lazzaro presented:

Lease amendment and PILOT Agreement for 89 Arch Street

Background:

- On October 16, 2023, the Capital Region Development Authority acquired the property located at 89 Arch Street, Hartford CT within the Adriaen's Landing site (the "Premises");

- The existing tenant has made significant investments to improve and renovate the Premises;
- In accordance with Connecticut General Statutes § 32-600(9), the Authority and the Office of Policy & Management wish to designate jointly such property as being in need of inducement for private development and operation within the Private Development District;
- Such designation authorizes CRDA to negotiate a payment in lieu of real property taxes agreement (PILOT) with the Tenant;
- Additionally, CRDA and the tenant wish to amend the existing Lease as set forth below:

Proposed Lease & PILOT Terms:

- Lease Term: Three (3) Years with two (2) additional three-year options.
 Basic Rent: \$3,000 per month with annual increase indexed to CPI
 Additional Rent: \$1,500/month until full recovery of past due Basic Operating Expenses.
 PILOT Payment: **Year 1** – 0% of Tax Payment Value
 Year 2 – 10% of Tax Payment Value
 Year 3 – 20% of Tax Payment Value
 Years 4-9* - 30% of Tax Payment Value
 * Option Years

The following motion was moved by Paul Hinsch, seconded by Matthew Pugliese and approved with Mayor Arunan Arulampalam and Olusegun Ajayi abstaining.

“The CRDA Board of Directors hereby authorizes the Executive Director to execute such Lease Amendment and PILOT Agreement, as presented.”

MDC – CRDA is in negotiations with MDC for a comprehensive storm drainage solution in the Bushnell South area. That eventually will be an MOU that will help map out how to go about dealing with storm water issues in Bushnell Park development area eventually that will connect with Pulaski Circle reconstruction as well. It will allow avoiding some of the large water retention systems, their costs and loss of property.

Founders Plaza – this project closed the week of November 18th. This will allow the Town of East Hartford to start site clearance.

McCartin School & Showcase – trying to wrap up by year end.

Venue Committee

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

XL Center

The Wolf Pack are currently 8-1 at home, with an average attendance of 3,200. UConn hockey has played two games at XL this season, averaging just under 2,000 fans per game. UConn women’s basketball began its season at XL on November 7th with 8,000 fans in attendance, with the UConn men have played two games to date, averaging just over 11,000 fans.

Upcoming events include a Nitro Circus - featuring BMX, freestyle motorcross and scooter stunts and competition, which will be in the building on November 22nd. WWE Smackdown and the Harlem Globetrotters will be featured in December.

Currently, there are approximately 80 construction workers on site at the XL Center. Selective demolition, as well as work on the UConn locker room, rack room, multi-purpose room and event-level club are all underway. Construction is ramping up and will continue through the event season. Construction personnel are meeting with XL operations staff as required to coordinate events.

Pratt & Whitney Stadium

UConn football finished its season 6-1 at home, with attendance averaging nearly 16,000 fans per game, a 27% increase over last season. The Stadium will close out its football season with the CIAC high school championships on December 14.

The Stadium will once again host the “Magic of Lights” drive through holiday light show, which will run from November 22nd through January 4th.

Connecticut Convention Center

Upcoming events include the United Way’s Centennial Gala on December 14th and the Northeast RV and Camping Show in January. The building will once again host “Glow”, an indoor holiday light festival that will run from November 29th through December 29th.

The waterproofing and paver repairs on the Convention Center’s riverfront esplanade should be completed in about two weeks, while repair of the buildings outside elevators remains on hold while parts are being secured. Work on the P3 stairwell of the garage - including concrete repairs and railing replacements – is expected to start in January.

There was a conversation with Mr. Robinson, Mr. Freimuth and Ben Weiss regarding the XL Center construction impacting the events that are scheduled. Mr. Weiss explained that there are times when construction needs to be stopped due to safety precautions. He explained that staff is doing the best they can to work around the construction.

Executive Director

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

Front Street – site work is progressing, sidewalk repairs and bollard installations.

Riverfront – still waiting for regulatory issues to be resolved.

Search Committee - Chairman Robinson reported that the Search Committee is interviewing prospective firms and will be choosing a firm shortly after next week’s last interview.

The Steeple Restoration of Liberty Christian on Vine Street is complete.

UConn Dorm – working through legal documents

MRDA/CRDA MOU – Attorney Lazzaro and Mr. Geremia presented **The Memorandum of Understanding by and between the Connecticut Municipal Redevelopment Authority and the Capital Region Development Authority.**

This Memorandum of Understanding (the “MOU”) is entered into by and between the Connecticut Municipal Redevelopment Authority (“MRDA”), acting by its Executive Director (the “MRDA Executive Director”), and the Capital Region Development Authority (“CRDA”), acting by its Executive Director (“CRDA Executive Director”), both duly authorized, for the purpose of providing certain administrative and support services to fulfill their respective statutory purposes as further detailed herein.

WHEREAS, Connecticut General Statutes (CGS) § 8-169jj(d) provides that MRDA and CRDA may enter into a memorandum of understanding pursuant to which CRDA may provide certain administrative and support services to MRDA;

WHEREAS, CGS § 8-169jj(b) provides that the MRDA Executive Director has the power to contract and be contracted with and may enter into such contractual arrangements as may be necessary for the discharge of his duties;

WHEREAS, CGS § 32-602(b)(2), (c)(4) and (d)(4) provide, in pertinent part, that CRDA has the power to contract and be contracted with; and

WHEREAS, MRDA and CRDA both desire to define the terms and conditions upon which such administrative and support services will be provided.

NOW THEREFORE, the Authority and MRDA agree to the following terms:

1. CRDA’s Chief Financial Officer (“CRDA CFO”) on behalf of MRDA may act as security liaison within CORE-CT for MRDA, complete the processing of transactions within CORE, and process bi-weekly payroll within CORE-CT;
2. MRDA agrees to authorize CRDA CFO to access and process such transactions in CORE-CT for Human Resource and Financial services;
3. MRDA shall provide written authorization via E-mail including by two (2) separate MRDA employees, officers, or Board members approving any and all requested transactions.
4. The MOU period will be November 1, 2024 to March 31, 2025.
5. CRDA shall provide such services in a commercially reasonable manner reflecting the priority of existing CRDA workloads for a lump sum fee of Ten Thousand Dollars (\$10,000); and
6. This MOU may be executed in one or more counterparts, and a facsimile, or a scanned signature shall be deemed an original for all purposes.

The following motion was moved by Bob Patricelli, seconded by Pam Sucato and approved.

“The CRDA Board of Directors hereby approves the MOU between the Connecticut Municipal Redevelopment Authority (MRDA) and the Capital Region Development Authority (CRDA) as presented.”

Mr. Freimuth explained what MRDA will be responsible for. He explained that it essentially takes all of the communities that do not fit into CRDA’s eight town region. There is a two-part focus on cities that want to participate within a half mile radius of critical transportation projects with train stations and infrastructure of that nature. The work is meant to be mixed use, housing with a transit-oriented focus. MRDA has their own bonding, independent of CRDA. the towns within the CRDA district cannot compete for MRDA funds.

Mr. Lazzaro and Mr. Geremia reiterated that this MOU represents a short-term solution for MRDA to perform state transactions in CORE prior to either obtaining additional staff or passing these services to OPM/Comptroller/another quasi.

Matthew Pugliese added that not only do the towns that are going to participate in MRDA have to sign on to MRDA but they also have to pass zoning processes and other regulation changes before the project can be moved forward to access MRDA funding. The towns that already fit the process of MRDA will be the first to be able to access funds for projects.

Legislative Session – This session will set a bi-annual budget. CRDA has submitted its working draft budget request to OPM. An outline of the Capital requests was also forwarded.

Chairman Robinson requested a motion to move into Executive Session.

“The motion was moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.”

The Board came out of the Executive Session and resumed the board Meeting at 4:39pm.

The following motion was moved by Andy Bessette and seconded by Pam Sucato and approved.

“The CRDA Board of Directors accepted the audit findings as presented and appreciate all the hard work the auditors and the staff put into the audit and, at the same time, authorize the staff to continue to explore other audit firms as CRDA proceeds with the audit process for this fiscal year.”

The next Board meeting is scheduled for January 16, 2025 at 6:00pm.

The Board adjourned at 4:41pm.

“The November 21, 2025 Board meeting minutes were moved by Andy Bessette, seconded by Paul Hinsch and approved.”