

Agenda
CRDA Board Meeting
March 20, 2025
Virtual Meeting
3:00pm

- | | | |
|-----------------|---|--|
| 3:00pm – 3:00pm | ● | Call to Order & Minutes {2-20-24} * |
| 3:00pm – 3:15pm | ● | Finance Report <ul style="list-style-type: none">- Major Venue Update- Financial Advisor Selection *- Audit Services Selection * |
| 3:15pm – 3:25pm | ● | Mayor Reports <ul style="list-style-type: none">- Hartford Mayor Arunan Arulampalam- East Hartford Mayor Connor Martin |
| 3:25pm – 3:35pm | ● | Housing & Neighborhood Committee <ul style="list-style-type: none">- Project Updates- 64 Pratt * |
| 3:35pm – 3:40pm | ● | Regional & Economic Development Projects Committee (RED) <ul style="list-style-type: none">- Project Updates- Real Art Ways * |
| 3:40pm – 3:55pm | ● | Venue Committee <ul style="list-style-type: none">- XL Center<ul style="list-style-type: none">· Construction status- Pratt & Whitney Stadium at Rentschler Field<ul style="list-style-type: none">· Management RFP Issued- CT Convention Center |
| 3:55pm – 4:15pm | ● | Executive Director <ul style="list-style-type: none">- Construction Report- Paralegal Staff Member- Legislative Session- Bushnell South<ul style="list-style-type: none">· MDC/CRDA· Parking Study· The Michael's Organization· Lot 4 Repair * |
| 4:15pm | ● | Selection Committee Report – Chairman Robinson |
| 4:30pm | ● | Adjourn |

** Vote Item*

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Draft
Minutes
February 20, 2025

**Capital Region Development Authority
100 Columbus Boulevard, 5th Floor
Hartford, CT 06103
Thursday, February 20, 2025
3:00pm – virtual meeting
(The Board Meeting was virtual)**

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; Pam Sucato

Board Members Absent: Joanne Berger-Sweeney; Mayor Connor Martim

Guests: Real Art Ways – Will Wilkins, Executive Director; Tricia Haggerty Wenz, Director of Development

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

Minutes

The minutes from January 16, 2025 were moved by Bob Patricelli, seconded by Andrew Diaz-Matos and approved.

Presentation – 56 Arbor Street Expansion

Mr. Wilkins and Ms. Haggerty Wenz gave an overview of the history of Real Art Ways and the cost projection of the proposed expansion project. Board members asked questions regarding the project and referred it to the Regional and Economic Development Projects Committee..

Finance Report

CRDA CFO Joseph Geremia reported on the following Quarterly and Monthly Financial Update for February 2025.

Fiscal Year 2025 Financial Statements for the Six Months Ending 12/31/2024

Balance Sheet

- Variances in cash balances reflect timing differences in venue funding and expenses as well as timing differences in housing and regional initiative projects
- Non-current housing loan asset increase reflects housing construction drawdowns from 55 Elm St., 275 Pearl St, Arrowhead Gateway, 275 Windsor St., and Fuller Brush renovations
- Accounts payable net increase reflects funding timing differences related to venues' operations and capital projects as well as within the CRDA Housing Initiative program and escrowed funds towards the City-funded housing program
- Due to State-contract assistance increase due to 12/15/24 debt service

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 - Dec. 2024

Stats: Occupancy: 82% with 12 tenants
Dec. financials: Operating revenue \$23,800 favorable to budget due to seasonal parking agreements
Operating expenses \$73,100 favorable to budget due to savings in maintenance deferred to spring offset slightly with increased utility and farmer's market expenses
Net income of \$106,600 favorable to budget by \$96,600
Total year projection of \$147,400 net income is \$25,000 favorable to budget

CRDA Parking Facilities – Dec. 2024/Jan. 2025

Stats (Jan.): Utilization of 82% is favorable to budget by 8%
Dec. financials: Revenues \$266,600 favorable to budget due to increase in corporate validations and consumer show parkers
Expenses \$30,900 favorable compared to budget due to favorable utility expense and timing of insurance invoices offset slightly with increased event personnel and repairs & maintenance expenses
Net income of \$177,500 favorable to budget by \$297,500
Total year projection of \$358,800 net income even with budget

Church Street Garage – Dec. 2024/ Jan. 2025

Stats (Jan.): Utilization of 46% is favorable to budget by 20%
Dec. financials: Revenues \$200,700 favorable to budget due to increases in monthly residential parkers, corporate validations, and transient parkers
Expenses \$3,200 unfavorable compared to budget due to increased personnel and repairs & maintenance expenses offset with savings in utility expense and timing of IT invoices
Net income of \$102,300 favorable to budget by \$197,500
Total year projection of \$77,000 net income even with budget

Bushnell South Garage – Dec. 2024

Stats: Averaging 180 state vehicles per day-47% utilization
Tuesday through Thursday average of 225 state vehicles per day
Dec. financials: Revenues \$34,800 favorable to budget due to event and validation revenues
Expenses \$23,600 favorable compared to budget due to favorable utility expense and misc. services invoices
Net loss of \$169,000 favorable to budget by \$58,400
Total year projection of break-even with CRDA appropriation

CT Convention Center – Dec. 2024

Event Update: Hosted 48 events this fiscal year with YTD approximate attendance of 150,000
Scheduled for 114 events this fiscal year vs. budget of 135 events
Dec. financials: Revenues \$135,800 favorable to budget due to increased catering revenue from Corporate meetings and gala, as well as decreased food cost compared to budget due to event mix
Expenses \$88,800 favorable to budget due to savings in event personnel and vacant positions
Net operations favorable to budget by \$224,600
Total year projection even with budget with CRDA appropriation

XL Center – Dec. 2024

Event Update: 38 events this fiscal year with YTD approximate attendance of 199,000

Scheduled for 110 events this fiscal year vs. budget of 112 events
Dec. financials: Event revenue \$727,400 unfavorable to budget due to cancelled and underperforming events
Other Income \$179,400 unfavorable compared to budget due to F&B other income
Operating expenses, \$192,800 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 \$946,000
Total year projection \$1,000,000 unfavorable to budget with CRDA appropriation (Notwithstanding, staff has tentatively identified \$600,000 in expense savings)

Sports betting CT Lottery YTD net revenue of \$61,800 through Dec. 2024
Sports lounge net loss of \$151,900 through Dec. 2024.
Sports lounge operations loss of \$320,800 is \$26,200 unfavorable compared to budget offset with \$168,900 event-day revenues

P&W Stadium at Rentschler Field – Dec. 2024

Event Update: 7 UConn football games with 18 parking lot and catered events held with YTD approximate attendance of 132,000
Dec. financials: Event revenue \$52,300 unfavorable compared to budget with \$17,900 attributed to an unfavorable UConn football season and \$34,400 unfavorable parking lot and catered events compared to budget
Operating expenses of \$100,200 unfavorable compared to budget due to F&B personnel, equipment rental, and credit card fees
Other Income \$14,600 favorable to budget due to increased cell tower revenue
Net operations unfavorable to budget by \$137,900
Total year projection of \$8,100 net income even with budget with CRDA appropriation

Lease Agreement – 315 Trumbull Third Unit Owner, LLC (the “Wolf Pack Sales Office Lease Agreement”)

Mr. Geremia gave a brief overview of the Wolf Pack Sales Office Lease Agreement for consideration of the Board.

Background:

For ongoing construction reasons and in consideration of the current limits within the Wolfpack sales office, the Oak View Group has requested that CRDA relocate and fit out new office space for the Wolf Pack sales office. The new office will be located at 315 Trumbull Street in a portion of the Double Tree by Hilton Hartford Downtown hotel immediately adjacent to the XL Center; the office is currently located in the atrium of the Civic Center in property owned by the Northland Group.

The CRDA Venue Committee voted to recommend that the full board of directors approve the lease at its September 6, 2024 meeting. The CRDA Board of Directors voted to approve the lease at its September 19, 2024 meeting.

Due to delays in securing the office lease, adjustment to the lease term, and elimination of the sub-lease requirement, the Chief Financial Officer requests authority to secure the lease agreement on these terms.

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved.

“The CRDA Board of Directors amends its authorization to allow for a lease period of up to two years and eliminate the sub-lease requirement. The Executive Director and Chief Financial Officer are authorized to take such actions as necessary to initiate and secure the office lease agreement with 315 Trumbull Third Unit Owner, LLC. “

Mayor Reports

Hartford

Mayor Arunan Arulampalam reported on various City projects:

UConn Housing – UConn signed agreement for the residential units on Trumbull & Pratt Streets. Planning for a Fall 2026 opening.

UConn Café – This is expected to be a Café not a cafeteria featuring grab and go items only. Also working with UConn to come to agreement to use “Husky Bucks” in the downtown restaurants and stores.

Data Center – Working with DECD to allow for a Brownfield’s Grant to demo the data center.

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

East Hartford/Hartford Partnership – continues to move forward.

Innovations Cluster Program – Hartford was officially named as a finalist, applying for one-third of the \$100M funds available.

East Hartford

Mayor Connor Martin was not present therefore the report on the Town’s projects was noted by Mr. Freimuth..

Housing & Neighborhood Committee

Derek Peterson reported that the Housing and Neighborhood Committee last met on February 7, 2025. The following projects were presented for Board action:

Project: Cast Iron Building – Potential Refinance and CRDA Paydown

Address: 241 Asylum St., Hartford, CT

Sponsor: Werner and Company/Cast Iron LLC

Background: The Cast Iron Building (The “Property”) is a mixed-use residential, office and retail building, and has been owned and operated by Keith Werner of Werner and Co. (“Werner,” or “Borrower”) since 2000. In December 2018, CRDA provided a \$200,000 loan for the construction of four additional units on floors 6 and 7, at a 3% interest rate, interest-only for a 2-year term with the ability to extend the loan for three years at 3%, amortizing principal and interest over 25 years. The Borrower exercised its three-year extension option, and in 2023, CRDA approved another 1-year extension. CRDA’s loan has been subordinated to NBT Bank’s approximate \$1.5 million loan that originated in 2016.

In May of 2024, CRDA proposed making a two-year loan of up to \$425,000 to Werner to be used to pay off the existing CRDA loan and use up to \$257,000 for the conversion of the remaining two floors (2nd and 3rd floors). CRDA required NBT’s approval as senior lender, and Werner was required to pay current property taxes due. No agreement was reached at that time, and in June of 2024, CRDA negotiated an additional three-month extension of the loan. In September 2024, CRDA proposed an additional one-year extension, however no agreement was reached. As of February 1, 2025, the CRDA loan balance is approximately \$167,000. While the loan matured in September, Werner has kept current on their debt service.

Borrower Proposal: On January 30, 2025, Werner submitted a letter proposal to CRDA suggesting NBT, the current senior lender, and The Community Economic Development Fund (“CEDF”) provide financing to complete the conversion of the remaining two floors, pay down CRDA’s loan, and pay current its property taxes. The estimated Sources and Uses are as follows:

Sources:

Werner Cash Equity: \$23,000
NBT Construction Loan: \$250,000 (TBD)
CEDF Loan: \$207,000 (9.5%)

Uses:

Paydown CRDA Loan: \$85,000
Payoff RE Taxes: \$84,000
Hard & Soft Costs: \$311,000

CRDA Proposal: The Borrower shall pay down its existing loan to CRDA to approximately \$82,000, with CRDA modifying the terms to a maturity in five years, at 4% interest, and amortizing on a 25-year schedule. The appraised value of the property and the as-is and stabilized proforma supports 1) all debt service payments as outlined in the attached proforma and 2) CRDA assuming a third position lien behind NBT and CEDF. As with CRDA’s existing loan, NBT will continue to allow CRDA to have first priority over the tax credit funds in order to pay off its loan. CRDA has requested additional information from the Borrower regarding historic credits.

The following motion was moved by Matthew Pugliese, seconded by Bob Patricelli and approved.

“The Executive Director is authorized to modify CRDA’s existing loan to Cast Iron Associates to accommodate the redevelopment of 241 Asylum Street, converting 2 remaining floors of office space to residential. CRDA will accept a pay down from Borrower of its existing loan to approximately \$82,000, modify the loan to a 5-year term, at an interest rate of 4% and amortize on a 25-year schedule. CRDA will further accept its loan being subordinate to both NBT Bank and CEDF, as supported by a new appraisal and projected stabilized cash flows. The closing of the modified/new loan is subject to such fiduciary terms as deemed necessary and appropriate by the Executive Director and CRDA counsel.”

*Project: 17 Wells Street
Address: 17 Wells Street, Hartford, CT
Sponsor: Spectra Development*

Background: 17 Wells St. (The “Project” or “Development”) is currently a 14,000 square foot lot made up of two parcels and owned by the city of Hartford. The Project contemplates the new development of 84 apartment units along Wells Street and is an extension (Phase II) of the redevelopment of 525 Main Street which is comprised of 42 apartments over retail. The city of Hartford is currently leasing the parcels to a subsidiary of Spectra Construction and Development Corporation (“Spectra”) for a term of 5-years, who has the option to purchase the land subject to delivering a redevelopment plan to City Council for review and approval. Spectra has an option to extend the lease or purchase the property for \$162,000. Currently Spectra is in year four of the five-year ground lease. It is Spectra’s intent to communicate the development plan after discussions with CRDA and enter into a Purchase and Sale Agreement and Development Agreement with the City of Hartford. Spectra will have a three-month due diligence period which will commence upon P&S execution.

Spectra Construction and Development Corporation is a well-known private development and construction firm based in New York City and Hartford, CT. Spectra has a construction portfolio of \$1 billion, with the successful delivery of over 550 apartments in Hartford across 6 projects, with another 124 in the pipeline (including the Project).

The Project: The \$20.8 million Development includes one new apartment building that will be adjacent and connected to 525 Main Street, consisting of 84 units, with a 20% allocation to affordable housing (80%-120% AMI). Combined with 525 Main, the property will consist of 126 apartments and 2 retail spaces that are occupied by Cornerstone Deli and Felix Shoe Repair. The unit mix for 17 Wells will consist of 56 studios, 16 one-bedroom and 12 two-bedroom apartments, and finishes will be similar to existing Spectra projects; kitchens, wardrobes, Italian stone and tile, vinyl plank wood grain floors, integrated appliances and other high-end finishes. Amenities will be shared with 525 Main and include a lounge, theater, game room, business center/library, pet spa and bike room. 525 Main and 17 Wells will share 58 parking spaces located on the 1st and 2nd floors of 17 Wells St. They will be provided on a first come first served basis equally to both buildings. During construction of 17 Wells St. residents will have to find alternate means of parking. There are a few lots in walking distance with availability.

Proposal: Staff recommend making a loan of up to \$7,000,000 to Spectra for the development of 84 apartment units at 17 Wells Street in Hartford, CT. The proposed loan will have a minimum term of 10 years. The interest rate on the fixed-rate loan will be 3%, with an interest only period during construction, not to exceed 36 months. Principal and interest payments will be made for the remaining term, 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. As 17 Wells Street will be physically connected to 525 Main Street, the loan will be cross collateralized with CRDA's loan on 525 Main Street.

The following motion was moved by David Jorgensen, seconded by Pam Sucato and approved.

"The Executive Director is authorized to provide financing to Spectra Construction and Development Corp. (or such single purpose entity as approved by CRDA) for the development of 17 Wells Street, Hartford, CT., consisting of 84 residential units. CRDA will lend up to \$7.0 million at 3% interest, with an interest-only period during construction, not to exceed 36 months. Interest will be paid using a 420-month amortization schedule and approval is subject to: 1) All financing being secured; 2) Approval of the State Bond Commission; 3) Approval of a Development Agreement by the City of Hartford for such project; 4) The loan being cross-defaulted with CRDA's loan on 525 Main Street, and 5) Such fiduciary terms as deemed necessary and appropriate by the Executive Director and CRDA counsel."

Board members discussed the lack of housing, including single family homes and condos. Mr. Bessette mentioned that job offers are not being fulfilled due to lack of housing. There was a discussion at the Metro Hartford Alliance regarding the lack of housing and how it would be good to see condominiums and single-family homes being built in Hartford by CRDA. Mr. Bessette asked for a meeting with David Griggs and Mr. Freimuth to have a conversation around this subject. David Jorgensen agreed, and Bob Patricelli asked if CRDA could do some Planning and RFP's that might specify interest in larger units and potentially single-family homes. He added that CRDA is only responding to developers who are building studios and one-bedroom apartments. He asked if we have ever tried to withhold some funds for family housing. Andrew Diaz Matos indicated that he recalled in the Bushnell South process, at least one of the proposals included condos, however they could not make the numbers work. He added that it is clearly an exciting and necessary development.

Chairman Robinson indicated that it is worth a discussion within the Housing & Neighborhood Committee. Mr. Freimuth responded that CRDA has not taken on the liabilities and risks of a developer to date.

Regional & Economic Development Projects Committee (RED)

Mr. Freimuth reported that the committee did not meet in February however the March meeting is expected to include the Real Art Ways Project.

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 12-12 at home, with an average attendance of 3,900 fans per game. UConn hockey has played the last of its four games at XL this season, averaging just over 4,000 fans per game. UConn men's and women's basketball have both played six games to date, averaging 12,000 and 11,000 fans respectively.

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.

A selection committee is reviewing responses to an RFP for Ticketing Services that was issued in December. A recommendation is expected shortly.

Bob Houlihan reported on the construction at XL. The UConn locker room will start to take shape within the next two to three months, followed by the Wolf Pack locker room. He further stated that the project is on budget and on schedule.

Pratt & Whitney Stadium

An RFP for a Stadium manager will be issued in the next few days, as OVG's contract is set to expire on June 30th. Proposals are due April 9th and Dave Jorgenson and Paul Hinsch have kindly agreed to serve on the selection committee.

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 in April and is expected to be completed by June.

Connecticut Convention Center

The popular CT Flower and Garden Show returns to the building this weekend. Upcoming events include the Yu-Gi-Oh trading card regional championship qualifier next week and the Connecticut Home and Remodeling Show March 7th-9th.

Difficulty sourcing parts has delayed repairs to the outside elevators and that project is scheduled to be completed by the end of March. Work on the P3 stairwell of the garage - including concrete repairs and railing replacements - is ongoing.

Executive Director

Mr. Freimuth shared the Construction Project update found in the package.

CT Convention Center – CTCC is coming up on a 20-year anniversary in June. An event is being scheduled to recognize the participants.

Trinity Projects – looking for these projects to start construction

MIRA Site – A report is due the first of July 2025 regarding next steps.

Bushnell South – CRDA has worked through issues with MDC on storm drainage issues. An MOU between CRDA and MDC is being drafted for consideration at the March Board Meeting.

Governor's Budget – CRDA has held its recommended budget, through the OPM, for the next two fiscal years. Rentschler received capital funds as well as funds for CTCC and parking garages.

April Board Meeting – change of date from April 19 to April 24, changing the meeting to in-person at 6:00pm.

Search Committee - Chairman Robinson reported that the search firm has approximately one dozen candidates being vetted by Mr. Freimuth and then the Selection Committee. The committee will continue to meet with candidates as scheduled by the search firm. Once the first round is completed, the committee will convene to talk about which candidates move forward to an in-person meeting with the committee and any other Board Members who would like to participate.

The next Board meeting is scheduled for March 20, 2025 at 3:00pm - virtual

April Board meeting date change to April 24, 2025 at 6:00pm – in person.

June Board meeting date change to June 25, 2025 at 6:00pm – in person

The Board adjourned at 4:34pm.

Finance Report

Financial Update – March 2025

Fiscal Year 2025 Operating Statistics

CT Convention Center – Jan. 2025

Event Update: Hosted 53 events this fiscal year with YTD approximate attendance of 200,000
Scheduled for 113 events this fiscal year vs. budget of 135 events
Jan. financials: Revenues \$178,900 favorable to budget due to increased catering revenue from corporate meetings and gala, as well as decreased food cost compared to budget due to event mix
Expenses \$101,200 favorable to budget due to savings in event personnel and vacant positions
Net operations favorable to budget by \$280,100
Total year projection even with budget with CRDA appropriation

XL Center – Jan. 2025

Event Update: 52 events this fiscal year with YTD approximate attendance of 282,000
Scheduled for 112 events this fiscal year vs. budget of 112 events
Jan. financials: Event revenue \$985,700 unfavorable to budget due to cancelled and underperforming events
Other Income \$199,700 unfavorable compared to budget due to F&B other income
Operating expenses \$160,100 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 \$150,000 unfavorable to budget
Net operations unfavorable to budget by \$1,173,000
Total year projection \$400,000 unfavorable to budget with CRDA appropriation
(Staff has tentatively identified \$700,000 in expense savings)

Sports betting CT Lottery YTD net revenue of \$71,800 through Jan. 2025

Sports lounge net loss of \$163,800 through Jan. 2025

Sports lounge operations loss of \$389,100 is \$46,800 unfavorable compared to budget
offset with \$225,300 event-day revenues

P&W Stadium at Rentschler Field – Jan. 2025

Event Update: 7 UConn football games with 19 parking lot and catered events held with YTD approximate attendance of 213,000
Jan. financials: Event revenue \$62,500 unfavorable compared to budget with \$17,900 attributed to an unfavorable UConn football season and \$44,600 unfavorable parking lot and catered events compared to budget
Operating expenses \$123,600 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 \$172,700
Total year projection of \$8,100 net income even with budget with CRDA appropriation

Total year projection for garages remain even with budget; unchanged from February's report.

Total year projection for Regional Market remains slightly favorable to budget; unchanged from February's report.

Financial Update – March 2025 (cont.)

Financial Advisor Selection

Financial advisor services requested

Services include

RFP released on January 13

Firm proposal received on February 10

Selection committee consisted of Paul Hinsch, Anthony Lazzaro, and Joseph Geremia

Unanimous recommendation of NW Financial Group LLC

NW Financial Group LLC (acquired Lamont Financial Services)

Headquarters – Bloomfield, NJ

Engagement principal – Bob Lamb

Experience in bond compliance, regulations, and debt structures

Clients include CRDA, CCEDA, CDA, CHFA, State of CT, CT municipalities

Fees based on consulting rate structure

Proposed Resolution

The CRDA Board of Directors hereby authorizes the Executive Director to execute an Engagement Letter with NW Financial Group LLC consistent with the terms outlined above.

Audit Services Selection

Audit services requested for fiscal years 2025, 2026, and 2027

Services include Audit of CRDA, CTCC, CRDA Parking Facilities, XL Center, & Rentschler Field as well as a payroll compliance audit per entity minimally once during the three-year period

RFP released on January 13

Firm proposals received on February 24 with interviews on March 12

Selection committee consisted of Paul Hinsch, Anthony Lazzaro, and Joseph Geremia

Unanimous recommendation of BDMP Assurance LLP (BerryDunn)

BDMP Assurance LLP (BerryDunn)

Headquarters – Manchester, NH

Engagement principal – Katharine Balukas, CPA

Experience in government, assurance, housing financing

Clients include CHEFA, MRDA, Housing authorities

Average fiscal year fee of \$165,000 per year over three-year period split by entity

Proposed Resolution

The CRDA Board of Directors hereby authorizes the Executive Director to execute an Engagement Letter with BDMP Assurance LLP consistent with the terms outlined above.

Housing & Neighborhood Committee

CRDA Board Meeting – January 16, 2025, March 20, 2025
Housing & Neighborhood Committee - January 10, 2025
Project: 64 Pratt Street (UConn Housing) Revision
Address: 64 Pratt Street, Hartford, CT
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 7th 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 – loan	\$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 acted 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 and/or loans. Therefore:

Resolution:

The Executive Director is authorized to enter into agreements to grant \$2 million of City of Hartford Funds (through the Revolving Loan Fund), and grant or lend up to \$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.

CRDA Housing Approval

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Leased ¹
777 Main	285	\$84.5M	\$296K	\$17.7M	\$62K	80/20	\$7.5M equity \$10.2M 2nd mortgage	1/30/2013 3/21/2013	3/13/2013	3/28/2014	Renting	98%
201 Ann/Grand	26	\$4.45M	\$202K	\$3.8M/\$750K	\$28.8K	100	Note Paid Off	4/25/2013	6/21/2013	10/29/2013	Renting	86%
179 Allyn	63	\$14.89M	\$233K	\$6.5M	\$103K	80/20	\$3.25M equity, \$3.25M 2nd Loan Refi 2022	3/21/2013 3/24/2022	6/21/2013	11/15/2013	Renting	84%
Sonesta/Spectra	190	\$23.9M	\$123K	\$2.05M	\$10.6K	85/15	³ Note Paid Off	6/4/2013	6/21/2013	12/5/2013	Renting	97%
Capewell	72	\$26.1M	\$359K	\$5.0M	\$69.4K	80/20	construction financing/converted to mortgage note	1/15/2014 2/16/2023	2/28/2014 11/16/2014	6/30/2015	Renting	96%
390 Capitol	112	\$35.3M	\$290K	\$7M	\$62.5K	80/20	2 loans, .5%, 20 yr.	6/19/2014	3/17/2015	9/22/2015	Renting	99%
36 Lewis	6	\$1.8M	\$306K	\$300K	\$50K	100	construction/perm loan 1-3% 30 yr.	6/19/2014	7/25/2014	4/8/2015	Renting	100%
38-42 Elm	6	\$1.24M	\$206K	\$349,350 ⁴	\$61.5K	100	loan 3% 30 yr.	6/19/2014 2/18/2016	7/25/2014	2/25/2015	Renting	66%
1279-83 Main	10	\$1.35M	\$135K	\$297K	\$29.7K	100	loan 3% 25 yr.	5/21/2015 6/16/2016 11/30/2017 11/19/2020	7/28/2015	9/9/2016 9/20/2019 12/12/2020	Renting	100%
370 Asylum	60	\$20.3M	\$338K	\$4M	\$66K	70/30	loan <3%, 20 yr.	6/18/2015 2/18/2016	3/24/2016	9/29/2017	Renting	95%
Millenium	96	\$19.5M	* 2	\$6.5M	\$67.7K	100	Former Radisson, foreclosure 2/2021	10/15/2015	12/11/2015	3/31/2016	Renting	88%
81 Arch	53	\$23M	\$380K	\$5.6M	\$103.7K	100	Mezz 2% 10 yr.	10/20/2016 3/16/2017	11/15/2016	11/7/2017	Renting	100%
101 Pearl	157	\$28.4M	\$184K	\$9.24M	\$58.8K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	97%
111 Pearl	101	\$21.55M	\$208K	\$6.06M	\$59.47K	100	construction/perm loan 3% 30 yr.	12/8/2016	5/12/2017	11/8/2017	Renting	96%
88 (103-21) Allyn	66	\$21.1M	\$319K	\$6.6M ⁶	\$103K	80/20	construction/perm loan 3% 5 yr.	12/8/2016 8/8/2018	2/1/2017 6/26/2019	10/31/2018	Renting	86%
Colt North	48	\$13.6M	\$283K	\$2.88M	\$60K	100	construction/perm loan 3% 20 yr.	5/18/2017	11/29/2017	7/2/2018	Renting	100%
28 High	28	\$5.5M	\$196.4K	\$1.9M	\$67.8K	80/20	loan 3% 30 yr., refi 8/21	2/2/2018	2/16/2018	8/29/2018	Renting	100%
100 Trumbull	8	\$750K	\$93.7K	\$480K	\$60K	100	loan 3% 20 yr.	9/21/2017	2/16/2018	4/12/2018	Renting	97%
246-250 Lawrence	12	\$1.5M	\$125K	\$521K	\$43.4K	100	Historic bridge loan -Paid off perm loan 3% 20 yr. (291K)	10/18/2018	12/11/2018	1/4/2019	Renting	100%
Colt "U"	28	\$7M	\$269K	\$1.5M	\$53.5K	100	loan 3% 20 yr.	1/10/2019	12/18/2019	11/30/2020	Renting	100%
Pratt I - 99 Pratt	129	\$29.8M	\$231K	\$12M	\$93K	100	\$3M&\$9M 1% 5yr,30yr.	10/17/2019 9/17/2020	4/16/2021 12/18/2019	4/16/2021	Renting	100%

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Leased ¹
Pratt 2 - 18 Temple	47	\$34.9M	\$210K	\$2M	\$42.5K	90/10	New Units 47 / Total units 166 / 16 Aff. Units / 2.75% 30 yr. loan	9/17/2020	4/16/2021	10/15/2021	Renting	97%
Park/Main	126	\$26.8	\$212K	\$8.4M	\$66.7K	80/20	20 yr. 3% Park 39/Main 87	9/20/2018	9/20/2018	6/25/2020	Renting	98%
DoNo "C"	270	\$56.2M	\$208K	\$11.8M	\$43.7K	90/10	3% 30 yr. 15 yr. term	9/20/2018 4/16/2020	9/20/2018	9/30/2020	Renting	95%
55 Elm	164	\$63.3M	\$385K	\$13.5M	\$81.3K \$42.1K	80/20	2% 30 yr. Perm. \$7M 2% bridge \$6.5M 15 yr. term	3/18/2021	4/16/2021	12/15/2022	2025	
DoNo "B"	237	\$63.3M	\$231K	\$13.6M	\$57.3K	90/10	3%, 30 yr.	12/6/2023	12/21/2021	6/15/2024	2025/6	
Revel (Hilton)	147	\$17.9M	\$121K	\$5.9M	\$40K	80/20	3%, 30 yr.	12/3/2021	12/15/2021 10/6/2023	8/29/2022	Renting	85%
DoNo Arrowhead Block	45	\$18.3M	\$395K	\$4.1M	\$88.4K	80/20	2%, 30 yr., \$3.8M +\$300K	12/6/2023 10/20/2022 9/20/2018	9/1/2018	6/14/2024	2025	
Colt "L" "East"	45	\$6.7M	\$148.8K	\$1.5M	\$33.3K	100	3%, 20 yr.	11/17/2022	12/8/2022	8/15/2023	Renting	93%
18-20 & 30 Trinity	104	\$52.8M	\$417K	\$6.5M	\$60.1K	80/20	\$6.5M \$1.5% 5 yrs./30 yr. loan	5/18/2023	10/6/2023	1/24/2025	2027	
31.45 Pratt	38	\$7M	\$189K	\$1.11M	\$30K	100	3%, 30 yr.	9/21/2023	12/14/2023	12/19/2024	2026	
15 Lewis St.	78	\$26.7M	\$342K	\$7M	\$89K	90/10	\$5M 3% 30 yr. - \$2M Cashflow Note	9/21/2023	10/6/2023			
30 Laurel	47	\$9.8M	\$208K	\$3.52M	\$75K	100	2%, 30 yr.	3/21/2024	6/7/2024			
65 Elm	127	\$36M	283K	\$8M	\$63K	80/20	3% 10 yr.	10/17/2024	12/20/2024			
100 Capital	112	\$33.1M	\$295K	\$8M	\$71K	80/20	3% 10 yr. w/\$6.5M from 55 Elm	10/17/2024	12/20/2024			
17 Wells	84	\$20.8M	\$248K	\$7M	\$83K	80/20	3% 35 yr. 10 yr. term	2/20/2025				
Summary	3226 ⁵	\$857.3M	\$260K	\$198M	\$62.5K median \$60K avg.	88/12	2838 market /375 affordable					

3/18/2025

¹ deposits and leases

² \$75K/unit est. residential + 188 hotel rooms

³ notes repaid

⁴ \$16K from Housing Cap. Fund

⁵ 3662 including recap and neighborhood deals

⁶ \$200K reserve via Bond Commission

CRDA Housing Approved - Varied Funding Sources

Project	# Units	TDC	TDC/Unit	CRDA Amt.	CRDA \$/Unit	Mkt/Aff Split	Structure	CRDA Bd. Approval	Bond Commission	Closed	Target Occupancy	Occupancy
Front Street	121	\$35.7M	\$310K	\$12M	\$99.1K	Mkt	DECD grant	N/A	12/12/2007	12/17/2013	Renting	97%
Silas Deane	111	\$27M	\$225K	\$5M	\$41.6K	Mkt	Urban Act	N/A	9/30/2016	5/24/2018	Renting	85%
289 Asylum	8	\$1.474M	\$184K	\$485K	\$56K	Mkt	Note has been paid off.	12/8/2016 03/22/2018	N/A	6/13/2018 01/28/2021	Renting	100%
241 Asylum	4	\$1.99M	\$150K	\$200K	\$50K	Mkt	construction note 5 yr., Capital Funds	12/8/2016	N/A	5/7/2018	Renting	100%
115-117 Sigourney	4	\$1.16M	\$290K	\$200K	\$50K	Aff	\$200,000 Hist. Bridge Loan ' Heritage Homes - Affordable	5/24/2018	6/1/2018	8/13/2019	Owned	115&117 Sold
86-88 Hawthorn	2	\$830K	\$418K	\$50K	\$25K	Aff	Heritage Homes (NINA) Aff.	5/24/2018	6/1/2018	8/13/2019	Owned	86 & 82 Sold
80-82 Hawthorn	2	\$818K	\$409K	\$200K	\$100K	Mkt	Heritage (NINA) Market	3/18/2021	6/1/2018	7/27/2021	Owned	80 & 82 Sold
213 Lawrence	3	\$900K	\$300K	\$410K	\$126K	Mkt	1st Mortgage 3% 25 Yr.	11/17/2022 1/21/2021	N/A	5/5/2023 2/9/2022	Owned	100%
525 Main Street	42	\$7.8M	\$186K	\$2.1M	\$50K	80/20	City Funds 2.5% 20 Yrs. + 1% buydown	10/21/2021	N/A	12/21/2022	2025	
275 Pearl	35	\$9.46M	\$242K	\$2.86M	\$73.5K	80/20	City Funds 1.5% 20 Yrs. + 1% buydown	10/21/2021	N/A	2/15/2023	2025	
Bedford Commons	84	\$25.4M	\$250K	\$1M	\$12K	Aff	City Funds 2% Loan co-term with CHFA	10/20/2022	N/A	6/21/2024	N/A	100%
29 Ashley	1	\$565K	\$565K	\$150K	\$50K	Aff	Heritage \$50K Grant	2/16/2023	6/1/2018	5/25/2023	2023	Sold
847 Asylum	3	\$1.87M	\$623K	\$300K	\$66.6K	Aff	Heritage \$200K Grant	2/16/2023	6/1/2018	5/25/2023	2024	Sold
Summary	416²											

3/18/2025

¹ Paydown of note from sale

² 221 Hartford 111 Regional, 84 rehab

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CRDA Neighborhood Projects

Project	Description	TDC	CRDA Amount	CRDA Funds	Structure	Committee Approval	CRDA Board	Bond Commission Approval	Status
Bowles Park	Demolition of 410-unit housing project & construction of 91 new rental and owned units on Granby Street (Blue Hills neighborhood)	\$40m	\$5,000,000	FY16 Neighborhood	\$5m grant for demolition	9/9/2016	9/15/2016	9/30/2016	CRDA completed
Brackett Knoll	Construction of 14 two-family owner-occupied homes on Naugatuck Street	\$3.7m	\$1,555,000	FY16 Neighborhood (Promise Zone)	\$20,860 used for MDC connection charges for housing lots. Balance used to construct required road; Board approved additional \$154k for road on 6/20/19	11/10/2016	12/8/2016	2/1/2017	Road completed
Swift Factory	Renovation of historic factory into "Community Food and Job Creation Hub" serving the Northeast, Upper Albany and Clay Arsenal neighborhoods	\$32.7m	\$4,300,000	FY16 Neighborhood (Promise Zone)	\$4.3m loan - minimum debt service calculated using an initial 1% APR and be paid monthly upon stabilization. CRDA to receive 70% of net available cash after payment of first lien debt service & other required distributions. Payment shall continue over a 20-year term until CRDA has received all of its capital with 3% IRR. Funds contingent upon execution of tenant leases (a) for no less than 50% of leasable project space or (b) no less than 50% of projected rental revenue.	3/10/2017	3/16/2017	5/12/2017	CO issued.
Albany Ave/ Main Street	High Speed internet cabling connection to North End Business	TBD	\$525,000	FY16 Neighborhood (Promise Zone)	Funds used to match Federal Promise Zone Funding and compliment Albany Ave. Streetscape project	6/15/2017	6/15/2017	11/29/2017	Completed
Dillon Stadium	Management and renovation of Stadium, including replacement of field, replacement or refurbishment of bleachers, upgraded seating, lighting & sound system, upgrades to concessions, restroom and locker facilities, building code and ADA upgrades and new site entrance. Additional upgrades to be made at neighboring Colt Park.	\$10m	\$10,000,000	FY17 Neighborhood	CRDA to oversee renovations and hold construction contracts. Work at Dillon to be done in conjunction with Hartford Sports Group (HSG) and their architect. Scope of Colt Park renovation to be developed in conjunction with City of Hartford.	1/12/2018	2/8/2018	2/16/2018	Completed
Charter Oak Health Center	Renovation of vacant building into specialty health clinic	\$1.9 m	\$450,000	FY 16 General	Grant for exterior work, historic restoration & site work	NA	6/21/2018	9/20/2018	Completed
Quirk Middle School / PAL	Renovation of former middle school	\$7.5m	\$7,500,000	\$3.9 = FY16 General \$3.6 = FY16 Neigh (PZ)	Includes \$500,000 for implementation of Neighborhood Security Fellows training program			7/25/2018	Completed
Heritage Home	Assistance via NINA to increase home ownership in Asylum Hill area.	TBA	\$2,500,000	FY17 Neighborhood	Loans and grants \$1.6M remaining	5/11/2018 2/3/2023	5/24/2018	6/1/2018	multiple properties see Housing Varied Funding Report
Fuller Brush	Conversion of 2 buildings to res. 153 units	\$42.6M	\$2,000,000 <u>\$3,500,000</u> \$3,000,000	Neighborhood	<u>\$8.5M initial Loans</u> <u>2% 30 yr. bridge historic & perm</u> Two notes CRDA/City	4/1/2022	5/19/2022	7/29/2022	In construction
Liberty Church	Steeple Restoration Historic Rehab	\$1M+	\$1,000,000	Urban Act	Grant Funds	N/A	N/A	3/31/2022	completed
235 Hamilton Part 2	Conv. 235 units Plus commercial	\$90M	\$8,500,000		Loan to accompany City revolving Fund Loan of \$4M	3/16/2023	3/16/2023	4/6/2023	Project being redesigned
17 Bartholomew	57 new units	\$17.60	\$3,000,000	CRDA/City	3% Loan/30 Yr.	9/19/2023	9/21/2023	NA	Pending Closing
35 Bartholomew	Parking Garage	\$11.6M	\$5,200,000	CRDA/City	\$5.2M Grant	9/19/2023	9/21/2023	NA	Awaiting Private Financing

11/18/2024

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**Regional
&
Economic Development
Projects
Committee**

CRDA Board of Directors Meeting
Project: Real Art Ways
Address: 56 Arbor Street, Hartford, CT
Sponsor: Real Art Ways (with BBE Construction)

Meeting Date: March 20, 2025

Background: Real Art Ways is a nationally known arts and cultural organization, founded in Hartford in 1975, and has been in Hartford's Parkville neighborhood since 1989. The organization engages local and regional communities, and connects people through visual and performing arts, education, cinema, and social programs. Now in its 50th year, Real Art Ways is known for its consistent support of artists, innovation, and creative content across the Parkville neighborhood and Greater Hartford. It has built a level of support from the State of Connecticut, the City of Hartford, and a membership base of nearly 3,000 strong, including support from individuals and corporations like Travelers, The Hartford, Bank of America and others.

In December 2021, Real Art Ways purchased 56 Arbor Street (The "Property"), which positioned the organization to expand operations and programming. The Property has an existing income stream of approximately \$800,000 annually, which is expected to grow by over 15% once all improvements are complete. The team has been preparing for a building expansion since the acquisition, while making significant strides in capital raising efforts and assembling a development team. With construction drawings 90% complete, Real Art Ways is seeking a \$4.5 million loan from CRDA to bridge public and private funding sources and facilitate a \$24 million transformation including a renovation (to 56 Arbor St.) and new development (Real Art Ways Expansion). The Property renovation will include a new roof, elevator, and 14,000 sq. ft. gut renovation of Real Art Ways existing space, which will add two new theaters, an update to their current theater, and improve their current art galleries. The 8,000 sq. ft. Real Art Ways Expansion will create a new café, dedicated live arts space, an additional theater, as well as a box office, concessions and new bathrooms. Exterior work including repaving the parking lot with new circulation and improved landscaping will create a more welcoming entrance and sense of arrival at the Property.

The renovation and expansion at 56 Arbor Street will support Real Art Ways hiring 15 new, full-time jobs and 24 new part-time jobs, in addition to current staffing of 8 full-time employees and 16 part-time employees. All full-time staff members receive health benefits, vacation days, holiday pay, and an option to participate in a retirement plan. Real Art Ways hires 3-5 Hartford High School students as apprentices each year and is looking to expand the program to 10-15 students. It is their goal to grow the program with small businesses, non-profits and artists that lease space at the Property, which could significantly increase student engagement and participation in the program. In speaking with the project's construction managers, Real Art Ways also anticipates the creation of over 200 jobs during construction.

CRDA has been active in the Parkville neighborhood, having provided \$7.5 million in subordinate financing across two properties; a \$3.5 million loan at Parkville Market, and \$4 million loan from the City of Hartford (through the Revolving Loan Fund) for pre-development and first phase site-work at 237 Hamilton Street. Additionally, CRDA is in negotiations to provide Spectra Construction with \$3.5 million in construction financing to convert the former United Way office building at 30 Laurel Street into 47 apartments, easily walkable to the Parkville Market (0.4 miles).

Proposal: Staff recommend making a loan of up to \$4.5 million to Real Art Ways for improvements and renovations at 56 Arbor St., and the development of approximately 8,000 sq. ft. of theater and gallery space. The proposed loan will have a term of 5 years with a one-year extension option. The interest rate on the fixed-rate loan will be 3%, with an interest-only period of 24 months. When bridged funds become available, they will be used to pay down CRDA's loan. Principal and interest payments will be made from years 3 to 5, or if the loan is extended, through year 6. Interest payments will be calculated using a 360-month amortization schedule and the loan is pre-payable at any time without penalty.

Resolution: *The Executive Director is authorized to provide bridge financing to Real Art Ways (or such single purpose entity as approved by CRDA) to improve and expand 56 Arbor Street, Hartford, CT. The project will consist of renovations to the existing building and a new expansion of approximately 8,000 sq. ft. CRDA will lend up to \$4.5 million at 3% interest, with an interest-only period of 24 months; as bridged funding sources become available or monetized, CRDA's loan will be paid down accordingly. The term of the loan will be 5-years with a 1-year extension option. Interest will be paid using a 360-month amortization schedule and approval is subject to: 1) All financing being secured; 2) Approval of the State Bond Commission; and 3) Such fiduciary terms as deemed necessary and appropriate by the Executive Director and CRDA counsel.*

CRDA Regional and Economic Development Projects

Project	Description	CRDA Amount	Structure	Committee Approval	CRDA Board Approval	Bond Commission Approval	Status
Newington - National Welding Site	Administration of abatement and demolition of site; Assistance with development of site	\$2,000,000	DECD Brownfields Grant	n/a	1/15/2013	n/a	CRDA role complete
Parkville Market	Community Market	\$3,500,000	Construction / Bridge Loan Note Repaid	12/20/2018	1/10/2019	4/2/2019	Open & Operating
Riverfront Recapture (Hartford/Windsor Side)	Phase I development of extension to Hartford Riverwalk north of Riverside Park	\$1,025,000	Grant-in-Aid	-	-	9/20/2018	Site work scheduled, engineering underway
Hilton/DoubleTree	Conversion of hotel to new brand 170 Rooms	\$5,100,000	Loan	12/3/2021	12/15/2021	12/21/2021	Opened 3/24
Bond	Elevator work & Roof repair	\$1,000,000	Loan	1/7/2022	3/24/2022	n/a	Elevator construction completed Roof repair underway
235-7 Hamilton Part 1	Construction & Environmental loan	\$4,000,000	City Funds loan	1/7/2022	6/16/2022	n/a	Work Underway
Albany/Woodland	New construction, mixed use project	\$5,500,000	Loan / Equity with \$12.8M City Revolving Loan Fund	3/9/2023	3/16/2023	7/21/2020 7/23/2021 1/18/2024	Site work underway
Carbone's Restaurant	Restaurant relocation to Front Street	\$1,700,000	\$1.4m CRDA loan \$300k City MOU Loan	11/9/2023	12/6/2023	12/14/2023	Loan closing in process

2/18/2025

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CRDA/East Hartford

Project	Description	CRDA Amount	Structure	Committee Approval	CRDA Board Approval	Bond Commission Approval	Status
Former Showcase Cinema Site "Concourse Park"	Acquisition, demolition and redevelopment of former multiplex site	\$12,000,000 ¹	Grant-in-aid		9/15/2016 5/18/2023	7/12/2016 6/1/2018 6/30/2023	Design plans include approx. 300 apartments plus amenities; CRDA \$7m grant agreement currently being drafted
Drainage Improvements near Goodwin College	Installation of new drainage lines to accommodate new development in Goodwin area	\$4,000,000	Grant-in-aid		6/21/2018	7/25/2018	Completed
Silver Lane Improvements Improvements	Installation of new sidewalks, crosswalks and streetscape improvements recommended in CROG Silver Lane study	\$1,011,887	Grant-in-aid (Balance of funds given to OPM for EHBN project)			4/4/2009	Phase 1 of sidewalk project completed CRDA assisting Town with planning for Phase 2
Founders Plaza	Master Planning & Garage design to allow for residential development and demolition/abatement	\$500,000	Grant-in-aid			6/1/2018	Discussions continue with Town, developer planning consultants and CRDA Demo of BOA building in planning
	Demolition of buildings on or adjacent to to Founders Plaza site	\$6,500,000	Grant-in-aid		5/18/2023	6/30/2023	
Great River Park	Improvements to Great River Park, including repairs & improved access to and within the park, particularly for disabled visitors	\$1,340,000	Grant-in-aid		9/20/2018	9/20/2018	Army Corp. permits to be issued soon
Neighborhood Property Improvements	Abatement and demolition of four blighted structures, including a former Town fire station and three residential properties. Funds also available for McCartin School	\$1,000,000	Grant-in-aid		9/20/2018	9/20/2018 7/29/2022	Four structures demolished to date; Demo plan created for McCartin
McCartin Site Housing	Demolition and abatement of former school and construction of site improvements to allow for residential development	\$4,500,000	Grant-in-aid	5/9/2024	5/18/2023 5/16/2024	6/7/2024	Funds Approved 6/7/24
Silver Lane Plaza	Acquisition and Redevelopment of Silver Lane Retail	\$10,500,000	Grant	9/9/2021	2/8/2018 9/16/2021	12/21/2021 5/26/2022	First of three buildings has been demolished. Abatement and demo of other two buildings underway Town in discussions with potential developer.
Commerce Park	150 units housing \$47M TDC	\$6,500,000	Loan 3% 10 Yr.	10/4/2024	10/17/2024	12/20/2024	State Bond Commission Approval / Loan Docs Underway

1/13/2025

¹ Transferred to CRDA from other State Agencies

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CRDA Redevelopment Projects								
Project	Description	Promise Zone?	TDC	CRDA Amount	Structure	CRDA Board Approval	Bond Commission Approval	Status
DoNo - Healthy Hub	Grocery Store	N	\$22.7m	\$8,500,000	Loan and cash flow note	9/20/2018	9/20/2018	Site selection process and funding gap
Bushnell South Acquisition	Loan to assemble land	N	\$3.25M	\$3M	5 yr. loan \$2M CRDA/\$1M City	1/18/2024	N/A	Closed 2/28/24
RPI Site	Land Acquisition Loan	N	\$3M	\$3M	5 yr. Loan 3%	9/21/2023 5/22/2024	10/6/2023	Closed 11/14/2024
UConn 64 Pratt	200 Bed Dormitory	N	\$28M	\$10M \$3M	\$10M Loan to private developer 20 yr./3% \$3M Grant Urban Act & City Grant - MOU	5/22/2024 1/16/2025	6/7/2024 6/7/2024	design phase
Southend	Washington St Planning Grant	N	\$52k	\$25K	Grant to SINA	10/17/2024	N/A	Pending Contract

CRDA Rescinded Projects								
Project	# Units	TDC	CRDA Amt.		Mkt/Aff Split	Action	Initial CRDA Bd. Approval	Bond Commission
105-7 Wyllys	9	\$2.5M	\$800K		100	rescinded	5/18/2017 3/21/2019	11/29/2017 6/26/2019
3 Constitution	49	\$17.7M	\$4.289		100	rescinded	9/19/2013	2/28/2014 11/16/2014
289 Asylum	16	\$1.7M	\$575K		100	rescinded	4/25/2013	6/21/2013
East Hartford	Horizon Mall	\$	\$12M			reprogramming	6/21/2018	7/12/2016 6/1/2018
Parkville Market 2	Retail	\$4M	\$3.5 M		-	alt financing	6/16/2022	N/A
690-714 Albany	8	\$3.8M	\$2.5 M		AFF	rescinded	6/21/2018	7/25/2018
200 Constitution	101	\$18.7M	\$2.5 M		90/10	expired	6/16/2018	7/29/2022
MLK	155	\$62M	\$4.8 M		55/45	rescinded	11/17/2022	4/6/2023
100 Trumbull	8	\$750K	\$480K	phase 2 cancelled	100	cancel	9/21/2017	4/12/2018
690-714 Albany	8	\$2.49M	\$800K		25/75	expired	5/18/2023	N/A
241 Asylum	4 Units	\$257K	\$257K		100	rescinded	5/22/2024	N/A

City-CRDA Revolving Loan Projects					
Project	Description	Amount	Structure	CRDA Bd. Approval	Status
235-7 Hamilton-Part 1	Construction & Enviro. Clean-up	\$4M	Loan	6/16/2022	Loan closed, 9/22 work underway
525 Main	Housing Conversion	\$2.10	Loan 2.5%, 20 yrs.	10/21/2021	in construction
275 Pearl	Housing Conversion Foreclosure	\$2.86M	Loan 1.5%, 20 yrs.	10/21/2021	in construction
Bedford Commons	Rehab Aff. Units	\$1M	Loan 2%	10/21/2022	Closed 6/13/2024
Albany Woodland	New Retail Construction	\$12.8M	Grant	3/16/2023	In Construction
Fuller Brush	Conversion	\$3M	Loan 2%	5/19/2022	in construction
35 Bartholomew	New Garage	\$5.2M	Grant	9/21/2023	Pending Closing
17 Bartholomew	57 Units	\$1.5M	Loan 3%	9/21/2023	Pending Closing
Carbones	Restaurant Role	\$300K	Loan 5%	12/6/2023	Pending
Bushnell So.	Land Acquisition	\$1M	Loan 3%	1/18/2024	Closed Feb. 28, 2024
64 Pratt	Dorm	\$2M			

2/18/2025

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Venue Committee

Executive Director

Construction Update

3/20/2025

Project Summary	Units	GSF	Hard Construction Costs	CO	% Comp	Funding	Status	Schedule
CRDA Housing Projects								
525 Main Street	42	29,570	6,031,090	85,378	98%	No	Finishes are being completed, final rough inspections have passed. Units on floors 2,3 & 4 are complete, model units are furnished. Generator is in place. Final electric gear has arrived and currently being installed. Permanent power will be in place as of 03/28/2025.	Project Schedule shows a completion date of 03/28/2025 with a TCO to follow. Developer entered into a management agreement with Simon Konover Co. Rentals are schedule to begin May 2025.
275 Pearl Street	35	31,358	6,900,766	17,951	96%	Yes	Finishes are being completed, final rough inspections have passed on floors 2 & 3. Final electric gear has arrived and is currently being installed. All kitchen/baths are complete along with all wall tile, fixtures and appliances. Commercial space is being marketed for a restaurant. Permanent power is scheduled for mid April, with a TCO to follow.	Project Schedule shows a completion date of 05/02/2025, Developer entered into a management agreement with Simon Konover Co. Rentals are schedule to begin June 2025.
55 Elm	164		39,524,125	590,050	89%	Yes	Press (Annex) Building is 100% complete. Annex units are in the process of being leased. Main Building Finishes have started on Floors 3,4, 5 & 6. Rough work continues on all other areas. Permanent power was in place at the of end of December, a fire in vault is currently delaying permanent power. Owner & Eversource working on an agreement to restore. Amenity areas are being drywalled.	Main Building – 122 Units are scheduled to be turned over for lease end of April 2025 & Basement & 1st Floor Amenities May 2025. Fire in Electrical vault delaying schedule by 60 days, leasing to begin May 2025.
Bedford Gardens	85	72,462	10,622,000	-	0%	No	85 Units in ten (10) buildings are being renovated as existing tenants remain in place. 84 are apartments and one is a management office. 6 of 10 Buildings Completed. Final roofing scheduled for early summer 2025.	Completion scheduled for 6/1/2025
Arrowhead	44	31,230	12,789,140	760,136	36%	Yes	Flatiron: rough framing is complete. MEPFP is in process of being roughed. Arrowhead is in process of demo, framing has started along with foundations, stair towers and elevator and exterior walls. Co-op Building to be scheduled.	Estimated completion date is December 2025. Co-op Building is pending schedule of possible tenant relocations.
DoNo - Parcel B-1	237	232,752	51,156,000	-	32%	Yes	New construction of 237 units of housing and a 524 car parking garage. Sitework and Parking Garage are well underway. Rough Framing is Underway on East Side. MEPFP has begun rough in work.	Substantial completion 3/2026
31/45 Pratt Street	37		7,092,470	-	0%	No	Conversion of office/commercial space into studio and one-bedroom units. Demo is at 95% complete, all permits are now approved and received.	Waiting on Developer to receive and submit revised schedule from GC (Associated Construction).
18-20/30 Trinity Street	108		33,400,000		0%	No	Conversion of former state office buildings into 108 units plus retail	Completion schedule is pending.
64 Pratt Street / UCONN Dorms							Bond Commission approved funding for development of over 200 new residential dorm units at 64 Pratt Street	CRDA Staff waiting on construction documents, date TBD.

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Construction Update

3/20/2025

Project Summary	Units	GSF	Hard Construction Costs	CO	% Comp	Funding	Status	Schedule
CRDA Neighborhood Projects								
Riverfront Land Development (Hartford/Windsor side)			1,000,000 (* full CRDA Loan)	-	83%	Yes	Park Master Plan is complete. Fuss & O'Neill is working on Remedial Action Plan & developing a utility services study for supplying the future park and commercial development. Signed 25-year land lease with CT DEEP for a 16-acre portion of Windsor Meadows State Park that will be developed as part of the larger project & working with DECD on grant funding agreement	This project continues to work its way through the regulatory process. Goal is to start site remediation work in late summer 2025.
Fuller Brush- 3580 Main Street	153		26,210,764	2,604,054	62%	Yes	All demolition has been completed. Trades have mobilized. Vertical Metal Framing Has been completed in Building #2, Building #1 is framed at 85% . All HVAC Equipment is in place and final connections have begun. Roofing on both buildings at 98%. MEPFP have begun rough in Buildings 1 & 2 to approx. 80%, finishes are ongoing in building 2.	Completion estimated for August 2025
237 Hamilton Phase 2 - Conversion & Adaptive Reuse	235		8,500,000 (* full CRDA Loan)		0%	No	Currently completing Environmental clean up. Project budget has been revised and more units have been added.	Project is awaiting closing. Projected start date pending City approvals.
Albany & Woodland		30,404	15,650,616	-	20%	yes	Footings & Foundation are complete, site work ongoing. G.C. is back onsite mid February 2025, Steel is ongoing with a completion of early April 2025. Additional soil removals may be required.	Project Schedule indicates completion 12/2025.
Regional & Economic Development Projects								
East Hartford Great River Park Improvement			1,324,010 (* full CRDA loan)	-	27%	Yes	Awaiting price proposal from Hemlock Construction . Awaiting funding agreement from CT Port Authority & response from Town of East Hartford on draft project agreement.	Goal is to start construction in June 2025 and complete in June 2026.
McCartin School Demo.		25,380	693,773	-	27%	No	Abatement is complete. Building demo in progress.	Demolition and completion is anticipated for May 2025..
Founders Plaza							Hazardous Building Materials Survey and Demolition Design awarded to Weston Sampson, they have mobilized and anticipate a 3 week HMS duration with demo design to follow. .	December 2025.
Silver Lane Plaza Demo- Phase 2			928,900	-	68%	Yes	All Buildings will be down by end of March 2025. Dry cleaner HMS to beginning 03/25/2025.	Project duration anticipated to be approximately 4 months with demolition and site remediation completed by end of May 2025.

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Construction Update

3/20/2025

Project Summary	Units	GSF	Hard Construction Costs	CO	% Comp	Funding	Status	Schedule
Venues								
2023 XL Renovation Project			91,109,503	-	24%	Yes	UCONN Locker Room - painting & finishes, Event Level Club - MEP rough, south bar underground/CMU, metal framing, F&B Office demo, Full Service Kitchen - Hood & grease interceptor install, Bunker Suites - decommissioning/demo, Roof - access stair installed, crane permits in hand, Lee McGinley Elevator Extension underway.	Overall Projected Completion late Summer of 2026. Lower Bowl, Rigging and Event Level improvements October 2025.
Rentschler Field			\$5M				Locker Room - lockers in fabrication, Tower Roof - demo drawings complete, CM RFP in April, Metal detector vendor selected, Concourse Restroom maintenance/refresh to include flooring, painting, lighting and accessories. AV/IT & Security upgrades - preliminary scoping in process.	Locker Rooms due May/June 2025. Tower Roof install Summer 2025.
Front Street District			\$2M				Bond commission approved funding for infrastructure repairs and improvements, including sidewalk, crosswalk, and lighting repairs, and ADA compliance safety improvements.	Summer 2025
Church Street Garage			317,253		95%	Yes	Blue Light System complete. Level 4 & Stair 1 painting is completed. Concrete deck repairs contractor has mobilized and work is underway.	Completion of selected areas will be end of April 2025.
Convention Center Plaza			\$2M				Bond Commission approved funding to repair water damage to the riverfront esplanade at the Connecticut Convention Center.	Esplanade project is nearing completion. Substantial completion scheduled for Spring 2025.
Convention Center Garage			\$1.6M	-	75%		Bond Commission approved funding for elevator repairs, Project is underway with KONE Elevator Co.	Projected completion Q1 2025.
CTCC Garage P3 Stair Renovation			487,036	-	12%	Yes	P3 stair project is underway.	May 2025.

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Repairs/Resurfacing of Lot 4, Bushnell South

BACKGROUND: The surface lot known as “lot 4” (125 Capitol Avenue, Hartford) within the Bushnell South Development area was acquired by CRDA in 2018 and was subsequently offered for redevelopment in 2021. In the interim, the property has been licensed to the Bushnell Center for Performing Arts for parking for employees and patrons of the Bushnell.

ISSUE: The condition of the 2.8+/- acre property despite periodic patching and maintenance has deteriorated to the point that interim work to repair and resurface the lot is necessary. Considering the plans to redevelop the parcel, this work will be limited to making the property safe and serviceable.

CRDA Construction staff will oversee the bid and work and has estimated the cost to be up to \$300,000.

RESOLUTION: The Executive Director is authorized to procure the interim resurfacing of Lot 4 and to expend up to \$300,000 to undertake such work using the CRDA Housing Revolving Capital Fund.



Miscellaneous

Testimony

Michael W. Freimuth
Executive Director
Capital Region Development Authority

Before the

Finance, Revenue and Bonding Committee
Connecticut General Assembly

On

SB 1247
An Act Authorizing and Adjusting Bonds of the State

Senators Fonfara and Fazio, Representatives Horn and Polletta, Members of the Finance, Revenue and Bonding Committee, the Capital Regional Development Authority (CRDA) has been tasked with repositioning obsolete commercial buildings into new uses since 2012. While no two buildings are alike in design and economic health, we have been able to re-purpose, via the use of flexible dollars, scores of properties for residential and institutional uses in the city center of Hartford. However, as we enter 2025, there are clear and present dangers that the private marketplace is struggling ever more so to re-position large real estate assets dictated by a new marketplace without more specific and targeted public assistance. The obsolescence of large real estate office/commercial assets that were once limited to the core of the State's older cities is now impacting properties throughout the State. The daunting post-covid world of high office vacancy rates and declining valuation of properties critical to the tax base of various Connecticut municipalities now presents a dilemma for the urban centers of the State such as Hartford as well as within suburban office complexes in communities like Windsor.

Within SB 1247, the Governor's proposal authorizing and adjusting bonds of the state, Sections 78 and 79 create a "Greyfield" program, funded via Section 13 [c] [3] designed to assist in addressing this challenge confronting many Connecticut communities and commercial property owners.

Multiple organizations and individuals have gathered over the last year to frame the problem and to create solutions. Working with the State Department of Economic and Community Development (DECD) as well as the City of Hartford and the Towns of Windsor, Bloomfield and East Hartford and such organizations as the Capital Region Council of Governments and the Metro Hartford Alliance, we have studied the efforts of other states and cities, evaluated specific properties within our communities and begun to price the conversion projects developing in this new economic world.

To some extent, private investors, lenders and property owners will, minimally, incur longer term and lower returns on their investments. More likely, there will be outright economic losses. In most cases, a re-establishment of the basis of the buildings will have to occur so that new private investment can be re-employed. This is likely to take years to sort out via foreclosures and bankruptcies while capital calls are likely to result in little if any new equity for the properties and refinancing opportunities will be difficult to come by if not impossible. Meanwhile, as values and

assessments fall, municipal taxes will be reduced, and the discretionary spending and economic activity of labor forces will be diminished.

Creating a pool of funds for the public sector to assist in the re-adjustment of these large commercial properties into new uses be they residential, institutional or modified commercial uses is critical and necessary if we are to weather this disruption. Assessment, underwriting, due diligence and properly sizing the public participation is all before us. But having a resource to represent to the private sector that the financial gap to new solutions and growth is available and can be applied in creative ways is an important and necessary step if we are to address the consequences of the economic disruptions brought on by the pandemic and the marketplace reaction to it since 2020.

With Hartford's commercial vacancy rate approaching 40% and the consequent and major reduction in assessments and overall Grand List, CRDA is anxious and looking forward to working with DECD to advance this initiative.

Thank you.

NEWS > CONNECTICUT NEWS

How the sale of a renovated CT historic home proved doubters wrong. And \$300K over the list price.



The historic Plimpton House in Hartford's Asylum Hill has sold for \$1.1 million (Kevin Galliford)



By **KENNETH R. GOSSELIN** | kgosselin@courant.com | Hartford
Courant

UPDATED: February 23, 2025 at 12:51 PM EST

CRDA
GIANT
VIA 'NINA'
PROGRAM

12 units to date
8 ownership
4 rental

35

There were plenty of doubters.

The stretch of Hartford's Asylum Hill just beyond downtown is known for its insurance companies, churches and the historic Mark Twain House.

But the neighborhood now has a new distinction: one of the priciest residential sales in the last decade in the city.

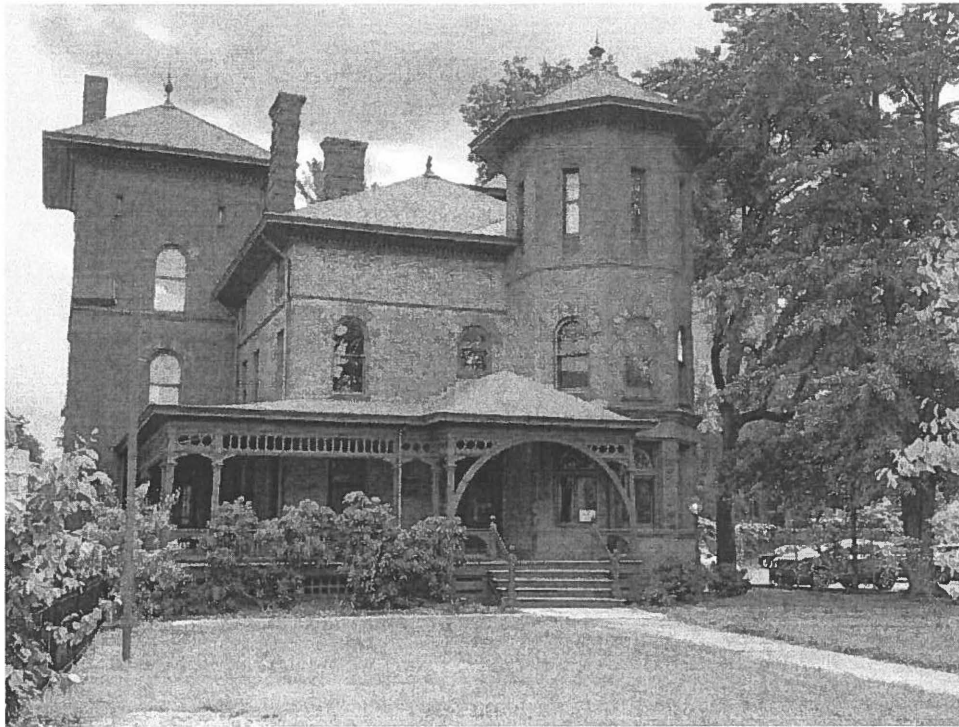
The historic Plimpton House on Asylum Avenue sold two weeks ago for \$1.1 million, after a heated bidding war of 11 offers over two weeks in December that pushed the closing price \$300,000 above the list price.

The sale, coming after a major renovation, places the property fourth highest on a list of the top 10 sales since 2015 for residences with one to three units, and the only one outside of the West End, according to an analysis by the city assessor's office.

"When we started, there were a lot of doubters," Kenneth Johnson, executive director of the Northside Institutions Neighborhood Alliance, which focuses on homeownership and revitalization in Asylum Hill. "They said, 'You're really going to create what amounts to a large single-family home with the benefit of having two apartments to support the mortgage and maintenance?' And it's a non-traditional neighborhood?"

The renovated, 7,300-square-foot house, built in the High Victorian Romanesque style, turned out to be a perfect fit for the buyer, Johnson said.

The buyer, Matthew Nelson, an orthopedic surgeon practicing in West Virginia, grew up in Hartford's North End, where his family still lives. Nelson always had his eye on returning to Hartford to live, Johnson said, and one of the apartments is expected to be occupied by his mother and brother.



The renovated Plimpton House in Hartford's Asylum Hill has sold for \$300,000 over the list price. (Kenneth R. Gosselin/Hartford Courant)

Nelson did not have an immediate comment.

The flurry of bids for the 1863 Plimpton House — returned to its original use with the former, rear servants wing turned into the apartments — was a welcome development for Asylum Hill, where homeownership is a low, 11%, according to the U.S. Census. The neighborhood, however, is dominated by hundreds of apartment units and large insurance company campuses.

The amount of buyer interest surprised even Johnson and the neighborhood alliance — better known by its acronym NINA.

Since the early 2000s, NINA has seen the potential for creating a stronger, owner-occupied residential community in Asylum Hill. The nonprofit's strategy has focused primarily on remediating and renovating blighted residential buildings, now totaling more than two dozen.

NINA's work combines preservation of architectural details — on full display at the Plimpton House — with modern amenities sought by homebuyers, including the kitchen and bathrooms.

Mollie Abend, a real estate agent at [Berkshire Hathaway HomeServices/ New England Properties](#) in West Hartford, said she considered the bidding war for the property in Asylum Hill “very unusual.”



Architectural details in the 1863 Plimpton House survived a history that included use as a boarding house, a home for the elderly and a temporary shelter for people experiencing homelessness. (Kevin Galliford)

“But after walking through the house with clients — twice — and seeing the amazing, intact details, and the combination of modern updates that they did — it’s such a unique property,” Abend said. “I don’t know how you put a value on its because it is truly one of a kind.”

Homeownership struggle

Even though Asylum Hill and other Hartford neighborhoods continue to struggle with low homeownership, there is demand, according to a recent report from [SmartMLS](#), the statewide multiple listing service.

The median sales price of a single-family house in Hartford — where half the sales are above, half below — rose 17% to \$270,000 in 2024, compared with \$230,500 the previous year. In the same period, homebuyers paid an average of 103.4% of the list price, up nearly 1% from 2023.

Abend, whose clients didn’t have the winning bid, said the purchase price is eye-catching, but certainly not a complete surprise in a market where few homes are coming on the market.

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"We're seeing so much activity and really no change in inventory," Abend said. "So when something special comes along, there's almost a feeding frenzy."



The renovation of Hartford's Plimpton House included the addition of amenities, including a modern kitchen. (Kevin Galliford)

Even though the sale price was above expectations, the actual cost of the renovation was far higher.

The project cost a total of \$2.5 million, including \$392,500 to purchase the Plimpton House property.

Financing included a \$1 million grant from the city of Hartford aimed at promoting homeownership. In addition, \$150,000 in state historic home rehabilitation tax credits were provided by Eversource and \$200,000 came from the Capital Regional Development Authority that was used by NINA to buy the property. Construction financing was provided by the Local Initiatives Support Corporation, or LISC.

NINA also offered \$50,000 toward the purchase of the property. The loan would not have to be paid back as long as the buyer lives in the property for at least seven years. The Hartford Insurance Group provided the funding.

William Pitt Sotheby's International Realty had the listing.

'It was a natural'

The Plimpton House, at 847 Asylum Ave., was once part of a neighborhood of similarly-sized residences that disappeared with the rise of the massive insurance campuses of Aetna, now owned by CVS Health, and The Hartford in the 1920s and 1930s.



The renovation of the historic Plimpton House on Asylum Avenue in Hartford included the installation of all new hardwood floors. (Kevin Galliford)

Louis B. Plimpton established a booming envelope manufacturing business in Hartford in the late 19th century, and he and his wife, Clara, assumed a position among the city's industrial upper crust. Although their home now appears Victorian, those details — including the prominent front tower and wraparound porch — were added in an expansion of what was initially an Italianate-style home, according to the [Hartford Preservation Alliance](#).

In the 20th century, the structure was used as a boarding house, a home for the elderly and finally, for the last 30 years, a temporary shelter for those experiencing homelessness.

NINA's Johnson said the organization saw the possibilities for bringing the structure back to a single-family home paired with the apartments soon after NINA was approached by the previous owner, South Park Inn, that wanted to sell in 2021.

"It was a natural," Johnson said. "When you looked at the home itself, we basically had rooms that essentially stepped out of the 19th century. They were still intact from that period. And we weren't going to do anything to carve it up and create condos and then lose what has been around here for 50 years."

Much of the original woodwork, intricate stained-glass and wainscoting also had survived, Johnson said.



The tiled entrance foyer to the recently-renovated Plimpton House in Hartford. (Kevin Galliford)

In designing the project, it wasn't clear where the original kitchen had been located. Using a bit of "forensic carpentry," it was determined the kitchen was originally in a south-facing area of the house. The room was the only one without a mantle and upon further investigation an opening to accommodate a coal stove duct was discovered, in keeping with age of home, Johnson said.

There are new hardwood floors and all systems — plumbing, electrical and eating — have been upgraded, Johnson said.

The main portion of the home is 5,200 square feet and includes four bedrooms, a mudroom, a ballroom, a parlor, a dining room, a study and a billiards room.

Mary A. Falvey, executive director of the preservation alliance, said the Plimpton House renovation is a strong example of a historic building being converted for modern use, after having survived a string of uses other than the original residence.

"This just shows how resilient an old building can be," Falvey said.

Neighborhood leaders say they believe the quality of NINA's renovation will ensure that the Plimpton House will retain its value and have a positive effect on surrounding property values.

"We've already seen some additional interest in residential properties in the neighborhood since the sale of the Plimpton home," said David MacDonald, executive director of the Asylum Hill Neighborhood Association, the area's neighborhood revitalization zone. "It's going to improve the overall stature of the neighborhood."

Kenneth R. Gosselin can be reached at kgosselin@courant.com.

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Future of Connecticut malls may reside with residential space

Luther Turmelle, Alexander Soule

Brass Mill Center, in Waterbury, Conn. Dec. 5, 2024.

Brass Mill Center, in Waterbury, Conn. Dec. 5, 2024.

Ned Gerard/Hearst Connecticut Media

Two of Connecticut's most pressing problems are a lack of affordable housing in the city and suburbs as well as a huge amount of vacant space in shopping malls.

Experts have estimated that another 110,000 units of affordable housing are needed to meet the state's shortfall. Connecticut officials are taking a multi-pronged approach in addressing that need, but elsewhere across the country, states, counties, communities and the private sector are drawing on what might seem to be an unlikely source as part of their efforts to solve the problem: Converting vacant space in aging shopping malls into housing.

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Mall vacancies and their declining conditions "should be an issue of major concern to everyone involved," Mike Goman, a principal in the East Hartford-based real estate advisory firm Goman + York. "Some of these properties are suffering from functional or market obsolescence. Electrical systems, the window systems even the exterior skin of some mall becoming obsolescent."

More For You

Goman said he sees a day of reckoning coming for towns and cities.

"The day of reckoning is when the assessed values of these properties and all those benefiting from the traffic generated by them catch up with the actual current market value," he said. "As we've already seen, much value is wiped out, meaning far less property tax revenue in the coming years. How soon the municipalities recognize that decline is a function of their revaluation cycle but it's coming for all of them at some point."

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Reporters from CT Insider, the Stamford Advocate, The News-Times, The Hour, Republican-American, Record-Journal, Journal Inquirer and Connecticut Post conducted dozens of interviews and reviewed hundreds of news articles and municipal planning and zoning documents in

STATE DEED
CRDA Greyfields program
urban office
suburban mall
Redevelopment.

Connecticut and around the country. We found:

Malls are frequently at the top of municipal grand lists, which is the list of all taxable property within a community. As the properties age, their assessed values fall, which means they yield fewer tax dollars.

As more malls across Connecticut and the rest of the United States continue to lose tenants and become distressed, hundreds of jurisdictions are turning empty retail space and unused parking lots into much-needed housing. Colorado, Massachusetts and Utah are at the top of the CT Insider list for apartment complexes on mall properties.

Some Connecticut communities are making progress. An apartment complex on the edge of the Trumbull Mall, The Residences at Main, is completed and now officials in that Fairfield County community are looking toward a future in which housing for the town's senior citizens will be located on another part of the mall grounds.

Mall property is often not owned by a single company, making conversion decisions complicated.

For Connecticut retail-to-residential projects to advance to the point that they are shovel ready, high-profile political leaders need to throw their weight behind these efforts, experts insist.

Make no mistake: A few Connecticut malls like Westfarms on the West Hartford/Farmington border and the SoNo Collection in Norwalk are thriving. Other retail-to-residential projects in the Connecticut Post and Danbury Fair malls appear to be stuck in a planning process limbo.

But at least those malls have made some progress toward redevelopment. Waterford's Crystal Mall doesn't appear to have any future plans.

Article continues below this ad

National problem hits CT

Mall vacancies are a growing problem nationally as the once-popular public gathering places have fallen victim to a perfect storm of changing consumer tastes and cultural trends. As recently as the mid-1990s, enclosed shopping malls were being built at the rate of 140 per year nationally, according to a BBC report.

By the mid-1980s, there were about 2,500 malls nationwide. A combination of factors, including the rise of online shopping and the 2008 recession has reduced that number to between 600 and 700.

"A lot of malls have fallen on hard times, and not only that they really are an archaic form of development," said Pennsylvania state Rep. Joshua Siegel, D-Allentown, a sponsor of Pennsylvania legislation to try and fix the problem there. "They're very auto-centric, they encourage a heavy degree of suburbanization — and so in a lot of ways, this was intended to proactively address what I think is a

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coming crisis, which is the continuing decline of the economic vitality of malls.”

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Some malls are beyond renovating, said Mike Freimuth, executive director of the Capital Region Development Authority.

"I think the problem with these malls in suburban areas is they're just tired," Freimuth said. "They are going to have to reposition, and with ecommerce and the nature of business today, a lot of them have just run their course. How do you convert some of these things? I think some of them are bulldozer candidates."

Vacant mall space is something that Connecticut malls have in abundance. Of the indoor shopping malls situated around Connecticut, four are arguably the most distressed: Brass Mill Center in Waterbury, the Crystal Mall in Waterford, the Meriden Mall and the Enfield Mall.

Plans to revive the Enfield Mall are at a key crossroads.

Article continues below this ad

The state's Community Investment Fund on Tuesday approved a \$10 million grant that could jump start a \$250 million redevelopment of the old mall and replace it with hotels, apartments and new retail space and make Enfield a flagship for other projects of its kind. A Nebraska-based developer, Woodsonia Real Estate, has deal to purchase the mall property from the current owner, Namdar Realty Corp.

At the end of last year, Brass Mill Center, a short walk from downtown Waterbury, had nearly four dozen vacant store fronts out of 130, three empty food court spaces and an unoccupied restaurant space. Several tenants have since announced they're leaving.

Waterford's Crystal Mall had 50 vacant stores in January out of 110, no operational anchor stores and just two of its eight food court vendors remaining. Like Brass Mill Center, Crystal Mall saw several tenant defections last year.

Other Connecticut malls are more successful. But even malls like Milford's Connecticut Post Mall and the Danbury Fair Mall have long-vacant former anchor space. Plans at both malls call for residential units in those spaces — the former Lord & Taylor store at Danbury Fair and the former Sears location at the Connecticut Post Mall.

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Nearly a year and half after Milford officials approved a code change that allows up to 750 apartments to be built at the Connecticut Post Mall, city officials still haven't received a proposed design for the residential complex from the owner of the property.

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But Justin Rosen, chief of staff to Mayor Anthony Giannattasio, said he and Giannattasio spoke with officials of Dallas-based mall owner Centennial Properties about two weeks ago, and the project is moving forward. Rosen said Centennial is expected to share renderings with city officials in a matter of weeks.

The conversion of the former Lord & Taylor anchor store at Danbury Fair Mall was approved in late 2023. The next step would be for the mall and a prospective apartment builder to formally apply to the city, but representatives of Macerich, the company that owns the retail center, have not said when that could happen.

Macerich has multiple other malls nationally with residential projects at varying stages, notably near Albany, N.Y.

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The largest mall owner in Connecticut is Namdar Realty Group of Great Neck, N.Y. Namdar owns more than 100 nationwide and four in Connecticut — Enfield, Meriden, Trumbull and Waterford. It's buying the Shoppes at Buckland in Manchester.

Dan Dilmanian, the chief operating officer of Namdar, said in response to a series of questions sent by CT Insider that the company's "long-term plan for property redevelopment includes several different options, including non-controlling joint ventures and outright sales, with the ultimate goal of achieving the highest and best use of the property."

Namdar is open to public-private partnerships with state or local governments "provided we partner with a developer as well," Dilmanian said.

Brass Mill Center is owned Kohan Retail Investment Group, which is also based in Great Neck, N.Y. Officials with Kohan Retail Investment did not respond to repeated requests for comment.

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Solutions offered

Rina Bakalar, Trumbull's economic and community development director, said town officials will release a study looking at the future of the area around the mall on March 26.

"We're really looking at what it would take to make it over from a mall to economic development district," Bakalar said. "It's a vision of what we believe could ultimate be a million square feet of in-fill development. The study is looking at what it would cost to build out over time, how many jobs it would create and how much tax revenue it would bring in."

Among the scenarios being considered, she said, are, building a hotel in the available space around the mall as well as a few hundred units of senior housing. Bakalar said the plans being discussed for

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the area around the mall include "a few hundred units of senior housing on the Madison Avenue and Meritt Parkway side."

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John Boyd, whose Florida firm evaluates locations for companies, said the Shoppes at Buckland Hills represent "a sizeable chunk of real estate that would have a lot of value in repurposing."

"A lot of the retail space that we are seeing that is coming on the market is being promoted as a way for redevelopment," Boyd said. But in order to promote redevelopment of mall sites, he said, new housing has to be a major component.

"Older economies, like the one in Connecticut, have been slow to recognize how fundamental that housing is to economic development," Boyd said. "Renting (apartments) is the new thing to do in high growth areas."

Connecticut officials, he said, would be well served to promote the redevelopment of vacant mall space into affordable housing.

Article continues below this ad

"Which underscores the need for incentives for developers," Boyd said. "A lot of this has to do with who owns these malls. The people who own these malls don't see the need to do anything with the properties if they can't make certain level of profit."

Niche types of housing are also an option, he said.

"One example is temporary workforce housing, where workers come into an area for training for a couple weeks or for a project that is a couple of months long," Boyd said. "Other examples of niche housing is apartments for first responders and medical professionals to live in or for university professors and students to move into temporarily."

Connecticut officials have been slow to move on mall redevelopment solutions that include housing. Goman said the concept "is not getting the attention it needs to get."

Article continues below this ad

"Local land use control is considered sacred," Goman said. "And if you try to change that, it's going to put whomever supports that change against officials in all 169 towns."

Bakalar said malls around the state and the land that they are located on "are major properties, all well situated with good infrastructure that could serve multiple uses, not just housing alone."

"We're talking opportunities to create major economic activity and I'm not talking about 20 years from now," she said. "If redeveloped properly, these properties have the potential to be real job hubs."

Roadblocks present challenges

For mall property to be redeveloped, Goman said, "the price of the property has to fall to a point where buying costs between \$10 and \$20 per square foot."

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"Fundamentally speaking, these are good properties located on land with fully impervious coverage," he said. "But it's also important to remember that the only projects that get built are the ones that make financial sense."

Goman said some kind of mixed-use redevelopment, where some of the existing mall remain intact, is more cost effective.

"The cost of demolishing a 1 million square foot mall is between \$10 million and \$15 million to take it down and clear the site," he said.

Most malls have multiple owners because of what it costs to develop them, according to Goman.

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"That's how most mall deals got done," he said. "The big tenants like Sears insisted upon owning the pads their stores were developed on. Macy's did similar deals."

Making over the Brass Mill Center will face an added challenge, he said. The mall and the Brass Mill Common shopping center next door, were built on the site of the former Scovill Brass Works, an undertaking that required a massive environmental cleanup.

Building apartments on the cleanup site, Goman said, would add to the redevelopment costs.

Freimuth said any efforts to convert vacant mall space into residential units would be further complicated by Connecticut's track record regarding multi-family housing at the local level.

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"Towns in the state have been late to the multi-family game," Freimuth said. "There has never been a general acceptance of this (the need for multi-family housing) until the last four or five years."

Goman said efforts to streamline the redevelopment process in an effort make conversion of shopping malls into mixed-use complexes would likely be met with opposition. An example of that, he said, would be if "as of right" zoning were to be proposed.

"That essentially says that communities and individuals can't get in the way of redevelopment," he said. "As of right zoning allows development projects to be built without a public hearing or special permit if the proposed projects meets existing zoning and building codes."

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State legislation proposed

Bakalar said state officials and lawmakers have been slow to grasp the importance malls have and not just at the local level, but to the state as a whole as well. She said mall redevelopment efforts "need a champion," someone with political clout in state government someone with large amount of political clout and the will to bring a broad spectrum of stakeholders to the table. So far, that hasn't happened.

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Officials with Gov. Ned Lamont's office did not respond to requests for comment. But David Steuber, chief of staff for state Department of Economic and Community Development Commissioner Daniel O'Keefe, challenged the notion the Lamont administration isn't doing enough to address the problem.

"There are good reasons to be looking at older shopping malls to address the housing problem," Steuber said. "What makes them attractive is that they already have utility services brought out to them."

He said Gov. Lamont recently proposed "greyfields revitalization" legislation that, if approved by the Legislature, would create a fund of \$50 million over the next two years for the conversion of dormant or struggling retail and office properties into multifamily housing, or "repurposing properties that are no longer economically viable."

Steuber said the greyfields program would be run in consultation with Connecticut Department of Housing as well as the Capital Region Development Authority and a new quasi-public agency, the state's Municipal Redevelopment Authority, which is responsible for helping municipalities spur transit-oriented development, particularly new housing.

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"We're going to be looking to leverage private investment as well," he said. "I'm hopeful we can get some dollars out the door within a year."

Connecticut Senate Majority Leader Bob Duff, D-Norwalk, said more affordable housing is critical if the state's economy "is going to keep firing on all cylinders." He said retail-to-residential conversions may work better at some of Connecticut's malls than it would at others.

"I'm glad people are talking about ways we can increase our housing stock because it's a worthy discussion, but the bottom line on how well this concept works is going to be cost," Duff said. "That's the final arbiter."

Duff said he likes the idea used in developing The Residences at Main, the apartment complex built on the periphery of the Trumbull Mall. He said planning and zoning boards in communities that host malls across the state need to consider a similar approach.

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"It's what I would call easy redevelopment because its built on open space and the edge of pavement," he said. "We've got these massive parking lots at retail centers across the state that are a waste of space. If you build apartments where there are now parking lots, it will produce tax revenue for the host communities as well as customers for the retail centers."

State Rep. Jason Doucette, D-Manchester, has proposed a bill that would create a property tax abatement for mall spaces that are converted into residential units. Manchester is home to one of Connecticut's largest malls, The Shoppes at Buckland Hills.

Apartments at a mall do not always create retail buzz, however. Despite the Shoppes at Buckland Hills having one of Connecticut's largest apartment complexes across the street in The Pavilions, the mall ranked well behind Westfarms, Danbury Fair, the Connecticut Post mall and the Trumbull Mall for visitations in January, according to Placer.ai, which tracks mobile device location data for retail.

Doucette told CT Insider his inspiration for the bill was [Pennsylvania legislation](#) which has yet to become law there. He said that while the legislation he has proposed will give retail-to-residential redevelopment at malls a boost, the process is still "all market driven."

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"It's a question of what's going to happen to it, and a question of what do you do next, so you have to keep your options open, obviously," Doucette said. "But yes, if you look 20 years from now, a shopping mall like what sits there now is probably one of the least likely things that we would see that land being used for."

The Connecticut Conference of Municipalities opposed the bill, saying in written testimony that the proposed abatement or reduction of property taxes "reduces municipal grand lists and shifts the burden of making up for lost revenue onto residential and commercial taxpayers." The Capitol Region Council of Governments also opposes a portion of HB 6424.

Remember the Hartford Civic Center

Connecticut has seen a pair of high-profile mall conversions.

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Back when the XL Center was known as the Hartford Civic Center and was home to the National Hockey League's Hartford Whalers, the arena was surrounded by anchor store space and a food court. The Civic Center Mall, which opened in 1975, was demolished in 2004 as part of the Hartford 21 project, which replaced the aging retail, office and restaurant mall portion of the Civic Center with a new residential, retail and entertainment complex.

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The former Chapel Square Mall in New Haven also converted some space to apartments.

The two-level, 165,000-square-foot mall opened adjacent to the New Haven Green in 1967 with two department stores as anchors. But changing retail and local population trends led to it closing and, later, its 1997 demolition.

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Includes reporting by Christian Metzger, Eric Bedner, Sloan Brewster, Shaniece Holmes-Brown, Brianna Gurciullo, Joseph Villanova, Kalleen Rose Ozanic, Rob Ryser and Ignacio Laguarda.

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Photo of Luther Turmelle

Luther Turmelle is a business reporter with Hearst Connecticut Media Group. Turmelle has covered the towns of Cheshire and Wallingford and he specializes in the utility and energy beats. A graduate of Boston University, Turmelle has held multiple leadership roles in the Society of Professional Journalists, including two terms on the organization's national Board of Directors.

Photo of Alexander Soule

Alexander Soule is a business writer with Hearst Connecticut Media Group. He covers the state economy and other business news as well as penning a monthly column on personal finance for Connecticut Magazine. Before joining Hearst Connecticut, Alex started a growth economy website called Enterprise CT chronicling Connecticut startups. Before that, Alex spent six years with the Fairfield County Business Journal, and before that the Boston Business Journal, the Rochester Business Journal, Mass High Tech and InsuranceTimes in Boston. Alex is a Maine native who served a two-year enlistment in the U.S. Army (Fifth Infantry Division at Fort Polk, La.) before attending Connecticut College.

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