

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

Board Members Present: Chairman David Robinson; Vice Chairman Andy Besette; Paul Hinsch; Matthew Pugliese; Bob Patricelli; Mayor Arunan Arulampalam; Andrew Diaz-Matos; David Jorgensen; Pam Sucato; Joanne Berger-Sweeney; Mayor Connor Martin

Board Members Absent: Olusegun Ajayi; Seila Mosquera-Bruno

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

Minutes

The minutes from February 20, 2025 were moved by Andy Besette, seconded by Andrew Diaz-Matos and approved.

Finance Report

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

Fiscal Year 2025 Operating Statistics

CT Convention Center – Jan. 2025

Event Update: 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 expenses 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, are 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

Mr. Geremia noted that the total year projection for garages remains even with budget; unchanged from February's report. Total year projection for Regional Market remains slightly favorable to budget, unchanged from February's report.

Chairman Robinson inquired about how the financials are perceived regarding favorable to budget. Mr. Geremia explained that each individual budget is approved every fiscal year, the budgets are separate from each other and the monthly reports track performance to the individual budgets. Limited budget modifications are available for restatement with Board actions.

Mr. Lazzaro added that any reserves must be kept in their respective bucket, ie. Convention Center; Regional Market etc. These funds are only to be used for the entity to which they were intended. Specifically, any convention center and parking funds are related to the special Bond convenance.

Mr. Bessette commented that the Sportsbook is operating at a \$163,000 loss and wanted to know if there is any subsidy. Mr. Geremia responded that it is running \$46,000 behind projection. Mr. Bessette further asked if this was a fist year loss and Mr. Geremia responded that it is not a first-year loss. Changes to a limited menu are being discussed, after March Madness concludes. This change will help with the food and beverage costs.

Chairman Robinson asked if the Sportsbook was included in the OVG agreement and Mr. Geremia responded that it is included in the threshold that OVG has to exceed before CRDA sees any dollars.

Financial Advisor Selection

Mr. Geremia reported on the RFP for the Financial Advisor selection and the services they provide.

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

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

“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

Mr. Geremia reported on the RFP for the Audit Firm selection and the services they provide.

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

The following motion was moved by Joanne Berger-Sweeney, seconded by Matthew Pugliese and approved.

“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.”

Hartford

Mayor Arunan Arulampalam reported on various City projects:

17 Wells – approval for up to \$7M CRDA for housing on this vacant lot. There will be a resolution on Monday, March 24, for a tax fixing agreement for twenty years.

237 Hamilton – the developer has resubmitted financials incorporating a state tax credit of \$18M, it is currently in underwriting.

Homestead Ave. – Parcel owned by St. Francis Hospital. The city was recently awarded a CIF Grant of \$1.6M to purchase this property which will help create development of a city block.

Art & Culture position – creating an office that will bring together Hartford community events and arts and culture events.

\$5M Investment into Hartford Neighborhoods – starting with four neighborhoods, investing a \$1M into each of four neighborhoods to be focused on commercial corridors and retail storefront properties to try to build a walkable block with several storefronts that feels like a mini town center.

3 Constitution Plaza – the city has been approached about negotiations between the owner of the former WFSB site and potential developers of a new hotel.

Bob Patricelli expressed his reluctance to see a single parcel move forward without a comprehensive look regarding redevelopment of all of Constitution Plaza. Mayor Arulampalam responded, stating that although there is no formal proposal, having a vacant lot at the entrance to downtown Hartford, for many people it is certainly an eyesore. Hotel space is needed to attract larger conventions and other events in the region and the lack of hotel space is hurting the region and the Convention Center. Mr. Patricelli said that the question of the elevated plaza itself should be looked at and asked if there have been any engineering studies to that effect given the condition of the structure underneath, the deteriorating surfaces and the state of the parking garage. He reiterated that a comprehensive look at Constitution Plaza would be in the city's best long-term interest. Mayor Arulampalam said he would be amenable to having that conversation and added that there is no specific proposal on this project yet but wanted to highlight that it is being considered.

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

East Hartford

Mayor Connor Martin gave a brief update regarding CRDA/East Hartford projects.

Concourse Park – The town continues to close on the property and are working to get this done within the month. Eversource and MDC have been engaged to get those utilities in line as well as working with the CRDA team on the engineering of the infrastructure.

Silver Lane Plaza – All Buildings on site have been demolished, debris removed. Phase 2 environmental testing has been started on the site of the former dry cleaner. An LOI was signed with Grossman Realty Group. A bond request will be asked for at the April 24 CRDA Board meeting in preparation for the June Board meeting, likely in the amount of \$10M.

McCartin School – demolition should be starting within the month. An RFP for an engineering consultant to spec out a road that will go in between the sites to support housing development.

99 Founders Plaza – Advertising for a bid for demo sometime in mid-June to tentatively get the building down before year end.

Simon Konover – In negotiations regarding a tax agreement that needs town council approval with the hope of shovels in the ground this summer.

Housing & Neighborhood Committee

Joanne Berger Sweeney reported that the Housing and Neighborhood Committee met regarding the following revised project.

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:

<u>Sources:</u>		<u>Uses:</u>	
Senior Debt	\$10,575,000	Land/Acquisition	\$ 3,000,000
CRDA Loan	\$10,000,000	Hard Costs	\$19,907,168
City of Hartford Grant (from the Revolving Loan Fund)	\$2,000,000	Soft Costs	\$ 3,635,680
Urban Act Funds – loan	\$3,000,000	Financing Costs	\$ 1,384,422
Owner’s Equity	<u>\$3,352,270</u>	Carry	<u>\$ 1,000,000</u>
Total Sources:	\$28,927,270	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:

The following motion was moved by David Robinson, seconded by Joanne Berger-Sweeney and approved.

“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.”

Derek Peterson gave a brief outline regarding the status of CRDA housing projects in the pipeline.

Regional & Economic Development Projects Committee (RED)

Mayor Connor Martin and Derek Peterson reported on the following project that was presented at the February CRDA Board.

Project: Real Art Ways
 Address: 56 Arbor Street, Hartford, CT
 Sponsor: Real Art Ways (with BBE Construction)

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.

The following motion was moved by Mayor Connor Martin, seconded by Andrew Diaz-Matos and approved.

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.

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 16-15 at home, with an average attendance of 4,200 fans per game. UConn women's basketball finished up their season at XL, having played seven games with an average attendance of 11,000 fans. The men played eight games with an average attendance of 11,800.

In addition to the Wolf Pack's final five home games, upcoming XL events include Monster Jam later this month, a Mary J. Blige concert in April and comedian Katt Williams in May.

Pratt & Whitney Stadium

The Stadium will host the US Men's National soccer team in a match against Turkey on Saturday, June 7th. Attendance is expected to be close to 30,000 fans and ticket sales are already off to a strong start.

Drawings for the Tower roof replacement are nearly complete, and a Construction Management RFP has been issued. A metal detector vendor has been selected, and new units are expected prior to the June 7th match. Renovation of the home and visiting team locker rooms is scheduled to begin in April and is expected to be completed by June.

Proposals in response to the Stadium Management RFP are due April 9th.

Connecticut Convention Center

March continues to be a busy month for events, with the National College Fair, CT Golf Show, Wadsworth Athenaeum Spring Gala, American Heart Association Go Red Luncheon and 90's Con all scheduled in the next two weeks. April will bring Jurassic Quest, Brick Fest Live, the American Mathematical Society and an insurance innovation symposium.

Difficulty sourcing parts has delayed repairs to the outside elevators and that project won't be completed until mid-April. 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. Next year will be a very active year for the construction team as the pipeline will push many projects onto their agendas.

New Employee – Samantha Scungio is a paralegal and has been hired to work with Tony and Derek on closings as well as MOU's and other agreements and help with regulatory agreements on the construction side.

Legislation –

° *GreyFields* is being promoted by the Governor and DECD which envisions CRDA and MRDA to help

advise in commercial conversions dealing with vacancy rates in office towers as well as struggling retail strip malls. It is initially a \$50M program.

- *Budget Discussion* – Joe Geremia and Mr. Freimuth will be testifying on April 3, 2025 on CRDA’s requests.
- *East Hartford* – major legislation pending for a TIF District in East Hartford, for the Founders Plaza area. This would be a major redevelopment initiative for the East Hartford waterfront tied to that legislative effort, akin the Adriaen’s Landing scale. This will impact projects on Founders as well as other projects on the riverfront. Mayor Martin interjected by stating that the Town testified in front of the planning and development committee, and it was generally very positive.
- *CRDA Statute* – looking to make auditing and reporting requirements consistent with other Quasi’s (from 90 day to 120 or 180 days).
- *Towns in CRDA Region* – there are towns in the CRDA region that do not have allocations but cannot participate in the MRDA programs. There are projects in the region that would like to move forward so there is consideration of some legislation that would tweak the CRDA district to allow MRDA related activity.
- *MIRA* - CRDA is in active consideration to play a role in the former trash recycling plan – MIRA in the So. Meadows. MIRA has to phase out their operations and begin clean-up and turn over its assets as of June 30, 2025. CRDA has been asked to assess and analyze whether or not CRDA can play a significant role. This would be a major undertaking of staff and presumably CRDA would get the resources with this project should it come our way.

Bushnell So. –

- *Sewer & Storm systems* - Coming along with the structure of an agreement with OPM’s input to participate in a separation of the sewers and storm drainage systems. The various housing projects will not have to build retention systems, which will require more Capital funds for those projects, higher operating expenses and a loss of real estate where retention systems would have been built. Alternatively, funds will be contributed to the overall separation of the water storm system from the sewer system in the Bushnell So. region as part of a larger MDC undertaking in that general catchment area. The idea would be that we would help fund the separation system, and deposit some funds into that account, MDC would allow our projects to move forward and hook into the existing system with the ability, once it is built, to connect to the new system.
- *Parking*- Met with NRZ to try to resolve parking issues tied to Bushnell So., including its impact on Bushnell center but overall how to manage the parking needs and to either share either expansion of the existing garages or a construction of a new one and not overburdening any one project.
- *The Michael’s Organization (TMO)* – CRDA and TMO have had been working on how to develop Parcel 4 for nearly three years. We have agreed to stop and rethink how to move forward with Parcel 4 and deferring formal selection of a private developer.

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 CRDA’s long term 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.

The following motion was moved by Connor Martin, seconded by Joanne Berger-Sweeney and approved with Bob Patricelli recusing himself.

“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.”



Search Committee for Executive Director

Chairman Robinson gave an update regarding the search committee. With the help of the Search firm, CRDA received over 50 applications. After careful consideration amongst the Search Committee, two finalists are being invited to be interviewed by Board members as well as staff. This will hopefully identify the person we will move forward with in the next three weeks or so.

Dates and times when the finalists will be at CRDA will be forthcoming.

The Board adjourned at 4:15pm.