

**Capital Region Development Authority**  
**100 Columbus Boulevard, 5<sup>th</sup> Floor**  
**Hartford, CT 06103**  
**Thursday, June 26, 2025**  
**6:00pm**

*(The Board Meeting was in person with virtual availability)*

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

**Board Members Absent:** Mayor Connor Martin

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

**Minutes**

The minutes from the May 15, 2025 and the June 11, 2025 CRDA Board Meeting were moved by Matthew Pugliese, seconded by Olusegun Ajayi and approved with Bob Patricelli absent for the June 11, 2025 meeting.

**Finance Report**

CRDA's CFO Joseph Geremia reported on the following financial update for June 2025.

**Fiscal Year 2025 Financial Statements and Audits**

CRDA Fiscal Year 2025 audit

- CRDA Financial Statements
- CT Convention Center Contractual-Basis Financial Statements
- PeoplesBank Arena Contractual-Basis Financial Statements
- CRDA Parking Facilities Contractual-Basis Financial Statements
- Rentschler Field Financial Statements

CRDA Fiscal Years 2023 and 2024 State Audit continues.

The following FY'26 Budgets were presented for Board approval.

**Fiscal Year 2026 Budgets**

**FY2026 Budget Process**

1. Management companies/CRDA staff prepared draft budgets (March through May)
  2. CRDA staff reviewed draft budgets followed by appropriate adjustments (May/June)
  3. CRDA Board Executive & Finance Committee members reviewed budgets with CRDA staff (June)
  4. Full Board presented budgets for authorization (June)
- All budgets subject to available funding and appropriations from the State of Connecticut
  - All budgets fully funded

**CRDA State Appropriation Allocation Request**

|                      | <u>FY26 Appropriation</u> |
|----------------------|---------------------------|
| CRDA Office          | \$ 1,445,022              |
| Bond Expenses        | \$ 300,000                |
| Bushnell South Garag | \$ 450,000                |

|                             |              |
|-----------------------------|--------------|
| PeoplesBank Arena           | \$ 2,150,000 |
| Convention Services Program | \$ 200,000   |
| CT Convention Center        | \$ 5,650,000 |
| P&W Stadium <sup>1</sup>    | \$ 650,000   |
| Total                       | \$10,845,022 |

<sup>1</sup> - P&W Stadium at Rentschler Field financial results are reported within the operations of the Office of Policy and Management contained in the Consolidated Financial Statements of the State of Connecticut and are not included within the Financial Statements of CRDA.

#### **CT Regional Market** **FY26 Operating Budget [Net]: \$59,529**

The Regional Market is funded through three sources. The market receives lease revenue for refrigerated agricultural space, farmers' market fees, and billboard revenue. CRDA will be working with State agencies to determine the financial feasibility of converting the static billboards to electronic billboards. Operating expenses consist of maintenance, utilities, security, facility management fees, and transitional expenses, as well as net operating expenses of \$31,033 associated with the farmers' market.

#### **Front Street District** **FY26 Operating Budget [Net]: \$28,482**

The Front Street district is funded through PILOT revenues received from the district's retail operator and residential housing operator. Operating expenses consist of insurance, median and bridge maintenance, utilities, snow removal, and misc. expenses.

#### **CRDA Parking Facilities, Central Utility Plant, and Bond Indenture/Trustee Budgets**

The operations and budgets for the CRDA Parking Facilities, Central Utility Plant, and Bond Indenture/Trustee budgets are related to the economic activity generated by the CT Convention Center. Their revenues are netted together with excess funds sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt.

#### **CRDA Parking Facilities** **FY26 Operating Budget [Net]: \$183,644**

The CRDA Parking Facilities include the garages located at the Connecticut Convention Center, the Connecticut Science Center, and the two garages on Front Street, Front Street North and South garages. These garages generate revenues through monthly parking contracts, employee parking, and residential parking contracts. Additional revenues are generated through convention center and hotel events, transient parking, and parking along Front Street.

In an effort to continue to maintain the parking facilities raising revenue at a level to accommodate expenses, this budget includes transient hourly rate increases that continue to offer the lowest level downtown rates. Hourly rates increases range from \$1 to \$2 per hour with the daily max increasing \$4. Other rate increases include limited residential rates, overnight truck parking, and convention attendees. Special rates for Science Center members and Front St visitors after 5pm deal remain in effect.

#### **Central Utility Plant (CUP) FY26 Operating Budget [Net]: \$0 (Breakeven)**

The central utility plant ("CUP") is governed by an energy sharing agreement, administrated by CRDA, between the Connecticut Convention Center, the Marriott Hotel and the Connecticut Science Center whereby each party is required, among other things, to fund a certain portion of the CUP's operations, debt service and capital needs.

#### **Bond Indenture/Trustee** **FY26 Operating Budget [Net]: \$94,370**

Revenues from the CRDA Parking Facilities and the CUP are deposited with the Trustee. CRDA then allocates a Board-approved budget to fund the expenses of the operations, capital needs, and the costs associated with the bond debt service. This budget authorizes up to \$960,000 to be allocated towards the capital plan upon

available funds. Excess funds are sent to the State Treasurer's Office for the use of covering CRDA revenue bond debt. The CRDA operating budget authorizes up to \$300,000 to be allocated towards these bond expenses.

**Church Street Garage**                      **FY26 Operating Budget [Net]: \$217,805**

The Church Street Garage generates revenues through monthly parking contracts, corporate validations, transient parking, and through events held at the PeoplesBank Arena.

This budget includes transient hourly rate increases that continue to offer the lowest level downtown rates. Hourly rates increases range from \$1 to \$3 per hour with the daily max increasing \$6.

Expenses include payroll and benefits, insurance, security, utilities, maintenance, and snow removal.

**Bushnell South Garage**                      **FY26 Operating Budget [Net]: \$10,053**

The Bushnell South Garage provides parking for State employees from a number of State agencies as well as the Judicial branch. The garage also has the ability to generate revenue in the evening and during weekends by providing parking to patrons of the Bushnell Theatre.

Expenses include payroll and benefits, insurance, security, utilities, maintenance, and snow removal.

FY26 Net Operating Loss of \$439,947 without CRDA appropriation.  
Projected CRDA appropriation of \$450,000.

**PeoplesBank Arena**                      **FY26 Operating Budget [Net]: \$67,559**

PeoplesBank Arena generates operating revenues through rental income, ticket fees, and ancillary income comprised of food and beverage income and from novelty and club income. Naming rights, ticketing vendor rights, and new premium seating revenues are included. Net ticket revenue is not retained by and is not reflected in the venue's financials. Events held at the Arena include concerts, UCONN men's and women's basketball, UCONN hockey, misc. sporting events, and family events. The AHL hockey operations is recorded as net profit.

Operating expenses are facility overhead costs as well as administrative, financial, marketing and sales expenses.

FY26 Net Operating Loss of \$1,632,441 without CRDA appropriation.  
Projected CRDA appropriation of \$1,700,000.

**PeoplesBank Arena Sports Bar**                      **FY26 Operating Budget [Net]: \$3,958**

PeoplesBank Arena Sports Bar generates operating revenues through food and beverage income.

Operating expenses are food and beverage cost of goods, payroll and benefits, as well as administrative, financial, marketing, and utility expenses.

FY26 Net Operating Loss of \$446,042 without CRDA appropriation.  
FY26 Net contribution of arena sales of \$385,248.  
Projected CRDA appropriation of \$450,000.

**Convention Services Subsidy Program**                      **FY26 Operating Budget [Net]: \$15,000**

Contractual event subsidies are used at the CT Convention Center as a marketing tool to draw business to the city and the Convention Center which has significant economic impact to the state. The event inducements, or event subsidies, or event rebates, are used by groups to offset expenses such as transportation, convention center costs or marketing of the convention. There are guidelines on their use and a formal approval process between the convention center and CRDA.

The convention subsidy program is funded through two sources. The program receives a state appropriation and a parking subsidy from the CRDA Parking Facilities due to the increased revenue generated by booking these city-wide events. Program commitments are reserved through fiscal year 2032.

Projected CRDA appropriation of \$200,000.

**CT Convention Center**                      **FY26 Operating Budget [Net]: \$0 (Breakeven)**

The Connecticut Convention Center net event revenues through building rental income and through event services income for rental of equipment and decorating. The remaining net event revenues represent net food and beverage income with catered events representing 70% and concession income representing 30%.

Expenses are divided into operating expenses, fixed costs, and debt service. Operating expenses consists of all payroll-related expenses as well as administrative, financial, marketing, and security. Fixed costs consist of maintenance, utilities, insurance, and management fees.

FY26 Net Operating Loss of \$5,650,000 without CRDA appropriation.

Projected CRDA appropriation of \$5,650,000.

**CRDA Office**                                      **FY26 Operating Budget [Net]: \$883,435**

The CRDA office is funded through numerous sources. The Authority receives a state appropriation, program administrative fees through its management of capital projects at its venues and throughout the region as well as loan origination fees through the residential housing program. The Authority also generates interest on its residential housing loans as well as accrued interest on its residential housing loans and non-residential housing investments payable to the Authority in future fiscal years.

Expenses are for payroll and benefits which are transferred to the State Treasurer and fees including legal, auditing, information technology, and consulting. Administrative expenses also include insurance and office expenses which includes marketing, telephone, and office supplies. This budget includes fully staffing 14.5 FTEs and reflects State COLA adjusted with Authority market analysis. Full time positions include an underwriter and paralegal as well as expenses related to the Executive Director transition.

Projected CRDA appropriation of \$1,445,022.

Bond expense reserve of \$300,000

**South Meadows Development District**                      **FY26 Operating Budget [Net]: \$48,793**

The South Meadows development district, formerly the site of MIRA operations, is funded through a South Meadows reserve account provided to CRDA through property transfer legislation. Operating expenses consist of insurance, property security and maintenance, utilities, initial development consulting services, and misc. expenses. This budget requests the use of \$3,000,000 for Year 1 operations consisting of maintaining the property and obtaining initial consulting services to prepare a site plan.

**Pratt & Whitney Stadium @ Rentschler Field**                      **FY26 Operating Budget [Net]: \$9,065**

Financial results of the Stadium at Rentschler Field are reported within the operations of the Office of Policy and Management contained in the Consolidated Financial Statements of the State of Connecticut and are not included within the Financial Statements of CRDA.

Pratt & Whitney Stadium revenues and expenditures are managed through an Operating Account and an Enterprise Fund, a special revenue fund of the State of Connecticut specifically dedicated to the stadium. This mechanism assures that revenue from non-UConn events and other event revenues are dedicated to the venue's operating expenses. Non-UConn events must produce revenues in excess of expenses and any earnings are retained by the Enterprise Fund for the facility.

The Stadium generates operating revenues through rental income, ticket fees, and ancillary income comprised of food and beverage income and from parking fees. Net ticket revenue is not retained by and is not reflected in

the venue's financials. Events held at the Stadium include UConn football, international soccer games, as well as catered and parking lot events.

Operating expenses are facility overhead costs as well as administrative, financial, marketing and sales expenses.

FY26 Net Operating Loss of \$890,935 without CRDA appropriation.

Projected State appropriation of \$650,000 and UConn operating assessment of \$250,000.

**The following motion was moved by Pamela Sucato, seconded by Andy Bessette and approved.**

*"The CRDA Board of Directors hereby authorizes the FYE 2026 State Appropriation request and the thirteen FYE 2026 Budgets under the scenarios recommended by management subject to available funds known as: CT Convention Center; Convention Services Subsidy Program; PeoplesBank Arena; PeoplesBank Arena Sports Bar; CT Regional Market; Front Street District; Bond Indenture/Trustee; Central Utility Plant (CUP); CRDA Parking Facilities; Church Street Garage; Bushnell South Garage; CRDA Office; and the South Meadows Development District; and for OPM review and recommendation purposes, Pratt & Whitney Stadium @ Rentschler Field."*

Executive Director Michael Freimuth expressed his thanks to Mr. Geremia and his finance team for working diligently to create the FY'26 Budgets as well as responding to two separate audits and starting up a new enterprise at South Meadows.

On behalf of the CRDA Board, Chairman Robinson also expressed his gratitude for a job well done.

## **Mayor Reports**

### **Hartford Mayor Report**

Mayor Arunan Arulampalam reported on the following projects:

*525 Main Street* – on target to house UConn students this coming Fall

*64 Pratt Street* – on target to house UConn students Fall '26

*North Crossing* - Randy Salvatore's project is progressing

*Arrowhead* – continues to be on schedule early 2026

*Brownfield Grants* - Awarded \$4M from DECD for demolition of the former Data Center (behind DD Park)

Also submitted a letter requesting an additional \$2M which will close the funding gap.

*Former Data Center Site* - Potential site for an AI Center – Google has shown an interest.

### ***East Hartford Mayor Report***

Eileen Buckheit, Director of Development for East Hartford, provided an update for East Hartford's projects:

*Concourse Park* – property closed! CRDA will be putting bid packages together for the next steps

*Silver Lane Plaza* –working through financials and how, if any, public funds would be used in the site. Similar issues as Concourse Park with mixing in public and private dollars.

*McCartin* – no changes. Contract has been signed with Freeman Companies for engineering design

*Founders Plaza* – TIF legislation was passed by legislature. 99 Founders – still working on demo bid. Hope to have it completed next week.

*CCI* – no changes

*Simon Konover* – received P & Z approval for subdivision last night

*RRI* – Town has signed paperwork for port authority grant. Project should be able to proceed at this point.

## **Housing & Neighborhood Committee**

Derek Peterson, CRDA Sr. Underwriter, reported that the following projects were moved out of June 6, 2025 Housing and Neighborhood Committee.

***Project: 64 Pratt Street (UConn Housing) Second Revision***

Address: 64 Pratt Street, Hartford, CT

Sponsor: Lexington/LAZ/Shelbourne

CRDA Board of Directors Meetings – January 16, 2025, March 20, 2025 and June 26, 2025

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

**CRDA Assistance:** In May of 2024, CRDA’s Board of Directors approved a construction loan in the amount of \$10 million that will convert to a permanent note after a refinancing in year three, with any additional proceeds from the refinance applied to the \$10 million construction loan balance. At the time of refinancing, the newly sized loan will carry a term of 20-years with an option to extend the loan for 10-years if UConn renews their lease. The loan will be amortized over 30-years and earn interest of 3%. The CT Bond Commission allocated these funds at its June 7, 2024 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 Loan<br>(from the Revolving Loan Fund) | \$2,000,000        |
| Urban Act Funds – Grant                                 | \$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 a grant (Urban Act) and a loan (City Funds). Therefore:

The following motion was moved by Joanne Berger-Sweeney, seconded by Arunan Arulampalam and approved.

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

**Project: 275 Pearl Street – Construction Period Extension**

Address: 275 Pearl St., Hartford, CT

Sponsor: Spectra Construction and Development

Background: On October 21, 2021, CRDA’s Board approved a \$2.9 million loan for the redevelopment at 275 Pearl Street, a former firehouse to be converted into 39 market-rate apartments and 4,000 sq. ft. of restaurant space. Spectra Construction and Development (“Spectra”) is the developer of the property, where construction is 90% complete. CRDA’s loan, funded by the City of Hartford’s Revolving Loan Fund, was originally structured as a \$2,418,500 residential construction loan, with an additional \$450,000 earmarked for retail fit-out. While there has been interest in the restaurant/retail space, it has slowed since the beginning of the year, and the retail fit-out has been delayed. Spectra anticipates it will take until the end of August to complete the project and expects to receive their (residential) certificate of occupancy shortly after.

The expected construction timeline for the project was 24 months. CRDA, in its loan documents, ties the project’s disbursement period to the construction timeline to keep developers on time and on budget. Loan documents were executed on February 15, 2023, and the project’s disbursement period ended on February 14, 2025. The last construction draw was on January 31, 2025, and there have been no outstanding CRDA loan draws since. The only remaining CRDA proceeds are tied to retail fit out, and a tenant has not yet been identified.

Per Article 4 (Section 4.13) of the Construction to Permanent Loan Agreement, “No disbursements shall be made after the end of the Construction Period (the Construction Period defined as 24 months after the Effective Date, or February 15, 2023).”

Proposal: In administration of the loan and to allow further retail fit-out draw requests be made when a tenant presents itself, and to comply with Article 4 of the construction loan, staff recommends extending the Construction Period to 36 months.

The following motion was moved by Joanne Berger-Sweeney, seconded by Arunan Arulampalam and approved.

*“The Executive Director is authorized to engage legal counsel to amend the loan between CRDA and WW Spectra 275, LLC to extend the Construction Period by 12-months to 36 months, subject to: 1) Approval by the City of Hartford, and 2) Approval by the Senior Lender.”*

**Project: 17 and 35 Bartholomew Avenue**

Address: 17 and 35 Bartholomew Ave., Hartford, CT

Sponsor: Carlos Mouta

Background: 17 and 35 Bartholomew Avenue are two projects in Parkville that were presented separately and approved individually at the September 2023 CRDA Board meeting. **17 Bartholomew** was originally planned as a mixed-use, mixed income development totaling 57 residential units with a 30% affordable component and 6,000 sq. ft. of commercial. **35 Bartholomew** was originally programmed as a newly developed 400 vehicle parking garage to serve the residential at 17 Bartholomew, Parkville Market and general neighborhood parking. The projects were to be financed using proceeds from the CRDA Revolving Fund and the City of Hartford (“COH”) Revolving Loan Fund.

Since September of 2023, progress on both projects stalled due to market conditions including rising construction costs and higher interest/borrowing costs, and additional City projects arose that have taken priority. Per a May 5, 2025 letter from the City of Hartford to CRDA, and pursuant to the Revolving Loan Agreement between the parties, the City requested that \$2,000,000 be reallocated from the 17-35 Bartholomew Ave. project to the demolition of the shuttered data center on Parcel G, otherwise known as 150 Windsor St.

Proposal: Staff proposes deauthorizing both 17 and 35 Bartholomew by: 1) Deauthorizing \$1.5 million of COH Revolving Loan Funds from 17 Bartholomew; 2) Separately, deauthorizing \$1.5 million from the CRDA Revolving Fund related to 17 Bartholomew; 3) Reallocating \$500,000 of interest earned from the COH Revolving Loan Fund to the 150 Windsor St. demolition; 4) Deauthorizing \$5.2 million from the COH Revolving Loan Fund related to 35 Bartholomew for use in other projects; and 5) sending a total of \$2 million of Revolving Loan Fund proceeds back to the COH for the demolition of the data center at 150 Windsor St.

The following motion was moved by Joanne Berger-Sweeney, seconded by Bob Patricelli and approved.

*“The Chief Financial Officer is authorized to: 1) Remove \$1.5 million of City of Hartford Revolving Loan Funds from the 17 Bartholomew Ave project, as well as \$500,000 of interest earned in the City of Hartford Revolving Loan Fund to 2) Send \$2 million to the City of Hartford for demolition work at 150 Windsor Street; 3) Reallocate \$1.5 million of CRDA Revolving Funds from the 17 Bartholomew Ave. project to use in future projects, and 4) Remove \$5.2 million of City of Hartford Revolving Loan Funds from the 35 Bartholomew Ave project for use in future projects.”*

**Project: 179 Allyn St. Ownership Transfer**

Address: 179 Allyn St., Hartford, CT

Sponsor: Dakota Partners

Background: 179 Allyn St. (The “Property”) is a 63-unit apartment building across from Union Station, currently owned by Dakota Partners (“Dakota” or “Borrower”). In 2013, CRDA provided financial assistance to Dakota in the form of a \$3.25 million low interest-rate loan and a \$3.25 million mezzanine loan to convert the six-story 60,000 sq. ft. Class B office property into a mixed-use residential building. The conversion was completed in late 2014. Today the property is nearly 100% leased, with one apartment available for rent, and 10,000 sq. ft. of retail leased to two tenants. The Russell, a Caribbean restaurant, and EXIT Sports Bar occupy the street level retail. 20% of the residential units have been designated as affordable.

In 2021, CRDA’s Board approved a refinancing to extend the term of both the loan and mezzanine financing to accommodate the senior lender, HUD, and in March of 2022, Dakota paid down accrued interest by \$150,000. That was the only interest payment made to date, with a total deferred interest balance of \$346,360 through 2024. Dakota listed the building for sale in August 2022 but were unable to identify a buyer.

In July of 2024, Dakota was approached by Courtsage Management about a potential sale of the Property, and in November of 2024 asked CRDA to accommodate a loan transfer for both \$3.25 million loans. The proposal also included the senior lender, LISC, being refinanced out of the deal on a dollar-for-dollar basis. As the combined loan amounts exceed 100% of value, CRDA will require that no cash proceeds flow to Borrower, but rather the transaction simply shift debt obligations to the new guarantor. Additionally, CRDA is requiring all deferred interest be paid current on both loans. New ownership plans to execute a small capital plan using cash equity for common area improvements and maintenance.

The buyer will purchase the membership interests in the managing member entity (Allyn Street Managing Member, LLC) and the current loan structure will not change. By acquiring the managing member, the new buyer will in turn acquire the ownership interests of the Borrower (179 Allyn Street LLC, the entity that owns the real estate) that are held by the managing member.

Proposal: Staff recommends approving Courtsage’s purchase of the membership interests from Dakota and the loans having a new guarantor entity. A transfer fee and all deferred interest through 2024 will be paid to CRDA at closing. The loan terms will otherwise remain the same, including interest rate and term.

The following motion was moved by Joanne Berger-Sweeney, seconded by Olusegun Ajayi and approved.



*“The Executive Director is authorized to engage legal counsel to facilitate the transfer of membership interests in 179 Allyn St., Hartford, CT from Dakota Partners to Courtsage Management (or other such single-purpose entities as approved by CRDA). Approval is subject to 1) Senior lender financing being secured; 2) All cumulative deferred interest to date be paid current; 3) Approval from CRDA’s Board of Directors, and 4) Such fiduciary terms as deemed necessary and appropriate by the Executive Director and CRDA counsel.”*

**Project: 98 Edwards St.**

Address: 98 Edwards St., Hartford, CT

Sponsor: Vase Construction

Background: 98 Edwards St. (The “Property” or “Project”) is a proposed ground-up multifamily development consisting of 20 mixed-income units in the Clay Arsenal neighborhood of Hartford. The Property is 200 feet from the intersection of Edwards St. and Albany Avenue, across from the Hartford Adult Education building and the Hartford Police Athletic League fields. Vase Construction (“Vase” or “Borrower”) has an option to purchase the site (2 parcels) from the City of Hartford upon receipt of City Council approval. The Property is adjacent to another Vase property, 94-96 Edwards St., that recently went through a historic renovation to create 6 apartment units that are currently fully leased.

Vase was in front of CRDA’s housing committee in January 2024 to present the Project in its early stages, soliciting the Committee’s feedback and to answer questions. At the time, CRDA requested a more formalized capital stack (to prove the financing gap) and support from the City, the latter which has come in the form of a 12-65e tax deal and a City HOME fund commitment of \$830,000, with all other funding sources having been identified. Construction drawings are 90% complete, and at a level where Vase’s construction team is confident the budget will hold through potential price fluctuations in the wake of tariffs. CRDA’s construction team is reviewing the budget and in its cursory review did not identify any initial concerns. There is a garage structure on site that will have to be demolished which would have a negligible impact on the construction budget and the Property’s ability to cover debt service.

The Project: The currently vacant site will be transformed into a 20-unit apartment building providing both market rate (8 units, or 40%) and subsidized (12-units, or 60%) rentals. The brick façade and mid-rise structure will be consistent with other apartment buildings on Albany Avenue and Edwards St., preserving the look and feel of the neighborhood. The unit mix for the \$6,825,000 (\$341,250 per unit) project anticipate a buildout of 3 one-bedroom units (restricted to 50% AMI), 10 two-bedroom units (8 unrestricted market rate and 2 restricted to 50% AMI), and 7 three-bedroom units (restricted to 80%AMI), with an average unit size of 811 sq. ft. Surface parking will be available onsite at a ratio of 1 space per unit, with additional parking on-street in front of the Property.

The Sponsor: Vase Construction is a construction management company specializing in new construction, renovation, and building and infrastructure alteration. Based in New Haven, Vase was founded in 2007 by Vincencia (“Vee”) Adusei who serves as Vase’s President and Project Executive. With nearly 20 years in the industry, Vee and her team have completed over \$6 billion in construction projects consisting of over 5 million sq. ft. of improvements including projects across central and southern CT ([www.vaseconstruction.com](http://www.vaseconstruction.com)).

Proposal: Staff recommend making a loan of up to \$1,500,000 (\$75,000 per unit) to Vase (or such single purpose entity as approved by CRDA) for the development of 20 residential units at 98 Edwards St., Hartford, CT. The proposed loan will have a term of 10-years. The interest rate on the fixed-rate loan will be 3%, with an interest-only period not to exceed 24 months. Principal and interest payments will be made for the remaining term (or until the loan pays off) using a 360-month amortization schedule. The loan is pre-payable at any time without penalty.

The following motion was moved by Joanne Berger-Sweeney, seconded by Bob Patricelli and approved.

*“The Executive Director is authorized to provide financing to Vase Construction (or such single purpose entity as approved by CRDA) for the development of 20 residential units at 98 Edwards St., Hartford, CT. CRDA will lend up to \$1.5 million at 3% interest, with an interest-only period not to exceed 24 months. 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) Other fiduciary terms deemed necessary and appropriate by the Executive Director and CRDA counsel.”*

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

Michael Freimuth reported that the committee met on June 12, 2025. The following projects were reviewed and moved out of committee to be taken up by the Board.

***Project: Pratt Street Retail Initiative***

Address: 242 Trumbull and 64 Pratt Street, Hartford, CT

Sponsor: Lexington/LAZ/Shelbourne

**Background:** As part of Lexington’s activation of Pratt St., including new student housing for UConn’s downtown campus and the addition of Urban Lodge Brewing as a Pratt St. anchor in late 2023, the City of Hartford through its revolving loan fund with CRDA intends to create a credit facility for retail tenant improvements to help small businesses wishing to locate on or near Pratt Street but have limited funds to build-out their space. With more foot traffic expected from Konover’s Pratt St. residential conversion and Lexington’s student housing at 64 Pratt St., additional demand for neighborhood amenities will create opportunity for new retail businesses and will be welcomed by busy residents and students.

**CRDA Assistance:** CRDA through the City of Hartford Revolving Loan Fund will set aside \$500,000 for commercial/retail tenant improvement work for use at the commercial condominium at 242 Trumbull St. and annex structures at 64 Pratt St. The loan will carry a term of 10-years, amortize over 20-years and have an interest rate of 3%.

**Sources and Uses:**

The funds are expected to be allocated as follows:

**Sources:**

|                     |                    |
|---------------------|--------------------|
| Senior Debt         | \$3,925,000        |
| CRDA Loan (COH RLF) | \$ 500,000         |
| Investor Equity     | <u>\$1,502,610</u> |

**Uses:**

|                  |                   |
|------------------|-------------------|
| Land/Acquisition | \$ 1,863,794      |
| Hard Costs       | \$ 500,000        |
| Soft Costs       | \$ 183,609        |
| Financing Costs  | \$ 100,000        |
| Carrying Costs   | \$ 1,776,424      |
| Past Due Taxes   | \$ 942,593        |
| Reserve          | <u>\$ 561,190</u> |

Total Sources: \$5,927,610

Total Uses: \$ 5,927,610

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

*“In accordance with CRDA’s MOU with the City of Hartford, the Executive Director is authorized to lend up to \$500,000 of City of Hartford Funds (through the use of Revolving Loan Fund interest earnings) to Lexington Partners (or such single purpose entity acceptable to CRDA) for purposes of building out*

*commercial tenant improvements at the retail condominium located at 242 Trumbull St and 64 Pratt Street (annex of 242 Trumbull St.), Hartford, CT, such loan carrying a term of 10-years at 3% interest and amortizing over 20-years, and subject to 1) All funding sources identified to sufficiently complete the project; 2) City of Hartford approval; and 3) such fiduciary terms as deemed necessary and appropriate by CRDA legal counsel and the Executive Director.”*

***Project: CRDA Garage Repairs – Church Street and Adriaen’s Landing Garages***

The Church Street parking garage is in need of critical repairs, while various scheduled capital upgrades need to be undertaken in the Adriaen’s Landing garages. Staff is recommending that CRDA utilize \$5 million in garage bond funds approved by the General Assembly to fund such work.

Among other required upgrades, these funds will be used for the repair of critical and/or failing components including, but not limited to, tee joint seals, failing steel shear connectors and deteriorating reinforced concrete in these garages.

There is currently \$5 million in bond funds available for parking garage repairs, subject to Bond Commission approval. This session, the General Assembly authorized an additional \$5 million in FY26 and \$5 million in FY27 for the CRDA garages.

The following motion was moved by Bob Patricelli, seconded by Joanne Berger-Sweeney and approved.

*“The Executive Director is authorized to apply to the State Bond Commission for a total of \$5 million from the designated CRDA parking garage authorizations to fund necessary repairs and maintenance at the Church Street and Adriaen’s Landing garages.”*

***Project: South Meadows***

*The Connecticut 2026-28 Biennial Budget authorized the transfer of the 80 acre “MIRA South Meadows” site to CRDA in order to undertake its clean up, demolition and eventual redevelopment. Legally, CRDA is the successor agency to MIRA for purposes of this asset and formal operational transfer will occur on July 1, 2025.*

Site: The site, located at 300 Maxim Road and 100 Reserve Road, operated as a coal fired electric plant in the 1920’s and shifted over to petroleum fuel in the 1940s, eventually becoming a waste-to-energy power plant in the 1980s and closing operations in 2022. A 14-acre easement area for an Eversource substation and associated transmission lines exists.

A former powerplant building and a waste sorting/processing building dominate the site.

Flood protection systems, railroad easements, underground duct banks, a collection pond, wetlands and a nearby airport further complicate the property.

The site is unoccupied except for MIRA offices (to be closed) and ongoing Eversource activities at the substation. Access to the property is limited by fencing and gates and monitored by security cameras.

Environmental: MIRA undertook extensive environmental remediation from 2001-2023 and land use restrictions and engineered controls have been instituted as part of the site’s closure plan. DEEP review is ongoing and will continue as plans evolve for the demolition and redevelopment of the site, with additional clean up and site controls determined by the eventual re-use plan.

MIRA reports that contaminants in the soil are covered and inaccessible, preventing human exposure.

Administrative: CRDA staff have been working with MIRA, OPM and DAS staff to effectuate the transfer including the assignment of ongoing contracts for the operations of the site (utility, security, etc.) as well as with engineering, environmental and other contractors and consultants working on the plant's shut down and clean up. Transfer of the associated permits issued by DEEP and any other vendor contracts are also in the process of being assigned to CRDA. Operating manuals, monitoring procedures, service logs as well as drawings and reports are all in the process of transfer. Adjustments to CRDA insurance coverage are also being reviewed.

Two personnel, currently employed by MIRA with engineering and environmental duties, are planned to be hired by CRDA as of July 1 to continue their work.

Funding: The existing \$40-45 million environmental reserve capital account will be transferred to CRDA to undertake the cleanup, demolition and ongoing management of the site into the near future. The escrow account will be segregated from normal CRDA operational accounts and initially it will be used to undertake demolition and associated clean up, the removal of floodwall penetrations, meet annual operational expenses and provide for ongoing consultants and permitting work associated with environmental laws. Clean up and such items as the relocation of utility systems can greatly exceed this amount, depending on the course of actions selected. Obviously, any actual redevelopment is outside of this account and will have to be underwritten as the plans evolve. The property will be subject to the State PILOT but will not be taxable until redevelopment and private investment have been made.

CRDA Organization Issues: Initially, the transferred staff will report to the Executive Director or his designee and weekly meetings will be instituted with CRDA finance, legal and the executive director to understand and advance the effort including day-to-day operational matters as well as cleanup/demolition activities. This creates a measurable increase in workload for various staff positions that will need to be re-calibrated in the coming months.

In short order, a CRDA project manager will need to be identified and direct responsibility for the South Meadows can be assigned to this position with an assist from other CRDA staff. Such a position will need to oversee the contracts, vendors and consultants, and be the interface with other State (DEEP, OPM, Conn Airport Authority) and federal agencies (EPA, Corp of Engineers) as well as the City of Hartford, Eversource, and the adjoining neighborhood community. A development district has been identified in the area that will eventually become another operational aspect of this effort.

It is advised that South Meadows fall within the purview of the Regional Economic Development Committee of the board for the near term.

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

*"The executive director is authorized to: 1/ effectuate the transfer of the real estate and its assets from MIRA to CRDA; 2/ initiate necessary administrative tasks including the transfer of the 'balance of resources of the MIRA Dissolution Authority' as determined by the legislation; 3/ retain vendors and consultants as transferred from MIRA; 4/ hire independent environmental services to assess the remediation program; 5/ directly or through his designee, file required environmental compliance reports; and 6/ report back to the Board at its September 2025 meeting the status of these actions."*

## **Venue Committee**

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

### *XL Center/PeoplesBank Arena*

On June 2<sup>nd</sup>, CRDA and OVG announced that People's Bank will be the facility's new naming rights partner.

The arena is currently shut down as renovation work progresses in the building. In addition to Wolfpack hockey and UConn basketball and hockey, events scheduled for this fall/winter include a newly announced Stevie Nicks concert on October 25<sup>th</sup>, comedian Bert Kreischer on November 13<sup>th</sup> and Andrea Bocelli on December 13<sup>th</sup>.

### *Pratt & Whitney Stadium*

The Stadium hosted the US Men's National soccer team in a match against Turkey on Saturday, June 7<sup>th</sup>. Despite the torrential rain, attendance was approximately 30,000, with per caps at \$15.21.

Chris Brown will perform at the Stadium on August 23<sup>rd</sup>, the first concert held there in 18 years. Tickets went on sale April 22<sup>nd</sup> and the numbers remain strong.

Seven proposals were received in response to the Stadium roof replacement RFP and Premier Building Associates has been awarded the contract. Work on the Tower and concession stand roofs is scheduled to begin on July 7<sup>th</sup>, with an estimated completion date of August 31<sup>st</sup>.

OVG was the sole bidder in response to the Stadium Management RFP issued in March. A Selection Committee has reviewed the proposal and will begin contract negotiations shortly. In the meantime, staff are recommending extension of OVG's contract for a six-month period and this will be considered later in the meeting.

### ***OVG Management Agreement***

Amend the OVG Management Agreement as it relates to Pratt & Whitney Stadium at Rentschler Field (the "Stadium")

On April 26, 2013, CRDA entered into a twelve (12) year Management Agreement with OVG Facilities (f/k/a Global Spectrum L.P.) relating to the management of the Stadium, as amended (the "Existing Agreement");

On March 4, 2025, CRDA, in conjunction with the Office of Policy and Management, issued a Request for Proposals for the Management of Pratt & Whitney Stadium at Rentschler Field;

OVG was selected as the preferred proposer and contract discussion have been ongoing; however, the Existing Agreement is scheduled to terminate on June 30, 2025.

The parties desire to amend the Existing Agreement to extend the termination date to December 31, 2025, in order to allow the CRDA/OPM staff to complete the contract negotiations and execute the necessary contract(s); and

All other substantive terms and conditions of the Existing Agreement will remain unchanged.

The following motion was moved by Joanne Berger-Sweeney, seconded by Bob Patricelli and approved.

*“The CRDA Board of Directors hereby approves this proposed amendment to the management agreement in accordance with the terms and conditions provided above.”*

#### *Connecticut Convention Center*

Ticket sales for the Van Gogh and Monet show running through June 29<sup>th</sup> have been slower than immersive shows in the past. Upcoming events include the popular ConnectiCon in mid-July, with Retro World Expo and Connecticut HorrorFest in September.

Work on the P3 stairwell of the garage - including concrete repairs and railing replacements – is substantially complete.

#### *XL Center/PeoplesBank Arena*

Mr. Houlihan gave a construction report on the Peoples Bank Arena.

#### **Executive Director**

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

*Bond Commission* – waiting to hear about the date of the Bond Commission this Summer. CRDA has six items pending, three housing projects previously approved plus the assistance to the Real Artways and garage applications were also submitted.

*89 Arch* – Anthony Lazzaro reported that CRDA had assumed the lease from the prior owner, despite their best efforts, the restaurant went out of business. The termination of lease was executed and CRDA is in possession of the property. There are a couple of options/ideas being considered to see what might go into this space however as for right now it is vacant.

#### ***MDC/Bushnell South Term Sheet***

CRDA and MDC - For the Redevelopment of Bushnell South

This Term Sheet summarizes the principal terms and conditions under consideration in connection with a potential transaction between the Capital Region Development Authority, a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut, (“CRDA”), and the Metropolitan District Commission, a municipal corporation specially chartered by the General Assembly of the State of Connecticut (“MDC”). This Term Sheet is intended solely as a basis for further discussion and does not constitute a binding commitment or obligation by either party with respect to the proposed transaction, except as otherwise expressly stated herein.

This Term Sheet is not intended to and does not create, and shall not be construed to create any legally binding obligation on the part of either party to proceed with the transaction unless and until definitive agreements are executed and delivered by all applicable parties. Any binding obligations between the parties shall arise only upon the execution of such definitive agreements.

- MDC, the City of Hartford and the State of Connecticut, among others, support the implementation of certain separation projects whereby new pipes are installed within a public street to provide separate, dedicated pipes for stormwater and sanitary output, thereby reducing the need for onsite stormwater retention systems, otherwise mandated by the Connecticut Water Quality standards and City of Hartford Ordinances;

- MDC is currently under a Consent Order from the State Department of Energy and Environmental Protection to reduce and/or eliminate combined sewer overflows and to implement additional sewer separation projects at various locations within their service area, and limit the discharge of new stormwater into an existing combined sewer;

- CRDA in conjunction with the City of Hartford, the Bushnell Center for the Performing Arts and various private developers, is looking to develop certain parcels within the Bushnell South area, roughly defined as the area bordered by Buckingham, Trinity, Elm and Hudson Streets (the “Development Area” and appearing as Map Attachment A);

- The Bushnell South development will include renovation of existing structures as well as the new construction on vacant parcels and is expected to increase overall stormwater discharges to the combined sewer network currently serving the area;

- City of Hartford Zoning Regulation 6.14 requires, among other provisions, developers to abide by MDC requirements and to construct on-site systems to handle the treatment and detention of stormwater to maintain existing peak runoff discharge rates for up to a 100-year storm and the installation and long term maintenance of such systems represent a significant cost to developers and will encumber otherwise developable acreage within a parcel;

- with the installation of a separate stormwater pipe to serve the Development Area, the 100-year storm detention system threshold outlined in City of Hartford Zoning Regulation 6.14 relating to the increase in runoff, whether captured on-site or not, will be lowered to a 10-year storm, thereby reducing the size and the cost of the otherwise required on-site treatment and detention systems;

- the water quality requirements for the stormwater discharge will remain unchanged.

- CRDA’s engineering consultant has reviewed the sanitary and storm flow projections and the quantities of on-site storage options with the relevant developers building out the planned Development Area;

- The State of Connecticut recently constructed and owns the 1011 space garage known as the Buckingham Street Garage located at 315 Buckingham Street, such facility contributing to groundwater discharge directly to the MDC’s Combined sewer System and will be reconnected to a new separate storm system;

- CRDA will contribute the sum of Three Million Dollars (\$3,000,000) to the MDC and such funds will be encumbered and placed in a dedicated MDC project account until such time as the MDC is ready to begin the design and construction of a separated system for the Development Area, such separated system to begin design and construction within three years or such funds will be returned with accrued interest to CRDA for purposes of mitigating stormwater discharge in the Development Area;

- MDC has agreed to allow temporary separate sanitary and storm connections to the existing combined sewers for the Development Area before the separation project is completed thereby allowing the development projects to proceed;

- MDC has agreed that sewer separation work in the Development Area will extend piping to address groundwater discharge issues to the combined sewer at the State owned Buckingham Street Garage which services portions of the Development Area and that any discharge fees due MDC from the State of Connecticut that are accruing and will accrue up to date that the storm water connection is constructed, will be dismissed; and

- MDC and CRDA have agreed that certain lien dated November 10, 2020 and recorded in Volume 7679, Page 125 of the Hartford CT Land Records against the State of Connecticut, CRDA and Adriaen’s Landing Hotel will be released by MDC as part of this Agreement and that any claims for the State of Connecticut, CRDA, Adriaen’s Landing Hotel or their respective related parties will be released and deemed satisfactory by MDC as part of this Agreement.

CRDA and MDC intend to proceed in good faith to negotiate and enter into a definitive agreement subsequent to the approval of their respective boards of directors. Such agreement shall memorialize the terms set forth above and the parties agree to pursue authorizations from respective authorities to proceed, including the MDC Board, the CRDA Board, the City of Hartford and appropriate State of Connecticut agencies and authorities, including the Office of Policy and Management and the State Bond Commission.

The following motion was moved by Andy Bessette, seconded by Bob Patricelli and approved.

*“The executive director is hereby authorized to sign the proposed Term Sheet with the Metropolitan District Commission for the Redevelopment of Bushnell South; to obtain other appropriate approvals; and to secure a formal agreement memorializing the terms of this Term Sheet.”*

### **Project: U.S.S. Hartford Bell – Contract for Design Development and Construction Docs**

**Background:** In October 2023, the CRDA Board accepted the City’s loan of the bell from U.S.S. Hartford. A Civil War sloop-of-war steamer once under the command of Admiral David Farragut, the Hartford was key to the Union’s 1864 victory at the Battle of Mobile Bay - a turning point in the war in which Farragut urged his men to fight on with the infamous cry of “Damn the torpedoes, full speed ahead.”

The bell had been displayed on Constitution Plaza since 1964 before it was damaged by vandals and moved into storage in 2023. CRDA, working in conjunction with Riverfront Recapture, identified the former ticket office on Mortensen Plaza as a new location for the bell. The location sees significant foot traffic and the interior space would allow the bell to be safely displayed behind glass, yet continuously accessible to the public. A museum-type display would provide background information and highlight the story of Farragut’s ship.

In September 2024, the Board approved \$10,000 for a contract with Riverfront Recapture to develop a concept plan for the Mortensen Plaza bell display and to secure City approval for the site. (The Plaza is owned by the city and leased to Riverfront.) Silver Petrucelli – Riverfront’s architectural consultant - has since completed the concept plan and the city has signed off on the use of the former ticket office.

The next step is to prepare design documents, cost estimates and construction plans for a display and to develop the informational materials that would accompany the bell. Those services are estimated to cost \$15,000.

After a discussion by Board Members, the following motion was moved by Joanne Berger-Sweeney, seconded by Olesugen Ajayi and approved.

*“The Executive Director is authorized to amend CRDA’s contract with Riverfront Recapture to provide for design development, exhibit curation, construction plans and specs, as well as cost estimates for display of the U.S.S. Hartford Bell on Mortensen Plaza for an amount not to exceed \$15,000.”*

### **Legislative Session**

**Capital and Operating Budgets** – Capital funds have been allocated for the next fiscal year with East Hartford also receiving an increased allocation. Rentschler Field, the garages and the Convention Center received funding. \$4M in funds have been allocated for a storm water drainage problem at the Villages at Park River, which is the old Westbrook Housing Project off of Albany. \$2M in funding is an initiative with the Hartford Chamber of Commerce for retail tenant fitout. This has yet to be better defined.



*92 Farmington Ave.* – State owned 100,000 sq. ft. office building handed over to CRDA for purposes of redevelopment.

*Property Taxes* – State will continue PILOT for individual CRDA properties however once these properties are redeveloped, they will go onto the tax rolls.

*So. Meadows District* – it is unclear as to how this will evolve.

*CMDA*- Towns that are in the CRDA District can also participate in the CMDA, except Hartford & E. Hartford.

The Board adjourned at 7:56pm.

DRAFT