

Capital Region Development Authority
100 Columbus Boulevard
5th Floor
Hartford, CT 06103
Thursday, January 10, 2019
6:00 pm

Board Members Present: Chairwoman Suzanne Hopgood; Joanne Berger Sweeney; Andy Bessette; Mayor Luke Bronin; Erik Johnson; Kerry Kelley; David Jorgensen; David Kooris (phone); Mayor Marcia Leclerc; Michael Matteo (phone); David Robinson; Glendowlyn Thames

Board Members Absent: James Redeker; Evonne Klein

CRDA Staff Present: Michael Freimuth; Jennifer Gaffey; Joseph Geremia; Kim Hart; Anthony Lazzaro; Robert Saint; Terryl Mitchell Smith

Minutes

The minutes of the December 6, 2018 CRDA Board Meeting were moved by Andy Bessette, seconded by David Jorgensen and approved.

Presentations

Dr. Mark Overmyer-Velázquez, University Campus Director, UConn Hartford - As the first UConn campus Director, Dr. Overmyer-Velázquez gave an overview of the Hartford campus including information regarding enrollment, research and retention rate.

Terryl Mitchell Smith, CRDA Director of Marketing and Public Relations, gave a brief overview of the newly constructed CRDA website.

Mayors Reports

Mayor Bronin reported on the following items:

- Pearl Street Buildings: it is exciting to see the transformation of those buildings as you come down Trumbull Street. You can see the impact it will make on the entire downtown when those buildings are back to life.
- Swift Factory: Work continues
- Westbrook Village: Demolition to start fairly soon and Weaver close to being complete at the end of the school year. Work will then start on MLK school in that same vicinity.
- Albany Avenue Street Scape: looking good.
- Parkville: work is underway. Having good discussions about some more ambitious plans for development on Bartholomew Avenue with Carols Mouta, who recently purchased a couple of those bigger buildings.
- Coltsville: work is ongoing on the North Armory. Continue to have discussions with potentially interested tenants who are looking for space.
- Innovation Ecosystem: we've been working to build over the past year. Glendowlyn Thames is working in both capacities, CT Next and Hartford and it is really getting some traction.

- Upward Hartford: expanding their efforts and focusing on new initiative on Elder Care.
- The Stanley B&D Initiative: ongoing discussions with Stanley regarding expanding the scope of that partnership
- Insurance Advanced Manufacturing and Healthcare – will be in a position soon to launch the digital health accelerate
- 960 Main Street: Maker Space CT – under construction
- Albany Ave. park: \$1.5M of old funding repurposed at December 2018 Bond Commission mtg. to allow for a park to be built on a blighted site on Albany Ave. May seek additional funding from other sources to supplement however a nice park can be built with the bond funds.
- Albany & Woodland lot: an RFP will go out soon for this lot. Although an RFP for this site has gone out in the past, this RFP will be a little different than those in the past.
- Park & Main: negotiations are continuing to get to a term sheet with Spinnaker Development. Some things need to be discussed before presenting to City Council.
- DoNo: regarding the retained \$12M that was allocated for DoNo construction, the scope of that authorization was expanded to include the demolition of the city owned, Bank of America data center.
- Hearing: a court hearing to present a new motion by the City for injunctive relief to allow the City to proceed with the DoNo development is scheduled for Jan. 24, 2019.

Glendowlyn Thames suggested East Hartford/Hartford Innovations come to present to CRDA to share what they are doing. Ms. Thames to send contact information.

Mayor Marcia Leclerc reported on the following East Hartford projects:

- Great River Park: Agreement with Riverfront Recapture not yet signed. Agreement currently with legal. Town will be setting up a seasonal oversight committee to meet with RR on scheduled basis to improve cooperation and communication.
- Goodwin College: Drainage improvements on Ensign Street. CRDA is close to finalizing contract with Zuvic Carr – Goodwin’s engineering firm with Town’s oversight and approvals. First phase bid should be going out soon.
- Founder’s Plaza Garage: The RFP has been issued. Very good interest. Deadline was extended to January 28th.
- Silver Lane Streetscape: the Town is working to finalize a work plan by Transystems. Work will include sidewalks, benches, bus stop shelters, barrels, planters. Increased pedestrian/biker safety improvements. Meeting will be set for next week to go over next steps.
- Demolitions: several properties are being targeted – four properties on Main Street; two town owned properties are ready to go.
- Showcase Cinemas: the Town is pushing for a definite closing date. There is a scope of work for additional hazardous materials destructive testing. Having met with surrounding property owners, we are hopeful they will be a part of any revitalizations plan.
- Working drafts of our two new zones: Design District III for Goodwin College area, and Silver lane Design District. Both will be new to the town and allow for mixed use and allow for more flexibility.
- New senior center design has had 3 public meetings. Work continues toward construction specifications. The Town has been awarded a \$300,000 grant for the center from the Hartford for public Giving.
- The Town received State Brownfields Grant for \$125,000 for 141 Prestige Park Drive in our industrial park. We hope to attract a new owner to the site which has been historically used as a flea market and makeshift dump for cars/trucks.

Finance

CRDA CFO Joseph Geremia introduced Nate Olin from IT Direct. Mr. Olin explained that IT Direct completed a total review of the technology infrastructure for CRDA and identified three key issues and developed a plan to address these and ensure CRDA's infrastructure is ready to support CRDA now and in the future. Mr. Geremia noted that funds are in current budget to update CRDA IT.

The January Financial update was presented by Joseph Geremia

Fiscal Year 2019 Operating Statistics

CT Convention Center – November 2018

November stats: 96 event days held YTD with YTD attendance at 112,000

November financials: Revenues slightly unfavorable to budget

Utility expenses slightly unfavorable to budget offset with savings in event wages

Total year projection even with budget

CRDA Parking Facilities – November 2018

November stats: Utilization of 80% favorable with budget

Monthly rate customers favorable to prior year by 460 at 15,800 YTD

Transient customers favorable to prior year by 6,000 at 183,800 YTD

November financials: Transient and monthly rate customer revenues favorable to budget with CTCC event revenue slightly below budget

Expenses favorable compared to budget due to utilities and repair & maintenance savings

Total year projection approx. \$200,000 favorable to budget

Church Street Garage - November 2018

November stats: Utilization of 74% even with budget

Monthly rate customers favorable to budget by 110 at 5,600 YTD

Transient customers unfavorable to budget by 330 at 7,000 YTD

November financials: Revenues and expenses even with budget

Total year projection even with budget

P&W Stadium - November 2018

November stats: 65 event days held YTD with YTD attendance at 112,000

November financials: Event revenue even with budget with unfavorable variance due to UCONN Football attendance partially offset with favorable soccer game revenue

Expenses even with budget

Total year projection even with budget

XL Center - November 2018

November stats: 41 event days held YTD with YTD attendance at 127,600

November financials: Event revenue unfavorable compared to budget due to lower than budgeted number of concerts and one concert not meeting budget

Hockey operations even with budget

Operating expenses favorable compared to budget

Total year projection approx. \$550,000 unfavorable to budget

Housing and Neighborhood Committee Report

Michael Freimuth reported that the project updates on the following items:

370 Asylum – Teacher’s Corner has a DPUC/Eversource issue with the power. We are hopeful to get it resolved this month. Pre-leasing opportunities have been lost due to this issue.

246-250 Lawrence – financing package closed and project is now moving toward construction.

Mr. Freimuth presented the following project for the Board’s consideration. The Colt Armory “U” Shape Building was approved by the CRDA Housing and Neighborhood Committee on December 20, 2018.

Colt Armory, “U” Shape Building at 15 Van Dyke Street

Background: The “U” building, newer than most of the Colt complex, was renovated into a school for CREC but is no longer in use. Nonetheless, significant CapEx (\$9M +) has been invested in the building’s systems (structural, mechanical, roofing, environmental) since 2013. The building’s upper two floors remain empty while the first floor has had a credit union lease space and can accommodate additional commercial tenants. The building is in good condition and totals approximately 42,500 s.f. on three floors.

The overall Colt Complex is nearing full renovation with the North Armory (a CRDA project) in construction, two mill buildings reserved and scheduled to be acquired by the National Park Service; and enjoys 100% occupancy of its residential buildings and is nearing 76% occupancy of its commercial space (270k sf of 357k s.f. leased with additional space in negotiation).

Proposal: The plan is to convert this building into a mixed-use structure with commercial on the first level with the upper two levels being converted into residential units. The projected residential mix is to be 8 2-BR; 8-1BR and 10 studios for a total of 26 units. The “U” Building has its own dedicated parking lot with 82 spaces plus another 27 spaces nearby on Vredendale Ave. Apartment rents will average \$2/s.f.

Development: The construction budget and operating budgets are based on recent experiences at the complex. The development costs for the conversion of the upper two floors are estimated at \$3.7M. There are no acquisition costs (though land and building value are included in equity calculation) and no developer fees. Work to the commercial space is outside of this estimate and not part of the CRDA financing. A 12-15 month construction schedule is estimated.

Sources:	Bank 1 st Mortgage (existing)	\$	905,000
	Bank Construction/perm note		2,200,000
	CRDA 2 nd Note		1,500,000
	Equity		<u>2,400,000</u>
	Total Dev Cost	\$	7,005,000

CRDA Assistance: \$1.5m loan, 20 yr term. 3% interest.

The following resolution was moved by Joanne Berger Sweeney, seconded by David Jorgensen and approved.

“The Executive Director is authorized to extend a formal term sheet to Colt Gateway LLC for the conversion of the Colt Armory “U” building on 15 Van Dyke Street, Hartford Ct into 26 units of market rate housing offering up to \$1.5 million at 3% interest amortized over 20 years in the form of a construction/permanent loan subject to: 1/evidence of all other sources of funding being secured in such terms as acceptable to CRDA and its counsel; 2/ State Bond Commission approval; and 3/ such fiduciary items as deemed appropriate by the Executive Director.”

Venue Committee

XL Center

- New Planning Focus - SCI Architects continues to work on a concept plan for a scaled-back renovation of the XL Center. The plan will focus on opening up the atrium to the arena, increasing the number of rest rooms and expanding the number and types of premium seating in the building. Stafford Sports is concurrently working on developing a new pro forma.
- Average attendance for Wolfpack and UConn hockey games are both up over this point last season, 13% and 9% respectively. Both teams should see a continued increase as they enter into the heart of hockey season (January through March).
- UConn Men’s basketball is showing a slight increase in attendance over last season, however, Women’s attendance is down significantly. Weather issues this year and strong attendance at last year’s Notre Dame game account for some of that drop.

Nearly 12,800 all-session passes have been sold for this year’s March Madness, with 1,500 still available. (Of the 13 sites hosting first or second round games, XL ranks 5th in tickets sold.) The NCAA will allow for the sale of single-session tickets at some point, but that date is not yet known. Spectra is now focused on in-house set-up, parking, transportation and hotel coordination for the event.

- The November 30th Travis Scott concert that was postponed due to rigging issues has been rescheduled to March 9th. Other upcoming shows include Mumford & Sons on February 28th, Fleetwood Mac on March 15th and Alabama on April 13th.

Pratt & Whitney Stadium

- The Stadium bowl and field are closed for the winter, though a number of events are scheduled in the Club Room over the next few months.
- Tickets have gone on sale for the NCAA Lacrosse Quarterfinals to be held at the Stadium on May 19th. The Stadium is partnering with Fairfield University to host these two games, as well as the 2021 and 2022 National Championships.
- In December, the State Bond Commission approved \$275,000 for replacement of the nearly 4,000 chair back seats at the Stadium. As reported at our last Board meeting, the seats’ hinge

mechanisms have deteriorated, creating a safety hazard. The new seats will be installed in late spring.

CT Convention Center

- Six proposals were received in response to the RFQ/RFP for a new Convention Center study and three firms will be interviewed next week. The study is expected to compare assumptions made in the original pre-construction study with actual outcomes and to outline a future business plan taking into account industry trends and changing market conditions.

Regional & Economic Development Committee

Hartford Regional Market: A number of capital improvements are in progress at the Regional Market. Paving and striping have been completed, while electrical upgrades are underway. Signage and barrier layout plans are also being developed.

Front Street: Bids have been received for paving and crosswalk improvements at Front Street and are currently under review. Storm drainage improvements and waterproofing repairs will begin in the spring on the North Garage Plaza.

Showcase Cinema Site: The Town of East Hartford is expecting to close on the property at the end of January. A hazardous materials survey will be conducted shortly thereafter in order to complete the demolition specs on the building and allow that work to be bid.

Goodwin College Drainage Improvements: Plans for the three-phase project are nearly complete and an RFP for the first phase will go out shortly. CRDA is close to signing a contract with Zuvic, Carr and Associates for the remaining design and construction administration work.

Silver Lane Road and Streetscape Improvements: CRDA has finalized a contract with Transystems for design of the improvements and staff will be meeting with the firm shortly to discuss next steps.

Great River Park: CRDA is currently negotiating an agreement with Riverfront Recapture to undertake the capital improvement work in the park.

The Borden: The 120-unit housing project in Wethersfield is currently under construction.

Bushnell South Garage: Twelve proposals were received in response to the design/build RFQ for the garage.

Founders Plaza Garage: The RFP for a Development Planner / Garage Designer has been issued, with proposals due on January 28th. At least 10 firms have expressed an interest in bidding on the project.

Other Garages: Design work on repairs is substantially complete at the Church Street garage. Loading dock repairs are underway in the Adriaen's Landing garages as part of a multi-year repair project. Additional repair work will resume in the spring on both the Convention Center and Front Street garages.

Mayor Leclerc asked if there was any more information that could be shared about the Science Center Garages. Anthony Lazzaro explained that there have been some cracks and spalling. The original

engineering/architectural firm Thornton Tomasetti has been asked to review it. They are in the process of designing a fix to address the issues.

Parkville Market: Michael Freimuth gave details regarding the Parkville Market located at 1400 Park Street Hartford. This project was taken up at the December 20, 2018 committee meeting, and although a quorum was not available the Regional and Economic Development Committee, the members through subsequent survey agreed to move the recommendation to the CRDA Board on December 20, 2018.

BACKGROUND: Restoration of a vacant 20,000 sf building located at 1400 Park Street in the Parkville neighborhood into space for 50+ tenants offering a variety of ethnic foods as well as artisans. The property is owned by Carlos Mouta, a local developer and property owner.

Capital Stack:	\$3,500,000	CRDA construction loan to be repaid by permanent bank loan
	500,000	Hartford Foundation for Public Giving Loan
	300,000	DECD loan
	<u>800,000</u>	Equity from developer/owner
	\$5,100,000	TDC

Construction:	\$4,250,000
Existing Mortgage	<u>850,000</u>
	\$5,100,000

CRDA REQUEST: The developer has arranged permanent financing. However, the bank will not do construction financing of ‘speculative’ commercial developments as the lease up risk presents an issue to their underwriting. The completed value of the building, upon lease up will be in excess of the projected \$3.5M mortgage. The collateral in the existing building as well as current revenue and other assets of the developer provides additional security to CRDA while being the bridge lender.

Construction Loan of \$3.5M at 3% interest, 18-24mth term has been requested.

After a lengthy discussion, the following resolution was moved by Marcia Leclerc, seconded by Luke Bronin and approved.

“The executive director is authorized to provide up to \$3.5M in construction loan to Carlos Mouta, (or such single purpose entity acceptable to CRDA) at 3% interest for a period not to exceed 24 months upon 1/ approval of such authorization by the State Bond Commission, 2/ assurances that all funds are in place to complete the project and to repay the CRDA note; and 3/ such fiduciary terms and conditions deem necessary and appropriate by CRDA and its counsel.”

Executive Director Report

Dillon Stadium – on hold pending review of transactions made by members of HSG by State Elections Enforcements Committee. There also have been two complaints to the CT State Contracting Review Board. The complaints were made by one of the bidders who was not awarded the contract and accused CRDA of not playing fair. These complaints have been dismissed without prejudice.

The consequence of this is that CRDA was expected to deliver the building in May and the target date is now June. Rentschler Field is in queue to allow the season the get established. There are financial penalties when a construction clock is stretched and, this is a problem. CRDA’s liability is delivering a completed building, all other risk is with the HSG.

Pearl Street – construction running between 45/60%, based on each building.
Arch Street – on point for May completion
Colt Armory – construction underway
28 High – construction underway
Swift – 25% complete

Bushnell South - CRDA is currently going over construction opportunities for the garage. Anthony Lazzaro indicated that the property is currently in the process of being transferred. CRDA's comments went back to DAS and Judicial for review, they are expected back shortly. Mayor Bronin asked about the aesthetics of the garage.

Hartford Regional Market – Michael Freimuth directed the Board to the Executive Summary that Goman and York presented regarding the direction of the Regional Market. CRDA is trying to put this into a legislative package for consideration in the upcoming legislative session. Currently CRDA is in charge of leasing the property and completing capital improvements but the Department of Agriculture is running the building day to day. CRDA is putting together a 3-5 year plan as well as a long term plan. The 3-5 year plan is critical to really succeed and grow, the tenants need longer lease windows. CRDA is going to suggest an organizational structure, similar to the airport Authority that will take care of that real estate. Put together a 3-5 year plan and transition the current hybrid from an OPM/Dept. of Ag. Structure to an Enterprise Fund authority/structure.

After a lengthy discussion, the following Consent to Action - resolution was moved by Marcia Leclerc, seconded by Luke Bronin and approved.

Hartford Regional Market – Consent to Action

The undersigned, being the Executive Director of Capital Region Development Authority (the "Authority"), a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut, with a place of business at 100 Columbus Boulevard, Hartford, Connecticut, in accordance with the Connecticut General Statutes and the Authority's governing agreement, unanimously resolve as follows:

- that the Authority execute and deliver to the State of Connecticut a certain "Assignment and Assumption of Leases and Licenses" (the "Agreement"), in the form previously distributed to the Michael Freimuth; and
- that Michael Freimuth, as Executive Director of the Authority, is directed to execute and deliver the Agreement on behalf of the Authority and to do all things necessary or appropriate to carry out the terms of the Agreement, including executing and delivering all agreements and documents contemplated by the Agreement.

The undersigned are signing this consent on January ____, 2019.

CAPITAL REGION DEVELOPMENT AUTHORITY

By: Michael Freimuth
Its: Executive Director
Date:

The following motion resolution was moved by David Jorgensen, seconded by Joanne Berger Sweeney and approved.

“The CRDA Board of Directors hereby moves to go into Executive Session sighting contract negotiations.”

The Board resumed the Board Meeting at 8:25pm with the following motion.

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

“The CRDA Board of Directors hereby moves to allow up to \$600,000 from CRDA Operations Reserve to be loaned to the Church Street garage for capital projects and up to \$1.2M of Church Street garage operating income, to be used to support XL Center operations. Clarification that this is a principal only loan.”

Adjourned 8:30pm

“The minutes of the January 10, 2019 CRDA Board Meeting were moved by Andy Bessette seconded by Glendowlyn Thames and approved at the March 21, 2019 CRDA Board Meeting.”