

Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, October 15, 2015
6:00 pm

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Joanne Berger-Sweeney; Commissioner Evonne Klein; Mayor Marcia Leclerc; Michael Matteo (phone); Scott Jackson (phone); David Jorgensen; Commissioner Jim Redeker; Tim Sullivan

Absent: Mayor Pedro Segarra; Thomas Deller

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

Guests: Jeff Armstrong, SCIA (via phone)

Call to Order & Minutes

The Board Meeting was called to order at 6:05pm.

The minutes from the September 17, 2015 Board Meeting were moved by Andy Bessette, seconded by Evonne Klein and unanimously approved.

Housing Committee

Michael Freimuth reported on two projects vetted by the Housing Committee on October 9, 2015. With the approval of the CRDA Board, the Radisson Hotel and the 105-7 Wyllys Street projects, described below, will be prepared to be sent to the State Bond Commission.

Project:	Radisson Hotel
Type:	Conversion of 200 hotel rooms into 96 residential units (88 1BR, 8 2BR) Floors 10-18 in phases over 12-15 months. Retention and upgrade of 188 rooms
Developer:	Brean Capital, LLC Carlison Group - Inner Circle
Capital Stack:	\$12.5M First note, 4.25%, int only .562M additional equity \$6.5M CRDA 2nd Note ('up to')
Total Dev. Cost:	\$19.562M
CRDA Terms:	Up to \$6.5M construction note 5.75% interest only 2 yr term (allow for construction/stabilization) repaid via refinance of larger first note CRDA \$/unit = \$67,000

Other Issues: All Market units at \$2.25/sf w/avg. 625 sf.
parking included in rent
units to share amenities of hotel
Increased NOI increases value with 6.5 cap to \$20M+
Commitments to CCTC into future

The following motion was moved by Andy Bessette, seconded by Evonne Klein and unanimously approved.

“The CRDA Board hereby approves the use of CRDA housing funds to assist the developer, Brean Capital, LLC (or such acceptable single purpose entity) to convert existing hotel rooms into 96 residential apartments at the Radisson Hotel, 50 Morgan Street, Hartford 06103 and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$6.5 million in assistance in the form of a construction loan at 5.75% 'interest only' terms for a period of two years subject to (1) evidence that all other sources of financing are secured in such terms as acceptable to CRDA and its counsel; (2) State Bond Commission approval if necessary and (3) such fiduciary terms deemed appropriate by the Executive Director. In lieu of requesting additional funds from the State Bond Commission for this project, the Executive Director may, at his sole discretion, utilize funds received by CRDA as repayment of borrower obligations from previous housing transactions.”

Project: 105-7 Wyllys Street

Type: New Construction 46 units (18 studio, 24 1BR, 4 2BR)
54 parking spaces on 2 decks below 4 story building
CSS/CON neighborhood project near Capewell development
2 yr construction period

Developer: Providian Builders/Joe Citano

Capital Stack: \$4.5 M Bank note in first position; 4%, 30 yr
3.5M CRDA note in 2nd
3.08M City of Hartford Note, cash flow 20 yr w/forgiveness provision
1M Developer equity (incl land value of \$300k)

Total Dev.Cost: \$12.08M

CRDA Terms: 1%, 20 yr construction to permanent mortgage in 2nd position
CRDA \$/unit = \$76,000

Other Issues: All Market Units (\$1.60/sf - \$2.03/sf)
2Br w/1000sf; 1BR w/700sf; studios w/540sf
Parking included in rent
Bank financing still pending
Living Wage provision by city

The following motion was moved by Andy Bessette, seconded by Jim Redeker and unanimously approved.

“The CRDA Board hereby approves the use of CRDA housing funds to assist the developer, Providian Builders (or such acceptable single purpose entity) to construct 46 new units of

housing at 105-7 Wyllys Street, Hartford and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$3.5 million in assistance at 1% interest for 20 years as a loan in no less than a second position lien subject to (1) evidence that all other sources of financing are secured in such terms as acceptable to CRDA and its counsel; (2) state bond commission approval; and (3) such fiduciary terms deemed appropriate by the Executive Director.”

Responding to a question from Mayor Leclerc, Michael Freimuth reported that new construction costs are too expensive at 3CP and therefore we are having trouble making the finances work.

Mayor’s Report

East Hartford’s Mayor Marcia Leclerc reported on the following in East Hartford:

- “Let’s Go CT” kick-off with Governor Malloy and Commissioner Redeker which includes the next expansion of Fastrack East.
- Burnside Avenue, Rte. 44, road diet which will have a significant impact in town.
- Concluded a Main Street Study which will include lighting, benches, bike racks, barrels, improvements to sidewalks.
- Wrapping up Willowbrook Study which is an impediment to Silver Lane area that is blighted or underutilized, in various stages of foreclosure or for sale. Have reached out to all owners and working on opportunities to acquire foreclosed property.
- Continue to work with the Horizon Group, for outlets at the Rentschler Field property which would be a significant improvement to East Hartford that currently has little, if any, retail or restaurants.
- When the State allows the REMI to be performed, there will be a better understanding of the gap of financing that is needed to move that project forward.
- Completed a five thousand light change over of high pressure sodium to LED lighting which will save a significant amount of money.
- House on the Silver Lane adjoining Rentschler property is coming down and the fence is being moved to the road.

Venue Committee

Tennis Foundation of Connecticut (TFC)

Michael Freimuth reported that the Venue Committee reviewed the Tennis Foundation of Connecticut’s financials from the tournament and has acknowledged that it is trending in the positive direction. Therefore, the Venue Committee is comfortable to allow the tournament to proceed in 2016.

Joe Geremia reported that the Tennis Foundation of Connecticut player field may be as good or better next year. Attendance for the two legends events, as well as the military appreciation exceeded expectations. UTC sponsorship goes up a quarter million next year.

XL - Presentation on Transformation Strategy

Jeff Armstrong and Bob Saint gave a slide presentation of the Concept Design for the Transformed Multi-Use Spectator Arena. The interim report highlighted elements of the designs that are being presented. A lengthy discussion ensued regarding renovation costs; revenue streams; major tenant events, games, etc.

Issues needing resolution include: financing; control of the land; St. Joseph's current lease; land assembly; and getting ready for construction phasing over 2 years.

XL Center (con't)

Premier Sports Management Group (PSMG) acquired a franchise in the MASL (Major Arena Soccer League). PSMG has an unrelated agreement with the City of Hartford for outdoor league at Dillon Stadium. A simple deal to use the XL Arena which included paying XL, 10 days in advance to rent the building with fifth preference for dates was structured with the new team, Hartford, F.C.

Chris Lawrence explained that PSMG approached XL over 2 years ago to try to bring international opportunities over to Rentschler and they had spoken about renovating Dillon Stadium back then. PSMG also helped with marketing efforts with some of the international games that were held at Rentschler in the past. Although Chris Lawrence spoke with the league to structure the lease agreement at XL, the agreement had not yet been signed.

Mike Freimuth and Chris Lawrence explained that the league is learning about the finance troubles regarding the City and Dillon Stadium at the same time we are. PSMG is having conference calls trying to figure out how to finance the team if they move forward.

If the league does not go forward, we don't have to do anything. If the league permits the team to move forward, then is it worth it financially to proceed? Another issue is to make certain that the Dillon money that currently is being questioned at City Hall, is not being used to meet expenses at XL for the indoor team.

Rentschler Field

Kim Hart reported on the following operational topics

- Field electric 99% complete
- Working on contract for concrete repairs
- Working on field wall leak repair
- Parking lot lighting is done
- The recently acquired house on Silver Lane is in demolition

Anthony Lazzaro reported that CRDA executed an amended MOU with OPM that will give CRDA more authority to administer certain funds at Renschler Field. It will allow CRDA to be involved in the work that is being done in the parking lots and possibly some of the coordination necessary for the Horizon deal.

CTCC

Joseph Geremia reported that three projects are underway at CTCC.

- Carpet and furniture refresh is currently going on now through December.
- An awning will be installed outside the Exhibit Hall level (between Marriott and CTCC)
- A permanent box office will be installed in the lobby that will include a renovated indoor connection to the hotel.

Finance

Joseph Geremia reported on the following financial information regarding Fiscal Year 2016 Operating Statistics:

October 2015

CT Convention Center – August/September 2015

- September stats: 36 event days held YTD with YTD attendance at 44,800
- August financials: Total revenue favorable by 30% with food & beverage revenue favorable by 36% compared to budget. Net Income \$115,000 favorable to budget

CRDA Parking Facilities – August/September 2015

- September stats: Utilization favorable to budget at 63%
Monthly rate customers even with prior year at 7,500 YTD
Transient customers favorable to prior year by 5,000 at 84,000 YTD
- August financials: Transient revenue and monthly rate customer revenue even with budget
Net Income \$119,000 favorable to budget

XL Center - August/September 2015

- September stats: 8 event days held YTD with YTD attendance at 22,900
- August financials: Event revenue favorable by 20% with expenses even compared to budget
Net Income \$54,000 unfavorable to budget
Church Street Garage
Linking activity with Hartford Wolfpack and XL Center incentives
Monthly rate customers at 4,400 YTD
Transient customers at 32,700 YTD

Rentschler Field - August/September 2015

- September stats: 31 event days held YTD with YTD attendance at 83,400
Includes 3 UCONN football games
- August financials: Event revenue unfavorable by 26% with expenses favorable by 11% compared to budget
Net Income \$93,000 unfavorable to budget

Residential Housing Initiatives – \$60M, Disbursed \$33.7M

Executive Directors Report

Establish Neighborhood sub-committee

Michael Freimuth asked for a motion to create a neighborhood sub-committee tasked with screening new “citywide” requests for projects and assessing them. The funds for these projects will come from the new allocation from the legislature. The following Board members are recommended to form the Sub-Committee:

Chairwoman Suzanne Hopgood

Mayor of Hartford

Mayor of East Hartford

Joanne Berger-Sweeney

David Jorgensen

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

“The CRDA Board hereby approves the establishment of a Neighborhood Sub-Committee.”

*CT Convention
Center Parking*

Facilities- Anthony Lazzaro reported that the CRDA has a \$5M improvement project for work to be done over a five year period. The funding source has been identified through the operations budget.

*Church Street
Renovations -*

Bob Saint reported that the work has begun as CRDA has taken on a portion of the Harford Parking Authority’s painting contract for the building. Also necessary: traffic coatings, expansion joint replacement and a much more aggressive signage program. If there is enough money after we make the necessary repairs to the stairs, then the entrance from the garage into the bridge heading into the XL will be improved.

*CT Science
Center CUP -*

The CT Science Center will try to get on DECD’s Bond Commission submission to authorize \$2.5M to be put into a trustee account to aid the CT Science Center principal and interest portion of their CUP obligation.

*UConn/XL
Agreement -*

CRDA/UConn working on last minute changes to a 30 Event/20 year LOI that will take effect once newly renovated XL Center is complete. Rentschler Agreement, along with the current three year XL Agreement, should be formally adopted at the October UConn Board of Trustee Meeting.

*UConn Htfd.
Campus -*

Site work continues, environmental clean-up is ongoing.

Newington -

The National Welding site is still under construction. EPA has just instructed how to go about remediating the last bit of soils. Mike Freimuth mentioned discussing parking/bus stop to which Commissioner Redeker responded that if clean-up can be done, we may want to think about a shorter term use of milling and paving which give an immediate solution before winter for parking that would last a long time. A meeting between DOT/CRDA/DECD/Newington is necessary.

*450 Columbus
Boulevard -*

South Tower scheduled move in June 2016. North Tower scheduled for 2017. This will move 2200 State employees down town.

Miscellaneous

Mayor Leclerc indicated that since there has been a great deal of development and change in Hartford in the past couple of years, perhaps we should give thought to start tracking restaurants activity; venue events, etc. to see what kind of progress. When public finance questions are being asked regarding the use of State fund for projects, these questions will be able to be answered with facts that CRDA has compiled over the years. Members concurred and staff will begin to prepare.

The CRDA Board Meeting adjourned at 8:16pm.

“The minutes of the October 15, 2015 CRDA Board Meeting were moved by Evonne Klein seconded by David Jorgensen and unanimously approved by Board Members at the November 19, 2015 CRDA Board Meeting.”