

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, October 20, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Ben Barnes; Joanne Berger-Sweeney; Mayor Luke Bronin; Sean Fitzpatrick; David Jorgensen; Evonne Klein; Michael Matteo; Jim Redeker; Tim Sullivan

Absent: Mayor Marcia Leclerc

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

Guests: Richard Armstrong, ConnDOT

Call to Order

The Board Meeting was called to order at 6:04pm.

I-84 Presentation

ConnDOT Principal Engineer Richard Armstrong conducted a Powerpoint Presentations regarding changes to Interstates I-84 and I-91 through Hartford entitled I-84 Hartford Project and Rethinking the Transportation System in Hartford.

Minutes

The minutes from the September 15, 2016 Board Meeting were moved by Sean Fitzpatrick, seconded by David Jorgensen and unanimously approved.

Mayors Reports

Mayor Luke Bronin reported the following:

- Final takeover agreement for the baseball stadium with Arch Insurance in place and work has resumed.
- Westbrook Village – Hartford P&Z approved master plan. The CRDA Neighborhood Committee will likely hear from them since this project is very similar to Bowles.
- Albany and Woodland parcel – new RFQ has been issued for a developer. Centerplan backed out of their commitment towards this project, however there was a lot of interest from a number of other developers early on in the process. At some point this will be a candidate for the Neighborhood Committee to consider.
- Pratt Street – is about to reopen. The City continues to work with local businesses, property owners, and retailers on Pratt Street to try to come to a compromise on the best use of the street.

CRDA is involved with two separate projects related to the development of Rentschler Field in East Hartford as seen on the map presented by Michael Freimuth for Mayor Leclerc:

- The first relates to the construction of East Hartford Boulevard North, which will run from Cabela's down to the southern part of the site - allowing for access to Stadium parking lots, the proposed outlet mall and any future development on the site. CRDA is currently working with UTC and their developer, The Matos Group, to oversee construction of the road, using \$7 million of State Bond funds given to OPM for this purpose. Construction is expected to start in the spring.
- The second project relates to construction of utilities, roadways and other site improvements that will service both the proposed outlet mall and any future development at Rentschler Field. In September, the Town of East Hartford received \$12 million in Urban Act funds for this purpose and asked CRDA to oversee their expenditure. CRDA has been meeting with DECD, the Town and the outlet mall developer to work out the necessary agreements and to review plans.

Finance

The following October 2016 financial update was given by CRDA CFO Joseph Geremia:

Fiscal Year 2017 Operating Statistics

CT Convention Center – August/September 2016

September stats: 48 event days held YTD with YTD attendance at 57,200

August financials: F&B revenue favorable compared to budget with expenses even compared to budget

Total year projection even with budget

CRDA Parking Facilities – August/September 2016

September stats: Utilization favorable to budget at 88%

Monthly rate customers even with prior year at 7,700 YTD

Transient customers even with prior year at 86,000 YTD

August financials: Transient revenue and monthly rate customer revenue even with budget

Total year projection even with budget

XL Center - August/September 2016

September stats: 10 event days held YTD with YTD attendance at 34,200

August financials: Event revenue even compared to budget while utility expenses unfavorable to budget

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

Church Street Garage - August/September 2016

September stats: Utilization of 86% favorable to budget of 72%

Monthly rate customers favorable to budget by 675 at 4,000 YTD

Transient customers even with budget at 4,100 YTD

August financials: Transient revenue and monthly rate customer revenue even with budget

Total year projection even with budget

Rentschler Field - August/September 2016

September stats: 42 event days held YTD with YTD attendance at 88,500

August financials: Event revenue and expenses even compared to budget

Total year projection even with budget

(No UCONN football games within this time period)

CTOpen – 2016 Tournament
Preliminary update within Venue Report

Residential Housing Initiatives –	Total Contracted Loans:	\$49.4M
	Current Contracted Loans:	\$43.5M
	Current Disbursed:	\$36.9M

Housing Report

Sean Fitzpatrick reported on the October 7, 2016 Housing Committee meeting.

81 Arch Street (Front Street Phase IV) -

Project: 81 Arch Street
Front Street Phase IV

Type: New Construction 54 units (20 studio, 13 1BR, 21 2BR)
11,000 s.f. (est) retail space along Arch Street
Utilization of South Garage for parking
Compliance with Front Street/Adriaen’s Landing Development Agreement

Developer: HB Nitkin Group
Greenwich, CT

Capital Stack: \$11M Bank Note in first position, Libor +2.5%/25yr
\$5.6M CRDA 1%/30yr
\$2.77M Equity
\$1M Brownfield

Total Dev Cost: \$20.34M

CRDA: Cost per unit: \$103,000

Other Issues: Front Street/Adriaen Landing
Market Rate units
Prevailing Wage Project
State environmental cleanup obligation

The following motion was moved by Andy Bessette, seconded by Ben Barnes and unanimously approved.

“The Board of Directors hereby approves the use of CRDA Housing funds to assist the developer, H.B. Nitkin (or such acceptable single purpose entity) to construct a mixed use housing-retail building, (also known as Front Street Phase IV) consisting of 54 market rate units (20 studio; 13 1-BR; 21 2BR) and approximately 11,000 sq. ft. of retail space at 81 Arch Street, Hartford and the Executive Director is authorized to extend a formal term sheet offering up to \$5.6 Million in assistance in the form of a loan at 1% for 30 years, amortizing principal and interest, subject to 1) all other funding being secured to meet a total development budget of \$20.34 Million; 2) State Bond Commission approvals; and 3) such fiduciary terms deemed appropriate by the Executive Director.”

289 Asylum – Ajar, LLC proposes the development of 8, 2 BR condominiums

Venue Committee

Tennis Center

Tournament Report – The CT Open reported to the Venue Committee that as of October 10th, not all of the 2016 expense numbers had been received and therefore final numbers on the Tournament were not yet available. The tournament was reported to be “coming in around budget” and that significant operational savings had been achieved due to capital improvements made to the building.

For the upcoming year, the tournament will retain \$1.5 million in sponsorship revenue from UTC, Yale and Yale-New Haven Hospital, but work is needed to secure additional sponsors. The tournament staff will be able to occupy their office space year round and will not need to relocate for the winter, leasing expenses can be eliminated from the budget. Additional revenue may result from leasing of the tennis facility for non-tournament events. ESPN is expected to cover every match of the tournament and that could also increase revenue to the tournament. The tournament is also looking to switch to a Connecticut-based caterer in order to improve food offerings and potentially increase revenue.

XL Center

Capital Improvements – Capital projects at XL and in the Church Street garage are progressing, with bids for the security and elevator work expected to be released in about 2-3 weeks. Installation of the new ice floor will begin in the late spring 2017.

Event Update – The loss of the Maroon 5 concert and an underperforming Blake Shelton concert dealt serious blows to the XL operating budget. Maroon 5 was expected to net approximately \$200k, while Blake Shelton netted only about half of its projected \$150k in revenue. UConn has begun its hockey season and attendance numbers have been low, but that is to be expected given the teams played and the fact that it is so early in the season.

Status of XL Redevelopment plan - Michael Freimuth reported the following:

Several members have inquired as to the status of the overall redevelopment plan for the XL Center and the Board’s acceptance of the reconstruction alternative as a way forward (rather than the alternative replacement option). The selected alternative has been presented to a variety of public officials and to the general public both at various meetings and via the media. It was suggested as part of the Authority’s capital improvements request during the last legislative cycle, but was not included due to the size of the request at a time of tight state budgets.

Nonetheless, CRDA has pursued building improvements that are either: 1/necessary for current operations; 2/dictated by changes in management practices (e.g. security changes); or 3/have reached a point in a system’s life cycle that demands its complete update/reconstruction (ice slab). Funds allocated to CRDA in FY 15-16 for various projects consistent with CRDA’s overall statutory authority to undertake Capital City Projects have been utilized to meet these needs (as well as those at the Church Street Garage).

CRDA has begun to explore the feasibility to acquire the atrium area presently serving the arena and subject to a common area maintenance and management contract and have ordered appraisals and further engineering assessments in order to further understand this option. Preliminary review of this material has

raised the possibility to acquire the entire “Trumbull Block” that adjoins the atrium. This includes the areas currently leased by St. Josephs School of Pharmacy, the area left vacant by the YMCA and the storefronts along Trumbull. This block also connects the arena to the garage via the Church Street overpass and literally sits on top of the exhibition hall that makes up part of the XL Center. The acquisition of this portion of the complex would allow for the ultimate build out of the transformed arena when pursued. Such acquisition would also bring substantial advantages to the utility and infrastructure changes necessary as part of the proposed re-subdivision of the real estate.

For any property acquisition to advance, it is suggested that the Board formally assess this acquisition in a public hearing and authorize such action as it might be guided by the due diligence currently underway.

The following motion was moved by Andy Bessette, seconded by Mayor Luke Bronin and unanimously approved.

“The CRDA Board of Directors hereby orders a public hearing to be conducted by the Venue Committee to consider the redevelopment plan for the XL Center Capital City Project, to be held at least one week prior to the next CRDA Board meeting.”

Pratt & Whitney Stadium at Rentschler Field

UConn Football – Attendance to date has been disappointing for the Huskies. Three games remain in the season – Homecoming against UCF (October 22nd), Temple (November 4th) and Tulane (November 26th).

Convention Center

The Convention Center has performed ahead of budget projections. The building is expected to do well in the current year, with a significant number of events booked. Work on the new box offices and video board should be completed shortly.

Michael Freimuth explained that every three years the Convention Center Management contract goes out to bid through an RFP process. The management agreement is currently in an extension year and it has been requested by staff that a special committee be formed to oversee the RFP process.

A tentative timetable has been established with packages going out to proposers by October 31, review and shortlist by second week of December, interviews mid-December and selection recommendation to the Board at January Board meeting.

The following motion was moved by Andy Bessette, seconded by Sean Fitzpatrick and unanimously approved.

“The CRDA Board of Directors hereby approves the creation of a special Request for Proposals (RFP) review committee to be made up of Chairperson Suzanne Hopgood and Venue Committee member David Jorgensen joining three members of the CRDA Staff.”

Neighborhood Committee

Mayor Luke Bronin highlighted topics from the Neighborhood Committee:

Westbrook Village – 360 residential units, project managed by Hartford Housing Authority, funding sources include but are not limited to: Low Income Tax Credits, DOH funds, DECD Brownfield funds, private debt.

Unlike Bowles this project would contain a residential as well as a commercial portion which is likely to be first build and that would be right along Albany Ave. near the West Hartford border.

Mike Freimuth reported that CRDA has met with group managing this project however it is very early in the process.

Bracket Knoll Housing Development Phase II – located in the North End within the Promise Zone. There are a total of 28 units using the same structure as in the first phase. \$2M of DOH funds have been set aside however they are due to expire by December 31, 2016, absent a clear commitment of funding for the remainder of the project. The gaps include funding necessary to build a road that the City, at one time, committed to build, estimate cost about \$830K. The second piece needed is gap financing estimated to be approximately \$550K. It is not clear if CRDA would cover all of the gaps or whether it would require a couple of funding sources to be bundled together. This project would meet the requirements of the Neighborhood Committee priority list.

Mayor Luke Bronin inquired as to what would be needed for the Department of Housing to grant an extension passed December 31. Commissioner Evonne Klein responded by stating it would depend on if the expiration date is federal or state, if it is state she could grant an extension. Mayor Bronin further inquired if the funds were approved through the CRDA Neighborhood Committee, would that be sufficient to release the DOH funds. Commissioner Klein responded by stating she believed that to be the case, that the only things missing, according to her notes, was the funding necessary for the road.

Mike Freimuth reported that CRDA met on October 19 with engineers who put together road program and is scheduled to meet with developer and the City the week of October 24, 2016.

Executive Director Report

Rentschler Field – met with UCONN regarding the performance of the stadium and to go over changes implemented at the beginning of the season.

Wadsworth Atheneum Museum of Art – Michael Freimuth explained the following regarding CRDA extending the promotional rate for parking for three additional years.

- The Wadsworth shall advertise and promote the Front Street North Garage and Front Street South Garage for museum guests.
- Visitors and guests of the Wadsworth shall be charged a promotional daily rate of **Three Dollars (\$3)**.
- Duration – The promotional rate shall be extended for three (3) additional years beginning January 1, 2017 and ending December 31, 2019.

Connecticut Convention Center

- During the promotional period, Wadsworth shall offer a discounted daily admission fee of **Five Dollars (\$5)** per person for guests and visitors to the Connecticut Convention Center.

The following motion was moved by Andy Bessette, seconded by Sean Fitzpatrick and unanimously approved.

“The CRDA Board of Directors hereby approves the extension of the promotional rate for the Wadsworth Atheneum on the terms and conditions presented above.”

Church Street Garage – Michael Freimuth explained a need to adjust the corporate rate at the garage has become necessary:

- currently below market rate
- funds will help keep the building up to standard and make repairs; and the new rate would be consistent with yearly projections for the Church Street garage

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

“The CRDA Board of Directors hereby authorizes the Executive Director to enact parking rate adjustments at the Church Street garage effective January 1, 2017 and consistent with adopted budget, in the following manner:

Corporate rate to be \$110.00 + tax per space/per month”.

Move November CRDA Board Meeting to December – Michael Freimuth explained the need to move the November Board Meeting due to scheduling the Public Hearing for XL Redevelopment Plan.

The following motion was moved by Andy Bessette, seconded by Sean Fitzpatrick and unanimously approved.

“The CRDA Board of Directors hereby authorizes to move the originally scheduled meeting from November 17, 2016 to December 8, 2016.”

Updates for construction, etc.

390 Capital Avenue and Capitol Ave. – 95% complete.

Radisson – about 11% complete.

1279 Main Street – cleared historic on October 19, 2016.

370 Asylum - working towards a closing date.

UConn Campus – 35% Complete, substantial completion target date – Aug. 2017.

Newington – meeting with Newington to discuss RFP for Cedar Street.

East Hartford Boulevard – expansion of 10 acre site at Rentschler Field, design is nearing completion, Spring target for construction.

XL – Capital projects – elevators, cleaning up overpass, ice floor bids will go out to RFP in February, security improvements beginning.

Building at P&W stadium – building is 11 years old, funds need to start being set aside for capital Improvements.

Tennis Tournament – Improvements are ongoing
Wethersfield – CRDA has been asked to manage a project in Wethersfield
2017 Board Meeting Dates were distributed.

Adjourned at 7:42pm

“The minutes of the October 20, 2016 CRDA Board Meeting were moved by Andy Bessette seconded by Mayor Marcia Leclerc and unanimously approved by Board Members at the December 8, 2016 CRDA Board Meeting.”