

Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, February 16, 2017
6:00 pm

Board Members Present: Chairwoman Suzanne Hopgood; Vice Chairman Andy Bessette; Ben Barnes; Mayor Luke Bronin; Joanne Berger-Sweeney; Sean Fitzpatrick; David Jorgensen; Mayor Marcia Leclerc; Nick Lundgren; Michael Matteo; James Redeker; Catherine Smith

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

Call to Order

Chairwoman Hopgood called the Board Meeting to order at 6:01pm.

Minutes

The minutes from the January 19, 2017 Board Meeting were moved by Andy Bessette, seconded by Sean Fitzpatrick and approved with Nick Lundgren abstaining.

Parking Presentation

LAZ Parking representatives Paul Freimuth and Stathis Manouses presented the intricacies of the free LAZGo Parking Finder app that can be downloaded onto your phone for parking ease.

Mayors Reports

Mayor Luke Bronin reported the following:

- United Bank moving 200 employees to a 68k sq. ft. space in Goodwin Square, Hartford, CT
- CliniFlo moving to downtown, starting out leasing space from Hartford Healthcare but ultimately looking to build on the corner of Washington & Jefferson Streets.
- RFQ – 521-529 Main Street, there seems to be considerable interest
- RFQ – Albany and Woodland, there has not been a strong response. The RFQ will be revisited with new parameters.

Mayor Marcia Leclerc reported the following:

- Horizon project for the development of Rentschler Field is moving along.
- World Headquarters of P&W & UTRC expansion – construction underway
- Silver Lane – continue to focus on Silver Lane as a redevelopment opportunity as well as the riverfront.
- Pitkin & Main Streets – prior club will be demolished and a new contemporary Dunkin Donuts will be built on that location
- Roberts Street – Hotel has been purchased, tear part of it down, complete remodel with expansion planned
- Working Cities Challenge – Town has been interviewed and looking forward to next process

- Hillyard Rovic - moving from Manchester into site on Park Avenue

Housing Committee

Sean Fitzpatrick reported that although there was not a Housing Committee meeting this month, the following topics deserve mentioning:

- United Bank – they specifically mentioned the hundreds of new apartments in downtown area as part of their decision making to locale offices in the CBD.
- Pearl Street – we are working on complex tax issues and continue to make progress

Mike Freimuth reported on the following:

- Occupancies for the buildings that have been on the market for some time are generally full
- Front Street – near full capacity.
- Rents – are being held at/or above projections.
- Capewell – rapid lease up.
- Capitol Lofts – currently about 20-25% leased.
- 370 Asylum – still working to close the transaction.
- 289 Asylum – Condo project – unique finance issues being resolved.
- Silas Deane – project in Wethersfield has to be run through Town Council to enter into an agreement for CRDA to manage the project.

Venue Committee

Andy Bessette reported on the following Venue Committee items:

XL Center

Capital Improvements – Capital projects at XL and in the Church Street garage are progressing, with bids for the ice slab work expected to be released in about a week. Installation of the new ice floor is expected to begin in late May and finish up in late August. This summer shutdown will impact the facility's operating budget and Global Spectrum is working to mitigate that impact as much as possible. Bob Saint further explained the details regarding replacing the slab of refrigeration and piping. The slab is being replaced from the insulation up. The upper slab will be demolished, they will repair the lower slab if needed, then build up new insulation, piping, reinforcing new concrete. The dasher system is also being replaced.

Transformation Plan – Funding for transformation of the XL Center has been included in the Governor's 2018-19 bond package and now awaits approval by the General Assembly.

Wolfpack Renewal –MSG, the owner of the Wolfpack AHL franchise, has committed to play a fifth year at XL. This is the final year of the team's contract and additional seasons will need to be negotiated. The franchise fee paid for the team is one of the highest in the league and this will likely be a topic of discussion in any contract extension.

Pratt & Whitney Stadium at Rentschler Field

Capital Improvements – Global Spectrum has reported that significant repair work is needed to address problems with the Stadium's 15-year old HVAC system. In light of this, CRDA has asked for additional capital funds in this year's bond package to cover this work.

No additional capital funds have been requested in the new State budget for the Connecticut Convention Center or the Tennis Center.

10 Acre Parking Lot – An invitation to bid for the new parking lot should go out shortly, pending resolution of an environmental question. The lot is expected to be cleared by the start of the 2017 UConn football season.

East Hartford Boulevard North Project – Five bid packages have been awarded on the East Hartford Boulevard project, all of which came in under budget. The road project is expected to be completed by the end of the calendar year, with access for football patrons guaranteed under the terms of the project agreement.

Horizon Outlet Mall Infrastructure Project – Bid packages for site work have gone out, however, work is not expected to start for a few weeks while the remaining project agreements are finalized.

Neighborhood Committee

Mayor Bronin presented the following report that the Neighborhood Committee has not met since the last Board Meeting however the status the following projects is:

Bracket Knoll – Bond Commission awarded. Mayor Bronin expressed his appreciation to OPM & DECD for helping to get this project approved.

Bowles Park – Bond Commission awarded demolition funds.

South Green - Planning effort is underway. A couple of stakeholder meetings have taken place that will hopefully support that effort.

Swift Factory – this project is much farther along in getting its financing, and we are increasingly confident that the Neighborhood Committee is comfortable making a recommendation of support.

Michael Freimuth added that the project is reaching a critical time where the syndication and the sale of tax credits are up against a deadline of mid-May. A decision needs to be made in order to submit this project to Bond Commission prior to a contract being put in place. A variety of financing including a pending application for a Brownfield Grant from DECD and a series of smaller grant amongst other financing options are needed to move this project forward. Joanne Berger Sweeney mentioned that the Neighborhood Committee seems to have a great degree of enthusiasm for the project, and that as long as the financing is lining up, it should move forward through the Committee.

Finance

Joseph Geremia presented the following Fiscal Year 2017 Operating Statistics:

Fiscal Year 2017 Financial Statements for the Six Months Ending 12/31/2016

Balance Sheet

- Current unrestricted cash decrease reflects timing differences between funding and expenses at the CTCC and the XL Center
- Current and Non-current restricted cash decreases reflect timing differences and level of capital improvement funds expended by the CTCC and the CT Open
- Accounts receivable decrease reflects timing differences between funding and payments relating to the

State office relocation projection managed by CRDA off-set with a decreased liability in accrued expenses

- Loans receivable increase reflects housing construction drawdowns from 50 Morgan St (Radisson)
- Current loans payable decrease reflects payoff of XL Center loan with Spectra

Statement of Revenues, Expenses and Changes in Net Position

- Operational and other grants decreases reflect a timing difference between State appropriation quarterly funding percentages (\$500,000) and an overall State appropriation budget decrease (\$850,000)
- Restricted revenue decrease reflects completion of State Office relocation project fees
- Combined facilities income and expenses referenced below
- Development cost reflects CT Open tennis tournament support

Fiscal Year 2017 Operating Statistics

CT Convention Center – December 2016/January 2017

January stats: 141 event days held YTD with YTD attendance at 192,700

Qtr. 2 financials: Net Income \$150,000 favorable to budget

F&B revenue favorable compared to budget

Utility expenses unfavorable compared to budget

Total year projection \$100,000 favorable to budget

CRDA Parking Facilities – December 2016/January 2017

January stats: Utilization favorable to budget at 100%

Front Street garages greater than 100% utilization due to increased transient turnover and greater demand from Front St Lofts residents

Monthly rate customers favorable to prior year by 650 at 18,100 YTD

Transient customers favorable to prior year by 23,000 at 246,200 YTD

Qtr. 2 financials: Net Income \$100,000 favorable to budget

Transient and monthly rate customer revenue favorable to budget by \$50,000 each

Total year projection \$100,000 favorable to budget

XL Center - December 2016/January 2017

January stats: 84 event days held YTD with YTD attendance at 301,800

Qtr. 2 financials: Net Income \$1,075,000 unfavorable to budget

Event revenue \$950,000 unfavorable to budget

Operating expenses (utility costs) \$80,000 unfavorable to budget

Hockey operations even with budget

Total year projection approx. \$525,000 unfavorable to budget attributed to

4 cancelled concerts

Note: State Appropriation: FY17 - \$600,000; FY16 - \$900,000; FY15 - \$1,100,000; FY14 - \$3,000,000
CRDA Funding: \$400,000

Church Street Garage - December 2016/January 2017

January stats: Utilization of 73% even with budget

Monthly rate customers favorable to budget by 150 at 7,800 YTD

Transient customers unfavorable to budget by 2,400 at 7,000 YTD

Qtr. 2 financials: Net Income even with budget

Transient revenue unfavorable to budget due to low December volume offset with favorable YTD event revenue

Operating expenses even with budget due to event payroll and equipment leasing savings offset with increased maintenance expenses

Total year projection even with budget

Rentschler Field - December 2016/January 2017

January stats: 95 event days held YTD with YTD attendance at 166,400

Qtr. 2 financials: Net Income \$465,000 unfavorable to budget with \$100,000 attributed to F&B Revenue

Total year projection \$285,000 unfavorable to budget with \$250,000 attributed to UCONN football and \$100,000 from removal of soccer game offset with \$65,000 expense savings

Fiscal Year 2018/2019 Preliminary Operating Budget

State budget effects:

1% hold-back in 1st Quarter - \$64,132

3% reduction for next fiscal year - \$200,000

Total reduction of 4% - \$264,132

Residential Housing Initiatives

Total Contracted Loans: \$49.4M

Current Contracted Loans: \$44.2M

Current Disbursed: \$39.6M

Executive Director Report

Michael Freimuth reported on the following projects:

Gateway Park – 3 Constitution - Gerona Ventures, AI Engineering along with CRDA will construct an interim park, something that would not be a major investment however it would clean up the gateway into downtown off of the Rte. 2 exit. CRDA would recapture its funds should a project move forward on the site. The project budget is roughly \$200K subject to design work, bids and reviews, and CRDA would contribute \$65K and would serve as escrow agent for the funds. A conceptual drawing was included.

Mike Matteo suggested that if volunteers are needed during the building phase, Optum has interest in community involvement and may be able to help in that regard.

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

Whereas the property at 3 Constitution was demolished in preparation for redevelopment by its owner, Tarob Development LLC (“Owner”)

Whereas such redevelopment has been delayed;

Whereas multiple parties including the abutting owner, 5CP LLC (“5CP”), the City of Hartford and CRDA wish to clean this property and develop an interim 'gateway park' area that will be aesthetically appealing as an entry into the downtown from the CT Rt. 2 highway;

Whereas multiple parties have prepared an Agreement whereby contributions are being offered by Owner, 5CP and CRDA to construct the gateway park;

Whereas Riverfront Recapture and the City of Hartford will assist in the ongoing maintenance of the park as part of their downtown effort;

Whereas CRDA will serve as an escrow agent for the joint funds and contribute up to \$65,000 grant towards the effort;

Now therefore be it resolved that the executive director is authorized to enter into a multi-party agreement with Owner, 5CP and the City of Hartford to construct the interim park and to expend up to \$65,000 of funds, as matched by Owner and 5CP to create the interim park.

UConn Update - Operational meeting was held dealing mostly with security matters. UConn is working to have the campus up and running in late August. UConn campus is about 60% complete.

Bowles Park - The demolition bids are in and are being jointly funded by CRDA and DECD.

Westbrook Village – Developers are going to be looking to CRDA for some help with infrastructure. Both Bowles and Westbrook are up before CHFA for 9% credits.

Newington-National Welding Site – Newington Economic Development along with CRDA met with five perspective developers responding to initial requests for expressions of Interest (RFEI). Proposals are due Monday, February 27, 2017. CRDA will review and meet with Town to see find out what their next steps are. DOT is mentioned regarding the possibility of commuter parking at the busway stop.

Church Street – security and elevator bids came in on February 15, 2017.

Radisson – about one third complete; Contractors were recently changed.

1279 Main Street – Demo permits are close.

Arch Street – doing some re- design work to pull away from the retaining wall on the Whitehead Highway. The building is taking a different shape but essentially the same program going forward.

Pearl Street – the unit mix was changed to include more 1 & 2 bedroom units, the efficiencies were reduced by 25 units. It may qualify for the blight tax incentive which may help with the financing. Meeting with the banks on Tuesday, February 21 which will look to do the first mortgages on both. The brownfield request may have to be reduced as new bids come in.

Trinity

Joanne Berger Sweeney, President of Trinity College announced that the Trinity Board of Trustees approved the internal financing to rebuild 10 Constitution Plaza. The Makers Space will be used as home base for internships and the primary space will be Liberal Arts Action Lab estimated to move in November 2017. President Berger Sweeney also mentioned that Trinity is looking for a public institution to partner with them to do the laboratory.

Adjourned at 7:15pm

“The minutes of the February 16, 2017 CRDA Board Meeting were moved by Ben Barnes seconded by Catherine Smith and unanimously approved by Board Members at the March 16, 2017 CRDA Board Meeting.”