

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, April 19, 2018
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Ben Barnes; Mayor Luke Bronin; Kiley Gosselin; David Jorgensen; Mayor Marcia Leclerc; Michael Matteo (phone); Catherine Smith; Joanne Berger Sweeney (phone), Glendowlyn Thames

Board Members Absent: Evonne Klein; James Redeker

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

Guests: Mr. Jason Sardilli and Mr. Devon Sardilli from Sardilli Produce and Dairy; Attorney Walter Paulekas, Ford & Paulekas LLP, along with Michael Flanigan, President Freshpoint Connecticut, LLC. Representing Freshpoint.

Call to Order

Chairwoman Hopgood called the Board Meeting to order at 6:03pm.

Minutes

The minutes from the March 22, 2018 Board Meeting were moved by David Jorgensen, seconded by Mayor Marcia Leclerc and approved.

Mayors Reports

East Hartford Mayor, Marcia Leclerc reported the following:

Demolition of the building on Main & Pitkin – Development of a Dunkin will begin shortly. The Town will provide streetscape and trail head improvements as a gateway project.

99-101 East River Drive: Former site of the State Data Center has been gutted and renovated with the top three floors available for buildout. Fantastic location at the footbridge walkway to Hartford.

Potential Development Conversations: Conversations with property owners within the Founders Plaza area continue to generate potential investment and interest. Additional parking demands are needed and we will be looking to address those.

Connecticut Boulevard Improvements: Demolition of a former garage left vacant land in poor condition. Working with the property owners on a landscaping plan has been designed for the property.

The former Staples building will be converted and modified to a Hoffman Service Center and the former UCONN Health Center has been sold and will be renovated to a KIA dealership.

Silver Lane Plaza: Long abandoned Silver Lane Plaza has been working with our Development Department for a façade renovation and parking lot improvements and has received all approvals.

Goodwin College: Façade improvements and expansion of the Manufacturing Center at Goodwin College, expansion of the Riverside Magnet School are in process.

Senior Center: Closing on the purchase of the property next week. Retained the Christopher Williams Architect. All funding is in place and the project will move forward upon the completion of the architectural plans.

Wickman Library: Retained Silver Petrucelli to provide design plan for the restoration and ADA compliance for this shuttered historic facility.

Silver Lane Advisory Committee: The Advisory Committee was formed to guide a grant-funded study of how to best redevelop the commercial areas of Silver Lane, running from Main Street to Forbes Street. The Committee was created as a result of the Town's \$200,000 Brownfields Area-Wide Redevelopment (BAR) grant, awarded by the Department of Economic and Community Development (DECD). The purpose of the project is to create a comprehensive plan of the Silver Lane Corridor while identifying and studying the redevelopment potential of targeted brownfield sites. This plan will be based upon market, environmental, and engineering analysis over a 16-month period. Milone and MacBroom, Inc. of Cheshire CT is assisting the Town in the development of the plan.

Silver Lane Transportation Study: The Committee is also tasked ensuring that the BAR Project is coordinated with a multitude of studies and projects in the Silver Lane area, including the development at Rentschler Field, the completion of the flood control study of Willow Brook, and a transportation study conducted by the Capitol Region Council of Governments.

Kiley Gosselin reported the following update for Hartford's Mayor Luke Bronin:

DoNo RFP: on November 20, the City of Hartford issued a Request for Proposals (RFP) for thirty-two City-owned properties totaling 13 acres around Dunkin' Donuts Park responses were due by March 1, 2018. The City received one proposal from Randy Salvatore. Randy is a developer with extensive experience in urban development. He most recently completed the beautiful renovation of the historic Goodwin Hotel downtown. A team of City officials and neighborhood representatives are reviewing the proposal in accordance with our procurement processes. We expect to begin direct conversations with Mr. Salvatore regarding the scope of the project soon.

Homestead Demo: Early stage demolition (shut-offs, permits, site prep) has begun at the Homestead campus. Full demolition should be completed by June 1. We expect to see heavy equipment at the site in approximately two weeks. We are in active discussions about new development once demolition is complete. The remediation and demolition is possible thanks to a \$1.9 million grant to the City from DECD.

Park and Main RFP: The City received two proposals in response to its recent RFP for redevelopment of the City owned parcels at the intersection of Park and Main Streets in the South Green neighborhood. The Hartford-based Corporation for Independent Loving, developer of the Capewell Lofts was the entity selected as the winning bid. The proposed project is a mixed use residential development with majority market-rate rentals. The City is in the process of negotiating project details with CIL and hopes to submit a proposal to CRDA for review in the coming weeks/months.

Dillon Stadium: Hartford Sports Group was selected as the best of three proposals submitted in response to CRDA's RFP on Dillon Stadium. HSG proposes to put a USL team at a renovated Dillon stadium as early as Spring 2019. On April 9, City Counsel approved a detailed term sheet outlining a proposed structure between CRDA, HSG and the City. CRDA will oversee the stadium renovation and will also take a role in managing stadium accounts as well as stadium operations for at least the first five years. Current plans would have the stadium complete in time for April 2019. The project would also include funds for upgrades to neighboring Colt Park consistent with the City's plan for that park and in conjunction with a recently awarded federal grant. Formal agreements between the City, HSG and CRDA are currently being developed. The City will continue to work on necessary ordinance changes and planning and zoning approvals to effectuate appropriate stadium operations (serving of alcohol, signage, community fee structure, etc.)

Finance

CRDA CFO Joseph Geremia reported the financial update for April 2018.

Fiscal Year 2018 Operating Statistics

CT Convention Center – January/February 2018

March stats: 188 event days held YTD with YTD attendance at 278,000
February financials: Rental and F&B revenue favorable compared to budget
Utility expenses and Salaries slightly unfavorable to budget
Total year projection approx. \$125,000 favorable to budget

CRDA Parking Facilities – January/February 2018

March stats: Utilization favorable to budget at 84%
Monthly rate customers favorable to prior year by 6,100 at 29,400 YTD
Transient customers unfavorable to prior year by 3,600 at 351,100 YTD
February financials: Transient revenue favorable compared to budget
Total year projection approx. \$200,000 favorable to budget

XL Center - January/February 2018

March stats: 102 event days held YTD with YTD attendance at 373,800
February financials: Event revenue \$1M unfavorable to budget
Hockey operations \$75,000 unfavorable compared to budget
Operating expenses \$250,000 favorable compared to budget
Total year projection approx. \$1M unfavorable to budget (Includes \$300,000 attributed to new event admissions tax effective Dec. 1, 2017, \$400,000 attributed to seven cancelled/unsuccessful event bids, \$250,000 in underperforming events, and \$50,000 in underperforming hockey net operations)

Church Street Garage - January/February 2018

March stats: Utilization of 76% even with budget
Monthly rate customers favorable to budget by 600 at 10,500 YTD
Transient customers unfavorable to budget by 1,300 at 10,700 YTD
February financials: Transient and monthly rate customer revenues favorable to budget
Total year projection even with budget

P&W Stadium - January/February 2018

March stats: 101 event days held YTD with YTD attendance at 145,200
February financials: Event revenue even with budget with \$100,000 unfavorable variance

attributed to UCONN football offset with \$100,000 favorable budget variance with soccer game F&B revenue \$550,000 unfavorable to budget attributed to UCONN football
 Expenses \$200,000 favorable to budget
 Total year projection approx. \$375,000 unfavorable to budget

Residential Housing

Initiatives – Total Contracted Loans: \$82.0M
 Current Disbursed: \$50.4M

FY2019 Budget Process

1. Venues prepared draft budgets (March through April)
2. CRDA staff review draft budgets with Venue staff followed by appropriate adjustments (April)
3. CRDA Board Finance Committee & members review draft budgets with CRDA staff and Venue staff followed by appropriate adjustments
 - 3.A. April 24 or 25 Meeting to be scheduled
 Discussion: CT Convention Center, Subsidy Program, CRDA Parking Facilities, Central
 - 3.B May 1 or 2 Meeting to be scheduled
 Discussion: XL Center, Pratt & Whitney Stadium @ Rentschler Field, Front Street District, Church Street Garage, CRDA Office, and CRDA State Appropriation Allocation
4. Full Board presented budgets for authorization (June 21)

CRDA Parking & Energy Fee Revenue Bonds

Series B	\$55.530M	Currently under a standby bond purchase agreement with Bank of America through Aug. 27, 2018 Action: Renew standby bond purchase agreement
Series D	\$17.665M	5% to 5.75% Callable after June 15 Action: Refinance into new issuance to reduce annual debt service payments Bond Counsel: Soeder & Associates working with State Treasurer Financial Advisor: Lamont Financial Services

Housing Committee

Michael Freimuth reported on the following project update:

- 100 Trumbull – project closed for the conversion of two-bedroom units into studios and one bedroom units.
- High Street – possible late June closing.
- 241 Asylum – project near closing.
- Radisson – no change
- 81 Arch Street – 16% complete
- 370 Asylum - 45% complete
- 101 Pearl Street – abatement and demo complete; project approximately 12% complete
- 111 Pearl Street – abatement and demo complete; project approximately 10% complete

Venue Committee

Andy Bessette reported on the following Venue Committee items:

XL Center

- RFP – The RFP for the sale of the XL Center will be issued on April 30th.
- Wolfpack – The Wolfpack held its final game of the season last week, finishing the season with 34 wins and 42 losses. The team averaged 3,300 fans per game, roughly the same as last year. Concessions numbers continue to show improvement and members should have a sheet in their packet showing some impressive figures for the season.
- Admissions Tax – The impact of the newly-imposed State admissions tax on XL has been dramatic. The Wolfpack alone is estimated to pay over \$70k this year and \$200k next year in admissions taxes and promoters warn that the tax will deter acts from playing at XL in the future. Legislation repealing the tax was passed by the State Finance Committee, but it faces an uncertain future on the House and Senate floors.

Pratt & Whitney Stadium

- Field Replacement - A memo from Mike Freimuth explaining the Stadium reseeding project is included in Board members' packets. Work is scheduled to begin in the next week and will continue through the end of the month.
- Stadium Operating Budget - The Stadium is projected to finish the year approximately \$375,000 in the red due to declining UConn football attendance. Per our lease agreement, the University is required to cover the first \$250,000 of any shortfall and the balance will be made up by utilizing reserve funds in the Stadium Enterprise Fund.
- UConn Football - The Stadium hosted more than 2,000 fans last weekend for the UConn Spring Game. UConn's 2018 schedule has been announced and the Stadium will be hosting six home games this fall.
- Trooper Funeral – As widely reported in the media, the Stadium hosted the wake and funeral of State Trooper Kevin Miller, who died earlier this month.

Convention Center

- The building is operating according to budget and attendance projections. There are a number of water leak issues on outside walkways that need to be addressed and funding will be requested when the State Bond Commission is next scheduled to convene. A capital repair program to address issues in the parking garage is currently underway.

Dillon Stadium

- The Dillon Stadium term sheet was approved by the Hartford City Council on April 9th and a copy was included in your packet. CRDA will manage the construction work at Dillon, utilizing \$10 million for Stadium improvements and a new artificial playing surface, as well as improvements to neighboring Colt Park. A capital reserve will also be built into the project budget. Bob Saint has been meeting with Hartford Sports Group (HSG) to lay out a construction budget and schedule.

CRDA and the City will enter into a License/Use Agreement for CRDA’s management of the facility and HSG will cover operating expenses. Should such expenses exceed \$300,000 in a given year, HSG may assume direct management of Dillon. Spectra will likely manage the day-to-day operations of Dillon on CRDA’s behalf and they will likely enter into a separate agreement with HSG for game-day operations. The City will continue to schedule community usage of Dillon and HSG will create a community event fund to help cover the cost of such usage.

The parties have agreed to a five-year deal with a number of renewal options. A working group is meeting weekly to work out the details of the various agreements.

Tennis Center

- The agreement transferring the tournament sanction to the TFC is currently being negotiated. WTA and USTA assistance is being arranged for the 2018 tournament schedule for August 17th - 25th.

Neighborhood Committee

Mayor Luke Bronin gave an update regarding the status of projects, similar to what was reported in the Mayor’s report, reiterating information regarding the DoNo and Park & Main RFP’s.

Opportunity Zones Nomination – provides a federal tax incentive for investors to re-invest unrealized capital gains into opportunity zones through opportunity funds. no capital gains for 10 years – Certain kind of funds. Catherine Smith indicated that 10 Zones were nominated for Hartford.

Mayor Leclerc ask Catherine Smith to forward the information regarding how many Zones were nominated for East Hartford.

Executive Director Report

Michael Freimuth reported on the following items:

100 Retreat Road – The RFP for 100 Retreat Road consists of 20+ acres of property and is owned by the State of Connecticut through MIRA (Materials Innovation and Recycling Authority) fka CRRRA and is seeking a potential leasee for a portion of land available as surplus for commercial and/or industrial use.

The following companies responded to the RFP in February: Sardilli Produce and Dairy; Freshpoint.

Michael Freimuth distributed a quick summary of economic components proposed by the bidders. The summary focused on some of the following comparisons: Lease Rent; Lease Terms; Property Tax New Growth; Job Generation; Job Retention.

100 Reserve Road Quick Summary of Economic Components As Proposed By Bidders		
	Fresh Point	Sardilli
Lease Rent	\$200,000	\$120,000
Lease Terms	30 YR. 6 10 Year Renewals	30 YR. 3 10 Year Renewals
Property Tax Net Growth	\$720,000	\$271,000
Job Generation	75 Phase I (1-3 yrs.)	125 Phase I (3-5 yrs.)
	80 Phase II	150+ Phase II
Job Retention	185	125
City Parcel	Property Tax at Par	Purchase at \$300,000, lease back pass through structure with CRDA
	Purchased at 110% FMR	
Build Out	145,000 S.F.	100,000 S.F.
	40-100,000 Phase II	75,000 Phase II
	Phase I - \$39M	Phase I - \$26M (\$5M DECD Contingency)
	Phase I - 12-18 Months	Phase I - 24-36 Months
Common Benefits	Charitable Programs in place	New Farmers Market

Board members vetted questions regarding job growth and retention as well as tax generation. Representing Sardilli was Jason Sardilli and Devon Sardilli and representing Freshpoint was Walter Paulekas, Ford & Paulekas LLP, along with Michael Flanigan, President Freshpoint Connecticut, LLC.

The following motion was moved by Ben Barnes and seconded by Catherine Smith.

“The CRDA Board recommends that Executive Director Michael Freimuth gather additional information regarding tax generation and job growth prior to making a recommendation to MIRA.”

Front Street Phase IV – Additional funds, from the CCEDA Adriaen’s Landing period, will be used for unexpected environmental cost and cleanup.

Conveyance Bill – Bushnell South Project is moving forward.

East Hartford Funds – Discussed the Horizon Project not moving forward and waiting for City to indicate the usage of unallocated state funds.

Neighborhood Project Manager – A job description is currently being drafted for a position that will be housed at CRDA and funded by a grant to the City of Hartford.

Executive Session

The following motion was moved by Andy Bessette, seconded by Marcia Leclerc and unanimously approved.

“The CRDA Board of Directors hereby moves to go into Executive Session Property Negotiations and Staff Reviews.”

The Board resumed the Board Meeting at 7:25pm and adjourned.

“The minutes of the April 19, 2018 CRDA Board Meeting were moved by Andy Bessette seconded by David Jorgensen and approved by Board Members at the April 19, 2018 CRDA Board Meeting with David Kooris and David Robinson abstaining.”