

**Capital Region Development Authority
Board Meeting
CT Convention Center
100 Columbus Blvd, Suite 500
Hartford, CT 06103
Thursday, April 21, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Garrett Eucalitto; Sean Fitzpatrick; David Jorgensen (conference phone-signed off 7pm); Commissioner Evonne Klein; Mayor Marcia Leclerc; Commissioner Jim Redeker; Commissioner Catherine Smith; Joanne Berger-Sweeney

Absent: Michael Matteo

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

Guests: Charles Tillem, Spectra Foods; Sarah Willcox Layedra, Executive Director; Dana Cialfi, Deputy Director of the Tennis Foundation of Connecticut

Call to Order & Minutes

The Board Meeting was called to order at 6:02pm.

The minutes from the February 18, 2016 Board Meeting were moved by Evonne Klein, seconded by Andy Bessette and unanimously approved.

Spectra Food Service

Charles Tillem presented a Powerpoint presentation reviewing sales data for AHL, UConn Hockey; UConn Men's Basketball; UConn Women's Basketball; Concerts; Fan Club and Pratt & Whitney Stadium.

Mr. Tillem presented Spectra Foods "Roadmap" for per capita growth including but not limited to Menu Engineering; Value combo Meals; Souvenir Cup Program; Subcontractors and Tailgating.

Subcontractors at XL- rebranding the "stand 7" location to Aladdin Pizza, improved sales by 168%. A second location by the main entrance is planned for the coming year.

Tailgate Tent at Rentschler – currently planning to open a centralized location for upscale tailgating. Packages would include VIP parking, Food & Beverage and merchandise. The menu would include tailgating favorites and local hand crafted beers. The hospitality tent would be furnished with big-screen TV's and climate control.

Mayor's Report

Hartford Mayor Luke Bronin reported:

- City of Hartford Budget contains steep cuts, including layoffs and eliminating all cultural and arts subsidies.
- Budget also contains labor concessions.
- Regionalization measures, like cost sharing among surrounding communities, could help Hartford.
- full PILOT payments by the state and local-option taxes on local non-profits could help Hartford.
- DOT funded streetscape improvements on Albany Avenue will soon begin which will complement the development project at Woodland and Albany Ave.
- Would like to start the next phases of Downtown North Development soon, efforts for a grocery store do not look likely, however still hopeful.
- UHart and Housing Authority met to discuss ways that they can help each other which will create some funding for the Housing Authority and some housing for UHart.
- CRDA is sponsoring a planning study for parcels at Park & Main
- Working with local property owners that are assembling some property in the Terry Square area. This is another area that we hope will be a priority in partnership with CRDA.
- Steel structure for Candlewood Suites on Pequot Street has been erected.
- Committee for City Council approved the City's loan for 370 Asylum.
- CRDA supported study of lots next to State Office Building and continued desire to move forward with Promise Zone investments.
- The Baseball Stadium development is moving along however it is not clear whether construction will be completed by the deadline, which will result in penalties.

East Hartford Mayor Marcia Leclerc reported:

- Moving along on development opportunities at Rentschler Field
- CRCOG, Silver Lane Corridor Study, studying signaling signage, sidewalks and the width and configuration of Silver Lane.
- Continue to work down Main Street with improvements.
- CRDA legislative discussion to take place in a separate conversation. There are three housing opportunities for East Hartford within that legislation.

Housing Committee

Sean Fitzpatrick, Chairman of the Housing Committee reported that the Committee met on March 18, 2016 and reported the following:

370 Asylum – reiterated Committee for City Council approved the City's loan for 370 Asylum and also noted that community benefits are being more extensively negotiated to enhance local hiring. Michael Freimuth noted that 370 Asylum did get approved by the Bond Commission, still working through CHFA underwriting.

Michael Freimuth continued updating the Board regarding the following projects:

Radisson – CRDA closed financing with the Radisson, going into construction late this summer.

Occupancy & Absorption – 777 Main; 201 Ann; 179 Allyn; Front Street; Spectra – all have increased occupancy from the last report. Absorption is running about 76%, of 700 units, 525 are occupied.

New to the City of Hartford - 61% of the individuals are new to the City of Hartford. Sonesta, Allyn and Front Street are all over 75%, however 777 Main is lower making it 61%.

Pipeline

- North Foundry building at Colt
- Lewtan properties on Allyn Street working with LISC & Main Street Program
- CRDA has been approached by several developers regarding 525 Main Street
- Trinity Building on Constitution Plaza.

777 Main Street – has been nominated for Statewide (CREW) CT Real Estate Women award.

Sonesta – has been presented with a National Historic Preservation Award.

CRDA Residential Housing Initiatives – a principal and interest schedule was handed out forecasting the P&I Return to CRDA.

Venue Committee

Tennis Center

Michael Freimuth reported that the Second Amendment to the Tennis Tournament License Agreement is up for renewal for the 2017 Tournament. This agreement reflects an extension to the amended agreement dated May 26, 2015.

Dana Cialfi gave a brief overview of the work currently being performed at the tennis center and the events planned for the upcoming Tournament.

The following motion was moved by Catherine Smith, seconded by Andy Bessette and unanimously approved.

“The CRDA Board of Directors hereby approves the extension to the second amendment to the Tournament License Agreement as presented.”

SECOND AMENDMENT TO TOURNAMENT LICENSE AGREEMENT

THIS SECOND AMENDMENT TO THE TOURNAMENT LICENSE AGREEMENT (hereinafter the "Second Amendment") is made and entered into as of this ____ day of March, 2016 by and between the **CAPITAL REGION DEVELOPMENT AUTHORITY** (“CRDA” or “Licensor”), a body corporate and public constituting a public instrumentality and political subdivision of the State of Connecticut, with an office and place of business at 100 Columbus Boulevard, Suite 500, Hartford, Connecticut 06103-2819 and the **TENNIS FOUNDATION OF CONNECTICUT**, a Connecticut not-for-profit corporation, with an office at 900 Chapel Street, Suite 622, New Haven, Connecticut 06510, (hereinafter referred to as "TFC" or “Licensee”). Capitalized words and terms used herein have the respective meanings ascribed to such words and terms in the Amended Agreement, as hereinafter defined.

WITNESSETH:

WHEREAS, Licensor and Licensee entered into that certain Tournament License Agreement dated December 31, 2013 relating to the management and presentation of the Tournament (the "Original Agreement");

WHEREAS, the parties entered into an Amendment to Tournament License Agreement dated May 26, 2015, which amended the Original Agreement to reflect an extension to the Term and a change in the title of the tournament (as so amended, the "Amended Agreement");

WHEREAS, Licensor and the Licensee desire to amend further the Amended Agreement as more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the receipt and sufficiency of which are acknowledged, the Licensor and the Licensee hereby further amend the Amended Agreement as follows:

1. Section 1 of the Amended Agreement is deleted in its entirety and the following is substituted in lieu thereof:

1. Term and Future Rights

a. Term.

The term of this Agreement (the "Term") shall be from the Effective Date and shall continue through December 31, 2017. This Agreement shall be terminable by Licensor for the 2017 Tournament, without penalty or cause, during the period beginning on September 30, 2016 and ending on December 31, 2016. Notwithstanding anything to the contrary in this Agreement, notice of such termination will be made no later than December 31, 2016.

b. Future Negotiation.

Neither party shall be obligated in any manner to negotiate for a renewal or extension of this Agreement at the conclusion of the Term; however, provided that both parties agree, the parties will meet together between January 1, 2017 and March 31, 2017 to discuss the possibility of a renewal or extension of the Agreement, as amended by this Amendment.

2. Except as modified hereby, all other terms and conditions of the Amended Agreement shall remain in full force and effect. This Second Amendment may be executed in multiple counterparts, and each counterpart shall constitute an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by their respective duly authorized officers or representatives.

TENNIS FOUNDATION OF CONNECTICUT

By: _____
Sarah Wilcox Layedra
Executive Director

Date: _____

**CAPITAL REGION DEVELOPMENT
AUTHORITY**

By: _____
Michael W. Freimuth
Executive Director

Date: _____

Andy Bessette continued the report on Venue Committee matters:

Tennis Center (continued)

- Capital Improvements - Work continues on construction of new offices, renovation of the media center and players' lounge and electrical, water and sewer upgrades.

The Tennis Center also reports that it has hired a new individual to help with securing sponsorships for the Tournament.

Convention Center

- Management Contract - Waterford's contract for management of the Convention Center was set to expire this June. A one-year extension while CRDA prepares to put the contract out to bid. A Request for Qualifications will be released in September, with a short list of candidates compiled in October, interviews conducted in November and a Committee selection expected sometime in December.

XL Center

- Long Term Reconstruction Project – In light of the State's current budget situation, design work on the XL Center transformation has been put on hold for a few months. Work continues, however, on much-needed security upgrades in the building utilizing existing bond funds.

- Northland – Discussions are continuing with Northland regarding acquisition of all or part of the Trumbull block. There is a considerable gap, however, between CRDA and Northland’s expected sale value.

Pratt & Whitney Stadium at Rentschler Field

- New Roadwork and Parking Lot - CRDA continues working with UTC’s developer on construction of a new roadway that will service both the Stadium and the planned development at Rentschler Field. Some \$7 million in State bond funds secured by OPM is being utilized for the project. Work also continues on the new grass parking lot located at the southern edge of the Stadium site.
- U.S. Women vs. Columbia Soccer Game – More than 19,000 fans turned out to see the U.S. Women’s soccer team play Columbia on April 6th – the largest ever crowd for women’s soccer at the Stadium. Spectra has not finalized their settlement with U.S. Soccer, but they estimate a Stadium profit of over \$150,000.

Finance

CRDA CFO, Joseph Geremia reported the following April 2016 Financial update:

Fiscal Year 2016 Operating Statistics

CT Convention Center – February/March 2016

March stats:

- 158 event days held YTD with YTD attendance at 244,300

February financials:

- Utility and snow removal expenses down favorable compared to budget.
- Event-related expenses down favorably to decreased event revenue
- Net Income \$100,000 favorable to budget

CRDA Parking Facilities – February/March 2016

March stats:

- Utilization favorable to budget at 56%
- Monthly rate customers even with prior year at 22,600 YTD
- Transient customers even with prior year at 307,000 YTD

February financials: Transient revenue favorable by 13% compared to budget

- Payroll, Utility and snow removal expenses favorable to budget
- Net Income \$500,000 favorable to budget

XL Center - February/March 2016

March stats:

- 119 event days held YTD with YTD attendance at 485,300

February financials:

- Event revenue unfavorable by 3% with expenses even compared to budget
 - o Hockey operations favorable to budget by \$100,000
- Net Income \$200,000 unfavorable to budget
- Projected to be \$145,000 unfavorable to budget for Fiscal Year

Church Street Garage

- Monthly rate customers at 13,000 YTD, favorable to budget by 380 per month

- Transient customers at 133,700 YTD, favorable to budget by 62,500 YTD

Rentschler Field - February/March 2016

March stats:

- 84 event days held YTD with YTD attendance at 150,700

February financials:

- Event revenue unfavorable by 5% with expenses favorable by 16% compared to budget
- Net Income \$65,000 favorable to budget

Residential Housing Initiatives

- Total Contracted Loans: \$49.2M
- Current Contracted Loans: \$43.3M
- Current Disbursed: \$33.8M

Fiscal Year 2016 Budget

State budget effects:

- 6% rescission in 3rd Quarter - \$471,861
- 6.3% rescission in 4th Quarter - \$493,218
- Total rescission of 12.3% - \$965,079
 - o CRDA Office: \$490,079, Subsidy program: \$75,000, Front St. District: \$50,000
CTCC: \$200,000, XL Center: \$50,000, TFC: \$100,000
 - o CRDA Office detail – F&E: \$75,000, Legal fees: \$50,000, Payroll/Benefits: \$75,000
 - o Other expense reductions: \$55,000
 - o Revenue increases: \$275,000

The following motion was moved by Sean Fitzpatrick, seconded by Joanne Berger-Sweeney and unanimously approved.

“The CRDA Board of Directors hereby approves the CRDA budget rescissions as presented.”

Chairwoman Hopgood asked for a motion to add Andy Bessette to the CRDA Finance Committee.

The following motion was moved and unanimously approved.

“The CRDA Board of Directors hereby appoints Andy Bessette to the CRDA Finance Committee.”

Mr. Geremia also reported the dates of the CRDA Finance Committee meetings and invited all Board Members to attend.

April 25 – Monday

CTCC, Board Room A

10:30am: XL Center, Stadium @ Rentschler Field

11:30am: CRDA Parking Facility, Central Utility Plant, CRDA Indenture & Trustee

May 2 – Monday

CTCC, Meeting Room 21

1:00pm: CTCC, Subsidy Program
2:00pm: Church St. Garage, Front St. District, CRDA Office

CRDA Intern Michael McCaffrey has reinstated the Flag Beautification Program, selling space on flag poles on the Mike Peters Bridge. Of the 18 flag poles 12 have been sold to nonprofits and Hartford based companies raising \$22,000. A flag raising ceremony will take place on the bridge on May 12 at 12:15.

A discussion regarding the cost of police presence at XL Center events took place. Police costs, “post Paris”, have increased between \$3-4 thousand dollars per event.

Mayor Bronin, Mr. Freimuth and Chairwoman Hopgood discussed the changes that were made “post Paris” and how this increased fees. The Hartford Police Department is the sole security force by contract for the XL Center and there has been an influx of officers at all events since the Paris attacks took place.

Executive Director Report

Michael Freimuth reported on the following:

Legislative Items

CRDA District - expansion into East Hartford would allow CRDA to operate around a portion of the Riverfront. This Bill is getting some pushback by Hartford legislators.

Statewide Marketing & Promotion Account – would help some in the promotion of venues.
Innovation District – promoted by Sen. Fonfara, this would be in CRDA’s District and would give allow us to work within innovation area around Trinity corridor. Bill 5576

Transit Corridor – The way the bill is written, CRDA would manage via an MOU, a separate board, separate authorities, and whatever the separate funds that might be made available. Bill was amended in Committee to exclude Newington, Hartford & West Hartford.

Ethics code revisions – no impact on CRDA

Contract privatization – Bill would require Quasi’s to hire public employees for venue contracts, i.e. XL, CTCC, Pratt & Whitney Stadium at Rentschler Field.

Planning Initiatives

- Bushnell – meeting with Konover on April 22 regarding Elm Street properties
- South Green – the analysis is moving along.

Construction Update

- Capewell - 60% complete.
- Hartford Office Supply - 34% complete.
- Radisson – construction begins summer 2016.
- 307 Asylum – construction begins summer 2016.
- XL – buying two new “Zambonies”.

- Church Street garage – full elevator replacement being planned, painting & signage complete.
- 450 Columbus – summer move-in planned.
- UCONN – foundation work is done and steel construction is set to begin.
- A five year capital improvement plan for Garage Improvements - CRDA retained Desman to do a study and they have identified approximately \$4.5M worth of work that needs to be done to Adriaen’s Landing garages over the next five years. \$1.5M has been set aside to complete some of the work starting this summer. The work will not disrupt parking.

Miscellaneous

- UCONN -The new UCONN Athletic Director David Benedict was very helpful in the decision making which enabled XL to move ahead with an event which could have been lost.
- AD Benedict indicated that UCONN is going out to bid to hire a sales force to sell events that are at XL.
- Marketing – Live Hartford – all about how to attract and retain people in town.
- Hype 10 year anniversary block party – June 8 at Front Street, sponsored by Travelers.

Executive Session

At 8:10 Chairwoman Hopgood called for a motion to move to Executive Session to discuss personnel matters.

The following motion was moved by Catherine Smith, seconded by Sean Fitzpatrick and approved.

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

Executive Session ended and the CRDA Board adjourned at 8:24pm

“The minutes of the April 21, 2016 CRDA Board Meeting were moved by Andy Bessette seconded by Evonne Klein and unanimously approved by Board Members at the May 19, 2016 CRDA Board Meeting.”