

**Capital Region Development Authority
Board Meeting
CT Convention Center
100 Columbus Blvd, Suite 500
Hartford, CT 06103
Thursday, June 16, 2016
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Joanne Berger-Sweeney (by phone); Sean Fitzpatrick; David Jorgensen; Cheryl Malerba; Tim Sullivan; Garrett Eucelitto

Absent: Michael Matteo; Commissioner Evonne Klein; Mayor Marcia Leclerc

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

Guests: Greg Ludovici, Julia Pistell, Sea Tea Improv

Call to Order & Minutes

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

The minutes from the May 19, 2016 Board Meeting were moved by, Sean Fitzpatrick seconded by Cheryl Malerba and unanimously approved.

Sea Tea Improv

Owners of Sea Tea Improv, Greg Ludovici and Julia Pistell introduced themselves and gave a brief introduction about Sea Tea Improv, Hartford's professional comedy company. The company performs and teaches improv, sketch, and stand-up comedy and also have workshops that teach comedy classes. They do public comedy shows and are also available for hire. Sea Tea Improv is currently building out a theater at 15 Asylum Street in downtown Hartford.

Mayors Reports

Mayor Luke Bronin reported the following:

- On June 6, 2016, the Hartford Stadium Authority and the Mayor formally terminated DoNo Hartford LLC and Centerplan Construction Co. from the Dunkin' Donuts Park project, having previously filed a claim with the project surety, Arch Insurance Co., for completion of the stadium. Consultations with Arch are ongoing; as yet no final schedule for the completion of construction has been issued.
- The City will also need to determine whether to invoke the provision of the Downtown North Master Development Agreement which permits it to terminate DoNo/Centerplan's rights to develop 6 additional parcels adjoining the Stadium, due to the Developer's default under the Ballpark development agreement.
- Centerplan has also withdrawn from a tentative agreement to develop a mixed-use building anchored by Rite Aid drug store at Albany Ave. & Woodland Street due to Rite Aid's decision not to proceed

with the project. The Hartford Redevelopment Agency will determine in the near future whether to issue a new, stand-alone RFP for the site or package this site with other nearby development opportunities.

- The following new downtown hotel capacity has come, or will come, online in the coming year:
 - The 96-Room Red Roof Hotel on Asylum Street, formerly the Holiday Inn Express, reopened in April 2016.
 - the 124-room Goodwin Hotel redevelopment is proceeding, with plans to convert the former lobby entrance at the corner of Asylum and Haynes Streets to a restaurant and bar (they have already identified a restaurant tenant) – with the lobby entrance being re-located onto Haynes Street between Asylum & Pearl Streets. They plan to re-open the hotel by Christmas 2016.
 - A new, 81 room Candlewood Suites Hotel on Market Street in Downtown North is slated to open in the first quarter of 2017.

Chairwoman Hopgood added that CRDA is creating a presentation to keep the business community focused on the “positive”. Michael Freimuth and Sean Fitzpatrick will communicate a message that will contain information regarding development and the ongoing energy that continues, separate from the financial crisis that the City is going through, so a positive message is being sent.

Finance

CRDA CFO Joseph Geremia gave the following financial update for June 2016. Mr. Geremia also reported that the Auditors, Mahoney Sabol, completed their review through March 31 with no significant findings. The Auditors will return on July 25.

Fiscal Year 2016 Operating Statistics

CT Convention Center – April/May 2016

May stats: 216 event days held YTD with YTD attendance at 308,500

April financials: Event-related expenses down favorably due to decreased event revenue

Net Income \$200,000 favorable to budget

CRDA Parking Facilities – April/May 2016

May stats: Utilization favorable to budget at 66%

Monthly rate customers even with prior year at 27,700 YTD

Transient customers favorable to prior year by 10,000 at 380,500 YTD

April financials: Transient revenue favorable by 15% compared to budget

Payroll, Utility and snow removal expenses favorable to budget

Net Income \$700,000 favorable to budget

XL Center - April/May 2016

May stats: 146 event days held YTD with YTD attendance at 575,700

April financials: Event revenue unfavorable by 8% with expenses even compared to budget

Hockey operations favorable to budget by \$100,000

Net Income \$200,000 unfavorable to budget

Church Street Garage - April/May 2016

May stats: Monthly rate customers at 15,800 YTD, favorable to budget by 330 per month

Transient customers at 165,700 YTD, favorable to budget by 91,800 YTD

April financials: Event revenue favorable by 34% compared to budget

Transient revenue favorable by 28% compared to budget
Net Income \$210,000 favorable to budget

Rentschler Field - April/May 2016

May stats: 117 event days held YTD with YTD attendance at 197,900

April financials: Event revenue even to budget with expenses favorable by 9% compared to budget

Net Income \$100,000 favorable to budget

Residential Housing Initiatives – Total Contracted Loans: \$49.2M
Current Contracted Loans: \$43.3M
Current Disbursed: \$34.9M

Housing Report

Sean Fitzpatrick and Michael Freimuth reported on the Housing Committee meeting that occurred on June 3.

Wyllys Street - Bank funding was withdrawn, however the developer is confident he can find substitute financing. The Housing Committee asked Michael Freimuth to send a letter indicating continued support for the project however the Committee recommends a 90 day deadline on the developers ability to obtain the new financing.

“Lewtan” Properties – High Street/Allyn Street, actively being reviewed for financing.

Allyn Street - Basel III requires a minimum threshold of equity investment that we cannot reach on this project. CRDA is working with several parties trying to put this together and hopefully will bring something before Board in September.

Pearl Street – Both buildings may be sold to a new developer. A smaller project is the building on the corner and will start first, with market housing these buildings would be eligible for historic credits.

Colt – CRDA is reviewing the last building in the Colt complex.

Andy Bessette started a dialogue regarding the need for a grocery store downtown. Joann Berger-Sweeney underscored what Mr. Bessette said adding that she has had conversations with faculty/staff that there is a real need for fresh food/groceries downtown.

Michael Freimuth presented the following project that has been vetted by the CRDA Housing Committee for a second time. Mr. Freimuth explained the differences from the previous proposal. Hartford Community Loan Fund increased their loan. Bond Commission had previously approved \$125,000. The proposal is for CRDA to add an additional \$50,000 of funds that were repaid from other projects to complete the financing.

1279-83 Main Street

\$951,098 TDC
\$400,000 Hartford Comm.Loan Fund
\$170,431 State Historic Tax Credits
\$175,000 CRDA Loan
\$205,667 Owner equity and land

Renovation of storefront and creation of 8 2BR units.



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

“The CRDA hereby approves the use of CRDA housing funds to assist the developer, San Juan Center, Inc. (or such acceptable single purpose entity) to renovate 1278-83 Main Street, Hartford into 8 2BR market units and the Executive Director is authorized to extend a formal term sheet to the developer offering up to \$175,000 loan at 3% interest for a period of 25 years; subject to evidence that all other sources of funds are secured in such terms as acceptable to CRDA and its counsel and such fiduciary terms deemed appropriate by the Executive Director.”

Venue Committee

Andy Bessette gave the Venue Committee update by stating that Steve Penny, CEO of USA Gymnastics had nothing but praise for the XL Center as the location for the National Championships and for Olympic trials and that Hartford was one of the top three choices as one of their best Venues in the Country for gymnastics. Mr. Penny and he spoke about moving a large event to Hartford from a different location. Mr. Bessette requested that Mayor Bronin and he reach out to Mr. Penny to encourage him to move other large gymnastic events to the XL Center.

XL Center

Event Update – On June 5th, the XL Center hosted the P&G Gymnastics Championships and Secret U.S. Classic. More than 16,200 people attended the three-day event, including an XL Center single day record of 11,771 people during Saturday’s sessions. The event outperformed budget estimates by more than \$250,000. The Venue Committee expressed its desire to see the business community get more involved with this event; accordingly, a meeting will be scheduled with the Metro Hartford Alliance to explore this effort.

Capital Improvements – While the long-term transformation project has been put on hold, additional work is being done to address critical needs in the short term:

Ice Floor – A tentative work schedule and cost estimates have been formulated for the potential replacement of the arena floor and ice piping next summer, pending the State Bond Commission’s approval of funding. The project cost is \$2,500,000.

Elevators – Design work is underway on the modernization of four elevators at XL and the Church Street garage, including the XL Center service elevator. CRDA is in the process of requesting bond funding in the amount of \$1,750,000 for this project.

Security – Design of the new security camera upgrade project is also underway. Based upon the assessment of the current system, the project cost is estimated to be \$500,000. This project will be included in CRDA’s bond request for July, 2016. Bob Saint distributed a handout to explain the improvements needed for XL Center security. These changes will include moving walls, power systems and camera systems. Bob further explained that the operational side of the business is greatly impacted while shipping and receiving has the only working elevator that goes to the top level, this creates a difficult situation for all aspects of operations. Changes are currently being implemented to begin preparation for modifications.

Pratt & Whitney Stadium at Rentschler Field

New Roadwork – Work is proceeding on the new parking lot and roadway servicing both the Stadium and the planned development at Rentschler Field.

Building Management System – Utilizing funds received from the State’s “Lead by Example” program, Rentschler installed a new building management system, which resulted in 35% reduction in utility costs during the heating and cooling months.

Convention Center

Capital Improvements/Repairs

Cooling Towers – In May, the Convention Center experienced the loss of one of its cooling towers due to the catastrophic failure of the tower’s fan system. Repairs have been completed and steps are being taken to prevent such an event in the future.

Elevators – The elevators in the Convention Center parking garage are in need of some major repairs. We are currently working with our Contractors to review and design the repairs.

Box Office - Construction of the new box office will begin this summer.

Tennis Center

Capital Improvements – The TFC has reevaluated its capital plan to focus more specifically on reducing operating costs, generating additional revenue, and the Tennis Center less reliant on State subsidies. Such improvements will reduce the need to rent trailers, utility equipment, and tents.

Neighborhood Committee

Chairwoman Hopgood reported that the Neighborhood Committee elected Mayor Bronin as the Chairman of the Neighborhood Committee.

Joanne Berger-Sweeney stated that her Chief of Staff, State Representative Jason Rojas expressed concern for the Mayor if he is the Chairman of the Neighborhood Committee indicating that people might get the wrong perception. Joanne Berger-Sweeney however, gave her total support of Mayor Bronin’s newly appointed position on the Neighborhood Committee. Mayor Bronin thanked President Berger-Sweeney for articulating what Rep. Rojas stated however Mayor Bronin assured the Board that he believes it is appropriate given the mission of the Neighborhood Committee.

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

“Mayor Luke Bronin will serve as the CRDA Neighborhood Committee Chairman effectively immediately.”

Mayor Bronin reported that the first meeting was geared toward discussing what the priorities and processes should be for identifying Neighborhood projects.

He explained that \$40M is designated to be spent outside of the CRDA District, \$20M in the Promise Zone, \$20M undesignated beyond the downtown CRDA District. Mayor Bronin described his personal view would be to focus on properties that have been recognized as having strategic importance.

The CRDA Neighborhood Committee consists of Joanne Berger-Sweeney; David Jorgensen; Mayor Luke Bronin, Mayor Marcia Leclerc; Suzanne Hopgood and Don Chapman, as a non-voting member.

Executive Director Report

Michael Freimuth reported that the Management of the Church Street Garage went out for RFP June 30, 2016. Anthony Lazzaro further explained the selection process and terms of the agreement.

Selection Process:

- A formal public Request for Proposals (“RFP”) for parking management services at the Church Street Garage was issued on March 30, 2016.
- CRDA received seven (7) submissions, which were evaluated and ranked. The three highest scoring proposers were invited for interviews. At the conclusion of the RFP process, CRDA selected Pro Park America as the preferred bidder. CRDA and Pro Park have negotiated a proposed qualified management agreement under the following terms.

Terms:

- Annual Base Fee – Year 1 - \$7,000; Years 2-5 - \$12,000 with a 3% annual increase. The current management agreement provides a base rate of \$30,000. The proposal does not include an incentive fee.
- Additional Financial Consideration: Pro Park will provide audio/visual equipment to upgrade the garage’s automated gate system at no charge. Additionally, they are willing to finance up to \$400,000 for the replacement and upgrade of the existing parking access and revenue control system that will be integrated into their Command Center remote monitoring system.
- Duration – The term of the proposed agreement is five years cancellable, at the Authority’s sole discretion, after the completion of the third year. This is in accordance with I.R.S. Guidelines.

After a discussion, the following motion was moved by Andy Bessette, seconded by Joanne Berger-Sweeney and approved.

“The CRDA Board of Directors hereby authorizes the Executive Director to execute such Agreement, as presented.”

Michael Freimuth continued with the following updates:

Capital Projects

- CUP - went through some major capital repairs recently
- CTCC Garage - will be going into a major capital program

Construction

- Newington – EPA gave final approval for work to be completed, this project is near completion.
- UCONN Campus – 20% complete, substantial completion scheduled for July 2017
- East Hartford – in design phases for permitting & design for street and parking lots
- 450 Columbus – phase one is almost complete
- Capewell & Hartford Office Supply - both 70% complete
- Radisson - Mayor Bronin reported to the Board that the Radisson has plans to sue the City of Hartford for not giving them a tax abatement deal
- UCONN/Rentschler – CRDA met with UCONN regarding Rentschler. UCONN offered up a variety of things that they’d like to see done and CRDA is evaluating the cost.

Miscellaneous

- CRDA meeting with Federal Home Loan Bank next week
- Front Street HYPE party well attended
- CRDA is in conversations with OPM and the Dept. of Agriculture about having a role in rebuilding the Regional Agriculture Market
- IRS Inquiry – regarding the Bonds issued over 10 years ago. An ongoing conversation between CRDA and the IRS continues.

The following motion was moved by Sean Fitzpatrick seconded by David Jorgensen and approved.

“The CRDA Board of Directors hereby moves into Executive Session to discuss legal and contract issues.”

Executive Session adjourned with no action and the CRDA Board adjourned at 8:04pm.

“The minutes of the June 16, 2016 CRDA Board Meeting were moved by Sean Fitzpatrick seconded by Catherine Smith and unanimously approved by Board Members at the September 16, 2016 CRDA Board Meeting.”