

**Capital Region Development Authority**  
**100 Columbus Boulevard**  
**Suite 500**  
**Hartford, CT 06103**  
**Thursday, September 17, 2015**  
**6:00 pm**

**Board Members Present:** Chairwoman Suzanne Hopgood; Joanne Berger-Sweeney (left 6:30pm); Thom Deller; Evonne Klein; Michael Matteo; Scott Jackson; David Jorgensen; Cheryl Malerba; Catherine Smith

**Absent:** Andy Bessette; Mayor Marcia Leclerc; Mayor Pedro Segarra

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

Chairwoman Hopgood welcomed and introduced new CRDA Board member, Joanne Berger-Sweeney, 22<sup>nd</sup> President of Trinity College.

**Call to Order & Minutes**

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

The minutes from the June 18, 2015 Board Meeting were moved by Evonne Klein, seconded by David Jorgensen and unanimously approved.

**Promise Zone Presentation**

Thea Montanez, Director of the North Hartford Promise Zone, gave an overview of the Promise Zone and the benefits to North Hartford being chosen as a designee.

Ms. Montanez explained that in President Obama's 2013 State of the Union address, he announced that he would designate 20 **Promise Zones** nationwide: urban, rural, and tribal communities where the Administration would partner with local leaders to create jobs, increase economic activity, improve educational opportunities, and reduce violent crime.

With the support of State and local leadership, businesses and participating federal agencies, in April 2015, North Hartford was chosen as a second round designee for the Promise Zone.

**Audit and Annual Report**

Joseph Geremia introduced the CRDA outside Auditing Firm, Mahoney Sabol & Company and their partners Jennifer Hawkins and Michael VanDeventer and Senior Auditor Samantha Thomas. Ms. Hawkins gave a brief overview of the audit function indicating that auditing the authority as a whole on a consolidated basis includes the Convention Center, parking facilities and the XL Center. In addition to that, when auditing the individual entities that comprise the consolidated statement, they also issue a standalone statement for the Convention Center, parking facilities and XL. Mahoney Sabol also audits the stadium at Rentschler Field however this entity is not consolidated within CRDA.

Mahoney Sabol's audit has been performed in accordance with (AICPA) American Institute of Certified Public Accountants, and also has to follow Government Auditing Standards issued by the U.S. Government Accountability office. The audit report issued by Mahoney Sabol for CRDA is an unmodified or "clean" opinion. There are no issues. The auditors have found that CRDA's financial statements are free from misstatement in a reasonable manner.

Another report on compliance over internal controls is also issued. This report is not an opinion. In the course of the audit work, the auditors take the time to understand the internal controls at CRDA as well as the underlying entities. Applicable laws and government regulations are considered when conducting the audit. This report did not find any instances of non-compliance and no material weaknesses. Ms. Hawkins indicated that this is considered the best level of reporting that you can get for this report.

Joseph Geremia gave a brief overview of the Annual Report indicating that the audited financial statements are included in the Annual Report.

The following motion was moved by Catherine Smith, seconded by Evonne Klein and approved.

*"The CRDA Board of Directors hereby approves the CRDA Annual Report for FY-2014-2015, as presented."*

### **Housing Committee**

Michael Freimuth reported that "Housing" information can be categorized as: (1) leased apartments (2) status in construction process (3) the Pipeline.

The four apartment buildings that are currently rented/leased, 201 Ann is at 76%; 179 Allyn is at 100%, 777 Main (rental & outstanding leases) 65% and Spectra (Sonesta) at 43%. Other statistical information includes: of the 352 rented apartments, 84% are leased by tenants below the age of 40; 94% of tenants are single and 85% are new to the City of Hartford.

Projects in construction: Lewis St. 40% completed; Elm Street 70%; Capewell 20%; Hartford Office Supply Building, has not yet closed. Constitution Plaza is still being worked out. Front Street Apartments will begin lease-up on October 15.

Pipeline projects: A couple of new projects in downtown north, there are also discussions ongoing regarding the Goodwin Hotel and at The Radisson Hotel.

### **Venue Committee**

#### **Tennis Foundation of Connecticut**

Sarah Willcox Layedra, Executive Director and Dana Cialfi, Deputy Director of the Tennis Foundation of Connecticut gave a brief presentation of the success of the 2015 Connecticut Open.

After a brief video, Sarah Layedra reported that:

- Non-profit status continues to pay dividends;
- Attendance was up again, affirming that the changes made upon CRDA's involvement with the tournament are delivering positive results;
- Sponsorship continues to grow, especially with UTC's renewal substantially strengthening

- the tournament for the next few years;
- The Player field & Legends event was solid and drove increased media coverage and ticket Sales;
- Off-court activities, food, created festival-like atmosphere

Preliminary numbers show that attendance increased 10% from the previous year with Tournament ticket revenues increasing roughly 16% from 2014. Multiple session packages were a large revenue driver with package sales increasing 36%; military appreciation efforts also provided discounted or free tickets to service members.

The Legends night was the highest attended session with individual ticket sales increasing nearly 600% from 2014; Retail and Parking Sales increased over 2014, and Food and Beverage sales were up 47% over 2014, with beer sales also up 40%.

Sponsorship – 50 sponsors are headquartered in CT; UTC renewing their sponsorship through 2017 was exceptionally important. Other sponsors include Smilow Center, Free Spin Bike Challenge; Bank of America #TroopThanks and KIND – sample KIND bars were distributed that promoted random acts of Kindness in adults and kids all week.

Non Profit - 50/50 Project – First year of charitable fundraising program where non-profit organizations can sell tickets to the tournament and receive 50% of net profits of tickets sold. A wide range of charitable organizations from all over the state of Connecticut signed up to sell tickets, including the American Red Cross, Hartford Chorale, New Haven Symphony, University of Connecticut Alumni Foundation and many others.

Dana Cialfi reported that the Tennis Foundation hired a marketing firm, Mason, resulting in a brand guide which included an overall positioning statement and elements of differentiation.

Some of what Mason was able to deliver was new and creative, “off-the-sports pages” press coverage and a high impact media program. Media highlights include:

- Featured 50+ media partners across five core media disciplines
- Achieved \$377,077 in media value against a total spend of \$159,086, +137%
- Rolling delivery of 53MM+ Impressions across the state of Connecticut
- 516 TV Commercials on NBC Connecticut (our primary TV sponsor)
  - This is 140% over plan delivery of 369 Commercials
- 1,143 of Radio Commercials on Connoisseur (primary Radio sponsor)
  - This is a 326% over the plan of 350 commercials and mentions
- Total 8.1M Digital Impressions vs. 8.3M Planned
- 86 Print Insertions Secured – 95% trade and/or value added
- A minimum of 29.4M Outdoor Exposures across Highway Digital Bulletins and thru Metro North Video Network – Stop Tips

### *XL Center Repairs*

Bob Saint reported that in the next few weeks, repairs to the exterior would be complete. He also reported that the steam main pressure reducing control valves were replaced and put in service in time to begin the process of ice making.

### XL Center – Arena Study

Kim Hart gave a brief report regarding the XL Center. CRDA received a concept plan from SCI Architects and it is currently with the construction cost estimator reviewing the \$250 million estimate to bring the building into the 21<sup>st</sup> Century.

CRDA is also working with SCI to develop a schedule regarding how the building can be kept open for appropriate sports seasons while getting the work done as quickly as possible. Once funding is in place, dates can be coordinated with the pending schedule.

### Rentschler Field

Based on the first 2 events, Rentschler Field is tracking below budget and attendance is below forecast. Per capita has increased slightly.

### Other Venue items

Bond Commission requests are to wrap up work at Rentschler Field and XL Center. It also includes getting work started at Tennis Center for next year.

UConn lease - Anthony Lazzaro brought the Board up to date on the three year lease with Global Spectrum and UConn. UConn has agreed to the terms and the lease should be finalized next week.

David Jorgensen informed the Board of information he learned of regarding the possibility of a Spring NFL minor league that is being discussed. David suggested utilizing Rentschler Field should such an idea become a reality. More information on the topic will be discussed as additional information is made available.

The CT Fastrak trial run to UConn football games was successful.

### Church Street Garage

Joseph Geremia stated that the CRDA, along with Republic Parking, has been researching ways to integrate the Church Street Garage into XL events. First, the Hartford police department would need to help monitor 4 lights that lead to highway access; and second, we are exploring the possibility of utilizing a system called ParkWhiz, which would give the consumer an opportunity to purchase a discounted parking ticket online while purchasing their event ticket online.

The idea is to give certainty on parking, knowing where to park for a discounted rate. This will be assessed after a trial run at the Wolfpack game on October 10.

From a revenue standpoint, the Church Street Garage is currently fifty thousand dollars below budget. However, it is meeting CRDA's expectations with expenses. The staff is determining the "seasonality" of the garage and this will help in future budgeting. A complete fiscal picture will be available once a full Fiscal Year is completed.

### Finance

Joseph Geremia reported the following Financial Update for September 2015:

*Fiscal Year 2015 Audit and Annual Report*

CRDA audit completed  
Annual Report completed and ready for filing upon approval  
Rentschler Field audit in final stage

*Fiscal Year 2016 Operating Statistics*

CT Convention Center – July/August 2015

- August stats: 19 event days held YTD with YTD attendance at 35,500
- August financials: Total revenue favorable by 30% with food & beverage revenue favorable by 36% compared to budget

CRDA Parking Facilities – July/August 2015

- August stats: Utilization favorable to budget at 64%  
Monthly rate customers even with prior year at 5,000 YTD  
Transient customers favorable to prior year by 6,000 at 60,000 YTD
- August financials: Transient revenue and monthly rate customer revenue even with budget

XL Center - July/August 2015

- August stats: 4 event days held YTD with YTD attendance at 12,000
- July financials: Event revenue favorable by 23% with expenses even compared to budget  
Church Street Garage operation transition occurring

Rentschler Field - July/August 2015

- August stats: 20 event days held YTD with YTD attendance at 21,000
- July financials: Event revenue unfavorable by 29% with expenses favorable by 29% compared to budget

CT Open – 2015 Tournament

- Attendance at 51,946 vs 2014 tournament at 47,140 – 10% increase
- Ticket sales of \$713,000 – 16% increase over 2014 tournament

Residential Housing Initiatives – \$60M, Disbursed \$30.9M

**Executive Director's Report**

Ethics Policy – Anthony Lazzaro gave a copy of the Ethics Policy to new CRDA Board Member, Joanne Berger-Sweeney and also reminded the Board to be cognizant of the State's Ethics Policy.

Legislative Session- \$50M was allocated to be distributed through various projects broken down \$30M Downtown Housing/\$20M Citywide projects.

Regulatory requirements – CRDA is subject to “Labor Peace” which is an agreement between a union and employer under which one or both sides agree to waive certain rights under federal law with regard to union organizing and related activity.

CRDA is required to follow Minority and Small Business Goals and procedures as of January 1, 2016.

Other Construction issues

Church Street garage Emergency repairs in stairwells underway and exterior painting has begun.  
450 Columbus tenant fit-out has begun, occupancy targeted for next year

Farmington Avenue is having chiller replacement work done

Newington is on hold until EPA gives us some kind of direction on the latest clean-up task

UConn Campus demolition is ongoing and additional asbestos was discovered.

CUP – the CT Science Center approached CRDA in conjunction with the Treasurer, OPM and Bond Counsel to discuss the options available to the Science Center regarding their annual CUP facilities charges and how it relates to their recent bond commission allocation.

CRDA Board Meeting schedule – The 2016 Board Meeting Schedule was distributed.

**Executive Session**

The following motion was moved by Catherine Smith, seconded by Evonne Klein and approved.

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

Michael Freimuth asked Anthony Lazzaro to stay for the litigation piece and Joseph Geremia to be available for the personnel matter.

Executive Session ended at 8:05pm.

The CRDA Board Meeting adjourned at 8:05pm.

***“The minutes of the September 17, 2015 CRDA Board Meeting were moved by Andy Bessette seconded by Evonne Klein and unanimously approved by Board Members at the October 15, 2015 CRDA Board Meeting.”***