

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, March 22, 2018
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Ben Barnes; Kiley Gosselin; David Jorgensen; Evonne Klein; Mayor Marcia Leclerc; Cheryl Malerba (phone); Michael Matteo; Catherine Smith

Board Members Absent: Andy Bessette; Mayor Luke Bronin; Joanne Berger Sweeney

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

Call to Order

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

Executive Session

The following motion was moved by Evonne Klein, seconded by Dave Jorgensen and approved.

“Executive Session has been moved from the last item on the agenda to the first item on the agenda.”

At 6:35pm the Board Meeting resumed and the following motions were moved:

The following motion was moved by Suzanne Hopgood, seconded by Ben Barnes and approved.

“The full Board ratifies the decision of the Executive Committee to authorizing the Connecticut Open Tournament in New Haven in August 2018.”

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

“Authorizing the Executive Director to sell the WTA license to the Tournament Foundation of Connecticut (TFC) for purposes of a collateral instrument necessary to secure a loan agreement with the USTA for purposes of the 2018 tournament.”

Minutes

The minutes from the February 8, 2018 Board Meeting were moved by Evonne Klein, seconded by Catherine Smith and approved.

Mayors Reports

East Hartford Mayor, Marcia Leclerc reported the following:

- Horizon Project is not moving forward. The town is now meeting to discuss reallocating the funds to projects on Silver Lane.

- CT Working Cities – new person hired
- 2018-2019 Budget adopted with a 47.66 Mill Rate
- Senior Center purchased and closing.

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. The details of the proposal are sealed as part of our procurement process which should begin shortly. A team of City officials and neighborhood representatives will review the proposal in accordance with those procurement processes.
- **Homestead Demo:** Early stage demolition (shut-offs, permits, site prep) has begun at the Homestead campus. Full demolition should be completed by June 1. The remediation and demolition is possible thanks to a \$1.9 million grant to the City from DECD.
- **Park & 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 Living, the developer of the Capewell Lofts was the entity selected as the winning bid. The proposed project is a mixed-use, mixed-income residential development. The City will now begin negotiating final project details with CIL.
- **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. CRDA will oversee the stadium renovation and may also take a role in managing stadium accounts as well as stadium operations for the first couple of years the stadium is in operation. 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. Negotiations are currently underway between HSG, CRDA and the City.

Finance

Executive Director Michael Freimuth reported the Financial update in CFO Joseph Geremia’s absence.

Fiscal Year 2018 Operating Statistics

CT Convention Center – January/February 2018

February stats: 168 event days held YTD with YTD attendance at 233,800

January 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

February stats: Utilization favorable to budget at 83%
Monthly rate customers favorable to prior year by 5,300 at 26,000 YTD
Transient customers favorable to prior year by 9,700 at 303,000 YTD

January financials: Transient revenue and consumer show's revenue favorable compared to budget.

Total year projection approx. \$125,000 favorable to budget

XL Center - January/February 2018

February stats: 92 event days held YTD with YTD attendance at 343,300

January financials: Event revenue \$200,000 unfavorable to budget.

Hockey operations \$50,000 favorable compared to budget.

Operating expenses \$100,000 favorable compared to budget.

Total year projection approx. \$800,000 unfavorable to budget (Includes

\$300,000 attributed to new event admissions tax effective Dec. 1. 2017,

\$300,000 attributed to five cancelled/unsuccessful event bids, \$125,000 in

underperforming events, and \$75,000 in underperforming hockey net

operations)

Church Street Garage - January/February 2018

February stats: Utilization of 76% even with budget

Monthly rate customers favorable to budget by 550 at 9,400 YTD

Transient customers unfavorable to budget by 1,100 at 9,600 YTD

January financials: Transient and monthly rate customer revenues favorable to budget.

Total year projection even with budget.

Rentschler Field - January/February 2018

February stats: 91 event days held YTD with YTD attendance at 143,600

January 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: \$81.0M

Current Disbursed: \$49.8M

Fiscal Years 2018 – 2020 Audit RFP

RFP released: January 29, 2018 7 Firms inquired

Proposals submitted: March 2, 2018 6 Firms

Contractor Interviews: March 8, 2018 2 Firms

Contractor Selection: March 16, 2018 Cohn Reznick

Contractor Approval: March 22, 2018

Interim Audit: Late April/Early May

FYE Audit: Late July to Early September

Audit Released: September 28, 2018

Proposals submitted from six firms:

Cohn Reznick of Hartford; Blum Shapiro of West Hartford; Whittlesey of Hartford;

CliftonLarsonAllen of West Hartford; UHY of West Hartford; PKF O'Conner Davies of Wethersfield.

Proposals include audit services for CRDA, CRDA Parking Facilities, CTCC, XL Center, and P&W Stadium.

Audit fees ranged from \$99,000 to \$140,000 per fiscal year.

Recommendation: Cohn Reznick

Selected staff consisting of Partner, Concurring Partner, Advising Partners, Audit Manager, and Senior Auditors.

Previous governmental auditing experience with: Dept. of Transportation; CT Health & Educational Facilities Authority; and Bridgeport Housing Authority. Previous experience with LAZ Parking; Waterford; National Hockey League; and Dallas Cowboys Football.

The following motion was moved by Catherine Smith, seconded by Marcia Leclerc and approved.

“The CRDA Board of Directors hereby authorizes the Executive Director to execute an Engagement Letter with Cohn Reznick LLP consistent with the terms outlined above.”

Housing Committee

Kiley Gosselin updated Board members regarding the pipeline as well as reintroduced the 289 Asylum Street project which was originally approved in 2016. The financial terms of the 289 Asylum Street project have been amended to increase the CRDA construction and historic bridge loan to \$450,000 from \$400,000 to be funded from recapitalized housing funds. The developer equity participation also increases from \$117,000 to \$174,000.

PROJECT: 289 Asylum Street
Conversion of small commercial building to 8 Residential Condominiums
Jose Ramirez, developer

PREVIOUS APPROVAL: Housing Committee – 11/4/2016
CRDA Board – 12/8/2016
\$400,000 - historic bridge loan (\$207,000) and construction loan (\$193,000)

STATUS: The project has contended with two significant issues: 1/ considerable legal requirements to organize the condominium structure; prepare by laws, declarations etc.; and 2/ obtaining and securing bond-able contractors, many of who are small and/or MBE. Both have been completed. During the last year, there has been a slight increase in the construction costs but also, there has been an increase in the value of the condominiums as determined by an updated appraisal. New development costs are \$1.47M (up from \$1.36M).

REQUEST: To increase the CRDA construction and historic bridge to \$450,000 (from \$400k) to be funded from recapitalized funds. The Hartford Community Loan Fund, remains at \$850,000 as the primary lender while the developer will increase its equity participation to \$174,000 (from \$117k) representing 12%.

The following motion was moved by Catherine Smith, seconded by Marcia Leclerc and approved.

“The executive director is authorized to extend a loan to Jose Ramirez or such acceptable special purpose entity acceptable to CRDA in the amount of \$450,000 at 4% interest, for a period of 24 months

from recapitalized funds for purposes of converting 289 Asylum Street into 8 condominium residential units subject to 1/all necessary funds being available and committed and 2/ such due diligence as deemed necessary by the executive director and CRDA counsel.”

Mike Freimuth reported that the Housing Committee will tour Housing projects and will send a notice out with proposed dates.

Venue Committee

Kim Hart reported on the following Venue Committee items:

XL Center

- Two significant agreements have been finalized at XL:
 1. XL Insurance has renewed their naming rights agreement for an additional 5 years
 2. MSG has extended their Wolfpack affiliation agreement for at least 2 more years, with three additional one-year options. Our affiliation fee will be \$1.25M.
- UConn Hockey finished the season 8-8-1 at home with an average attendance of 3,000 per game, down from just over 3,400 last year. Unfortunately, the team did not secure a playoff spot this year.
- UConn Basketball – Men’s BB saw an average attendance of 7,200 fans per game, down from 8,400 last season, while Women’s BB saw a significant increase, averaging over 9,000 per game compared to 7,000 last season.
- Wolf Pack – With 7 home games remaining in the season, the Wolf Pack are averaging 3,300 fans per game - up from 3,100 at this point last season. The team is not likely to make the playoffs and they’re turning their attention to next year, with a season ticket renewal campaign already in progress.
- Concessions - As we reported at the last Board meeting, we’ve seen increases in concessions numbers across all teams. UConn Hockey and WBB per-caps increased more than \$.50 from last year, while MBB and Wolfpack per caps were up \$1 over last year.
- Concerts – In addition to the four concerts already on the calendar (Def Leppard/Journey, Elton John, The Eagles and Maroon 5), there is the potential for a few other large shows over the next 18 months.
- Admissions Tax – Last week, Chris Lawrence testified before the Legislature’s Finance Committee, alongside Live Nation’s Jimmy Koplik, in support of legislation eliminating the State’s 10% admissions tax. Both testified that elimination of the XL Center’s exemption in December has already resulted in the building losing out on certain larger shows and will continue to pose issues for future events.
- NCAA Basketball Tournament - Initial pre-sales for the March 2019 Tournament have begun.

Pratt & Whitney Stadium at Rentschler Field

Although we’re in the off season, the Stadium has been hosting various meetings, training and receptions in the Tower. UConn’s Spring game is scheduled for April 14th, while Spectra is holding dates for

potential soccer matches in July. Additionally, Spectra and Fairfield University are beginning preparations for the upcoming NCAA Lacrosse quarterfinal tournament in May, 2019.

Convention Center

The Convention Center was the recipient of two awards within the Waterford Group – the 2017 Food and Beverage Team of the Year Award, as well as the prestigious Waterford Group Chairman’s Award.

Upcoming events include the CT Golf Show this weekend, as well as the New England Fishing & Hunting Show, the CT Music Educators’ Association and the CT Barber Expo.

Neighborhood Committee

Michael Freimuth reviewed the Neighborhood Project update which now includes the Albany Ave/Main Street project. Michael Freimuth asked Cheryl Malerba if DOT will be able to assist on this project. Ms. Malerba indicated that she is seeking advice from a DOT chief engineer however does not have an answer as of the Board Meeting.

Executive Director Report

Michael Freimuth reported on the following items:

Sale of XL Center – testified at legislative hearing regarding how CRDA will proceed with sale of XL Center.

XL Center-property acquisition - received second appraisal on the Trumbull Block run by Northland. CRDA is now in a position to make a formal offer to Northland.

Spectra – Spectra has gone through a change in management. The teams in the field will not be affected by this transition.

Dillon Stadium – CRDA has been asked to play a role in the Dillon Stadium project through the expertise of our venue team (Spectra). CRDA has agreed to commit to an agreement with a non-recourse structure, meaning CRDA is not exposed should Dillon operate at a loss. City and investor group (HSG-Hartford Sports Group) will put together an agreement and CRDA will manage it, pending City Council approval. CRDA will enter a “license” with the City which will establish CRDA as the “operator” and Spectra will run it. The funds will be paid up front from the investor group.

David Jorgensen requested time with Kiley Gosselin to discuss the process, through the City, to obtain permission to utilize Dillon and other fields throughout the City, for recreational functions.

100 Reserve Road – on behalf of MIRA, CRDA, OPM and DECD solicited proposals for 100 Reserve Road. Two interested parties solicited bids. The bids have been reviewed and MIRA will have to agree to the decision.

MIRA is requiring DEEP to sign off indicating that nothing impacts emissions permits that are tied to property lines.

The purpose of the Reserve Road RFP is to utilize the excess property for economic development purposes.

DASH

Michael Freimuth explained that DOT indicated that it wants to start charging for the DASH. Mr. Freimuth suggested that perhaps the DASH limit its hours to connect with rush hour and the Hartford line and/or noontime to connect with restaurant use. There are many non-event days where there is no ridership however, this would require route changes and a public hearing. It is also a concern because it conflicts with some contracts at the CTCC.

Ms. Malerba indicated that DOT is having internal discussions to try to mitigate the problem. She also indicated that part of the problem is the budget. DOT has also proposed a \$1 fare increase, not only for the DASH but the Green Bus Downtown shuttle in New Haven.

Bushnell South – Konover properties will soon be listed and they are actively trying to sell 55 Elm and other surrounding land and the broker has approached CRDA.

There is capital budget legislation pending from CRDA requesting to finance a garage on the side of the current health lab building which is scheduled for demolition this summer.

Construction Update

Church Street Garage Elevators

Completion of 1st Elevator – The first elevator is complete and in service

Final Completion – The second and third elevators are projected to be complete by the end of April

XL Security Upgrades

Additional Cameras for Metal Detectors – on order

XL Slab Replacement

Slab replacement and installation of the dasher system is complete.

Adriaen's Landing Garages – Repair & Maintenance

(Convention Center Garage, Loading Dock, Front Street North Garage and Plaza Renovations)

Bid was issued on 3/8/18

Pre-bid meeting was held on 3/15/18

Bids are due on 4/4/18

Contract award is scheduled for 4/11/18

Construction will begin as weather permits in mid to late April

Rentschler Field

Surge suppression equipment has been recommended following drive failure on 3 out of 4 tower elevators. Project on hold pending determination of funding priorities.

81 Arch Street - Approximately 12%

101/111 Pearl - Approximately 10%

The CRDA Board Meeting adjourned at 7:30pm

“The minutes of the March 22, 2018 CRDA Board Meeting were moved by Catherine Smith seconded by Marcia Leclerc and approved by Board Members at the April 19, 2018 CRDA Board Meeting.”