

**Capital Region Development Authority
100 Columbus Boulevard
Suite 500
Hartford, CT 06103
Thursday, September 20, 2018
6:00 pm**

Board Members Present: Chairwoman Suzanne Hopgood; Andy Bessette; Mayor Luke Bronin; Kiley Gosselin; David Jorgensen; Kerry Kelley; Evonne Klein; David Kooris; Mayor Marcia Leclerc; Cheryl Malerba (phone); David Robinson; Glendowlyn Thames; Joanne Berger Sweeney (phone)

Board Members Absent: Michael Matteo

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

Guests: Melissa Ferrucci; MaryBeth DelVecchia, CRDA's outside auditors from CohnReznick; Patrick McMahon, CEO of CT Main Street Center; Tara Mizrahi; David Ennis from Affirmative Investments.

Call to Order & Committee Assignments

Chairwoman Hopgood read a statement regarding public meeting. The meeting was called to order at 6:04pm.

Chairwoman Hopgood announced and congratulated Trinity President Joanne Berger-Sweeney and Hartford City Council President Glendowlyn Thames for the honor of being recognized on the NAACP 2018 list of 100 most influential Blacks in Connecticut.

Minutes

The minutes of the June 21, 2018 CRDA Board Meeting were moved by Evonne Klein seconded by David Jorgensen and approved.

The minutes of the August 8, 2018 CRDA Special Board Meeting were moved by Evonne Klein seconded by Marcia Leclerc and approved.

Presentations

Main Street – Ann Uccello Street – High Street

CT Main Street Center's CEO Patrick McMahon, presented their recommendations regarding Main Street, Ann Uccello Street and High Street. Including a combination of land and building acquisitions, gut-rehabs of historic properties, façade improvements, infill development, short term streetscape improvements, parking improvements and predevelopment studies such as appraisals and environmental report.

Healthy Hartford Hub Supermarket (HHH)

David Ennis, President of Affirmative Investments along with Tara Mizrahi, Vice President of Affirmative Investments presented this economic development project located at a site between North Hartford Promise Zone and the DoNo development area.

The Healthy Hartford Hub is a collaborative effort, anchoring a full-service supermarket and will include a parking structure, mixed income housing and other health related ventures. The funding request is specific to the supermarket and parking structure portion of the development, to be located either on the city-owned parcel at the Keney Clock Tower site, or on the city-owned Parcel B of the Downtown North redevelopment.

Chairwoman Hopgood reminded the Board that the project would be vetted through the Regional and Economic Development Committee prior to Board approval.

Mayors Reports

Hartford's Mayor Luke Bronin reported on the following:

- **DONO RFP:** The City's RFP process is completed and discussions have begun with Randy Salvatore on the DoNo redevelopment project. RMS is a developer with extensive experience in urban development. Most recently completing the renovation of the historic Goodwin Hotel downtown. RMS and its team are currently working on design concepts and will work with the City closely in coming months, currently targeting the parcel between the Ballpark and Talcott Plaza known as "Parcel C" used for parking. The design proposal is for a mixed-use project with approximately 200 units of housing and some structured parking. Discussions are also underway to determine how to finance some affordable units as part of the project.
- **Crop One and Homestead Demo:** Demolition is nearly complete on three industrial properties located on Homestead Avenue at the intersection of Homestead and Albany. Crop One, a California-based hydroponics company is slated to take over the vacant space and develop a large growing facility with a commitment to hire at least 25% Hartford residents. This is the first new industrial activity to start up on Homestead in decades. The remediation and demolition of the site is possible thanks to a \$1.9 million grant to the City from DECD.
- **Dillon Stadium:** The City has been in active discussions with CRDA and Hartford Sports Group to finalize a Use Agreement. A License Agreement between the City and CRDA, allowing CRDA to begin the bidding and construction process was executed. Newfield has been selected as the contractor. At this point we are targeting a Spring 2019 opening. Final design work is ongoing with full construction expected to begin soon. Demolition and field preparation is already underway. The City will continue to work on necessary permitting and planning and zoning approvals to effectuate appropriate stadium operations (construction permits, signage, community fee structure, etc.).
- **Park & Main RFP:** The City is currently in development negotiations with Spinnaker, a Fairfield County based developer who will be working with Rohan Freeman in Hartford. The current projections allow for a mixed-use project with approximately 108 units. Construction could begin next year if financing is finalized. Discussions are also underway to determine how to finance affordable units as part of this project.
- **Downtown/Downtown North Supermarket:** The City has been working closely with partners at the Hartford Community Loan Fund to identify a location for a supermarket that could serve residents of

both Downtown and North End neighborhoods with easy access to ample public transit options. As we'll discuss later in today's meeting, this project is one that has proved elusive to date but which now has interest and backing from several partners and supermarket operators. This project could serve as a main link between neighborhoods while providing a much needed service to all residents.

- **Transportation Updates:** The long-awaited Hartford Rail Line debuted earlier this summer to a busy opening weekend crowd. The first few months of operation have met expectations with predictions of future growth. Interest from business owners and real estate investors as a result of the increased connectivity to New Haven, New York and Springfield has already been seen.
- **Transit** – Congressman Larson's project regarding the tunnels. There is important planning work underway.
- **Parkville Market** – broke ground on this project by local developer Carlos Mouta. Looking forward to an indoor/outdoor market featuring local foods and vendors.
- **Russo Property** – Bond Commission allowed for funding for the support of the purchase of the Russo property north of the riverfront park system on the Hartford side. When complete, that would produce a truly regional connected riverside trail system that is linked into the existing Windsor trail system.
- **Trinity College/Joanne Berger-Sweeney** – want to note the exciting announcement that Trinity College is partnering with Infosys, creating a talent pipeline.
- **Agricultural Market** – if MIRA does not move quickly, the City may lose an important opportunity in both jobs and revenue.

Mayor Leclerc reported on the following items regarding East Hartford:

- **Great River Park** – the funding has been approved by Bond Commission for the improvements to be made.
- **Founders Plaza Garage** - \$500,000 has been approved to study the garage and come up with a public and private modified use for it. Along with freeing up space for a tower for housing.
- **Goodwin College**, through CRDA, is starting their storm water management which will allow a significant amount of housing development in and around the college.
- **Demolition** - \$1M was approved to demolish up to four sites. The town is presently demolishing a \$1M project of a vacant Senior housing on Burnside Avenue that has been dormant for 25 years. It has a great deal of contamination and the costs have been significant. It also abuts a redevelopment lot on Burnside Avenue.
- **Silver Lane** – CRDA is helping to round out some improvements with bus shelters, sidewalks and refuse cans and to connect the sidewalks where there are none to ensure better egress and safety to the stadium.
- **National Amusements** - In talks with National Amusements. In process of due diligence phase to acquire the long blighted property, demolish and working to repurpose.

- **UCONN Health Center** – long vacant Center on Ash Street is now being expanded and will be a Kia dealership.
- **Hoffman’s** – is expanding and relocating into the Staples building.
- **American Eagle** - has consolidate their offices onto the Great River Park Area

Finance

Annual Audit

Joseph Geremia introduced Melissa Ferrucci, CPA, Senior Manager and MaryBeth DelVecchia, CPA, Senior Manager with CohnReznick, outside auditing firm reporting on CRDA Financial Statements, Special Purpose Financial Statements, and the Report on Compliance and Internal Control over Financial Reporting.

The overview consisted of auditing the authority as a whole on a consolidated basis which includes the XL Center, Connecticut Convention Center and CRDA Parking Facilities. A separate audit was performed for the Stadium at Rentshler Field.

Outside auditors CohnReznick’s audits are performed in accordance with:

- Auditing standards issued by the American Institute of Certified Public Accountants
- Government auditing standards issued by the Government Accountability Office.

CRDA & Renstschler Field audits were completed with:

- No instances of material noncompliance identified
- No material weaknesses in internal control identified

Auditors discussed all required communications with the Board. Auditors asked if the Board would like to discuss any matters in an Executive Session. Chairwoman Hopgood polled the Board members and seeing no desire, did not request an Executive Session.

The Fiscal Year 2018 Audit and Annual Report was completed and approved. Michael Freimuth and Joseph Geremia noted some stats from FY18 to the Board found within the Annual Report.

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

“The CRDA Board of Directors hereby approves the CRDA Annual Report/Audit for FY2017-2018, as presented.”

Financial Update – September 2018

Fiscal Year 2019 Operating Statistics

CT Convention Center – July/August 2018

August stats: 29 event days held YTD with YTD attendance at 49,200

July financials: Revenues even with budget

Utility expenses slightly unfavorable to budget

CRDA Parking Facilities – July/August 2018

August stats: Utilization even with budget at 69%

Monthly rate customers favorable to prior year by 100 at 5,300 YTD

Transient customers favorable to prior year by 800 at 71,200 YTD

July financials: Monthly contract and transient revenues favorable compared to budget

Expenses even with budget

XL Center - July/August 2018

August stats: 2 event days held YTD with YTD attendance at 800

July financials: Event revenue even with budget

Hockey operations even with budget

Operating expenses favorable compared to budget

Church Street Garage - July/August 2018

August stats: Utilization of 74% even with budget

Monthly rate customers favorable to budget by 60 at 2,300 YTD

Transient customers favorable to budget by 150 at 2,800 YTD

July financials: Revenues and expenses even with budget

P&W Stadium - July/August 2018

August stats: 15 event days held YTD with YTD attendance at 18,500

July financials: F&B revenue unfavorable to budget

Expenses even with budget

M. Geremia reviewed the information below with the Board.

CRDA Parking & Energy Fee Revenue Bonds

Refunded CRDA Parking & Energy Fee Revenue Bonds Series D with CRDA 2018 Refunding Series
Refinanced current issue into new issuance to reduce annual debt service payments and achieve interest savings

Financial Data:

Current Par Amount:	\$18.104M
Callable:	June 15, 2018
Market Pricing:	August 23, 2018
Bond Closing:	September 13, 2018
Refunding Par Amount:	\$16.365M
Savings over next 16 years:	\$3.4M
NPV of Savings:	\$2.6M
Percentage of Savings:	15%

Bond Refunding Partners:

CT State Treasurer's office
CT Office of Policy and Management
Bond Counsel: Soeder & Associates
Financial Advisor: Lamont Financial Services
Underwriter: Janney Montgomery Scott
Trustee: US Bank National Association

Attorney Lazzaro reviewed the following updates with the Board.

Personnel Policies Updates

CT Auditors of Public Accounts audited Fiscal Years 2015 and 2016

Issued report on July 9, 2018.

Identified no internal control deficiencies and no apparent noncompliance with legal provisions

Identified lack of following written annual employee evaluations per CRDA Personnel Policy and Procedures Manual

Authority response: “CRDA is a small authority consisting of 11 employees who work closely with each other routinely on a daily basis. The Executive Director, officers, and directors offer timely and on-the-spot feedback to employees as needed. Employee feedback is generally verbal in nature. All pay increases are approved by the Executive Director upon Board of Director’s notification. CRDA will continue to provide employees with timely and on-the-spot feedback as needed. CRDA will discuss this course of action with its Board of Directors and implement any additional Board recommendations.”

Recommendations:

CRDA Personnel Policy and Procedures Manual Updates

Section II.A. Pay Period

Section II.B. Performance Review

Section III.C. Illness

Section IV.L. Telephone Reimbursement Policy

The following motion was moved by Andy Bessette, seconded by Evonne Klein and approved.

“The CRDA Board of Directors hereby approves the recommendations for the CRDA Personnel Policy and Procedures Manual as presented.”

Housing and Neighborhood Committee Report

Michael Freimuth gave a brief update with background regarding three separate but inter-related development initiatives working to redefine the northern portion of downtown Hartford as it connects to the neighborhoods along Main Street and Albany Ave. The geographic area includes the recently completed ballpark, the former Radisson as well as the vacant surface lots, the Rensselaer campus, the Capital Prep Magnet School and a variety of privately-owned buildings.

The three initiatives along with their respective resolutions are listed below:

Downtown North: a multiyear effort to redevelop the area by RMS Companies (First phase, Parcel C will contain up to 200 units of housing and parking with a total development cost of \$45.9M including a request for a CRDA loan of \$12M).

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

“The CRDA Board approves the allocation of \$12M from the State Bond Commission for purposes of assisting RMS Companies to develop its first phase at Parcel C of the DoNo land assembly and the Executive Director is instructed to prepare a formal project recommendation for subsequent CRDA Board and Committee approvals that will include terms and conditions for the CRDA assistance.”

Hartford Healthy Hub: a proposal to develop a grocery store and health related programs to serve the north end community and the downtown by Affirmative Investments of Boston. (First phase 33,000 sf grocery store at one of two potential sites with a total development cost of \$ 22.7M, of which CRDA will provide \$8.5M in two formats, a \$3.5M loan and a \$5M equity investment).

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

“The CRDA Board approves the allocation of \$8.5M from the State Bond Commission for the purposes of underwriting the development of a grocery store in the project area with Affirmative Investments and the Executive Director is instructed to prepare a formal project recommendation for subsequent CRDA Board and Committee approvals that will include the terms and conditions for the CRDA assistance.”

Main/Albany Block: a CRDA initiative with CT Main Street and property owners on the block bordered by Main Street, Ann Uccello and Pleasant Street. (A \$4M loan and equity pool is proposed to assist existing property owners to improve, renovate and upgrade their buildings).

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved.

“The CRDA Board approves the allocation of \$4M from the State Bond Commission for the purposes of creating a loan and equity pool for the redevelopment of public and privately-owned parcels on the “Main/Albany” block and the Executive Director is instructed to accept applications for such projects and present them to the CRDA Board and Committee for its approvals.”

Mr. Freimuth continued with his report on the following project known as Park/Main - South Green - Spinnaker Development.

He gave background regarding the two city owned parcels at the intersection of Park Street and Main Street have been offered in several RFP solicitations over the years, though no project has secured the financing necessary to be built out. Earlier this year, the City of Hartford issued a new RFP that resulted in a neighborhood scale residential/retail project. The site forms a ‘southern gateway’ into the downtown and serves as an entry to the Park Street commercial corridor. It lies at the terminus of the conventional CRDA investment district as it meets the SoDo neighborhood.

The proposal is presented as follows: Two buildings, one on each corner will form 108 units of housing and provide 13,000 sf of retail space. The units are projected to be market rate, but at modest rents. If additional funds can be secured, a 20% affordable requirement is being considered. Unit configuration includes 6 studios, 72 1BR and 30 2BR residences. CRDA funds would be in the form of \$6.48M construction/perm mortgage at 2%/30 yr amortization and \$2M in deferred interest construction/perm loan at 2%/30yr terms for the retail components.

Development Budget (initial working draft)

Uses:	\$20,500,000	Hard Construction
	5,400,000	Soft costs

Sources: \$ 15,000,000 Bank first note
 2,500,000 Equity
 6,400,000 CRDA residential note
 2,000,000 CRDA retail note

TDC \$ 25,900.000

The following motion was moved by Andy Bessette, seconded by Evonne Klein and approved.

“The Board of Directors authorizes the use of \$8.4 million to be lent to Spinnaker Development (or such acceptable single purpose entity) for purposes of developing the municipally owned parcels at the intersection of Park and Main Street, Hartford for the redevelopment of 108 residential units and 13,000 sf of retail space in the form of two loans, a residential note of \$6.4M at 2%, 30 years and a retail/commercial note of \$2M at 2%/30 yrs. and is subject to 1/ all other sources of funds being secured; 2/ state bond commission approval; and 3/such fiduciary terms as deemed appropriate by the Executive Director and CRDA counsel.”

Venue Committee

Andy Bessette reported on the following items from the Committee Meeting on September 7, 2018:

XL Center – CRDA is currently addressing four major issues relative to the XL Center:

- Oak Street – Venue Committee members have met with Oak Street, the sole respondent to the XL sale RFP, in order to better understand their proposal. The company has been presented with six questions related to the cost of their financing, as well as their proposed management structure for the arena.
- Acquisition of Northland Property - A series of meetings have been held between CRDA and Northland regarding acquisition of the Trumbull Block. CRDA is still awaiting a copy of Northland’s appraisal of the property.
- Capital Projects – Bob Saint will provide a construction update later in the meeting.
- New Planning Focus – SCI Architects and Stafford Sports have been charged with developing a new and more phased approach to the XL Center transformation. A memo from Mike regarding this new approach is included in the agenda packet.

Pratt & Whitney Stadium – The double header U.S. Women’s soccer event held in July was a success, with over 20,000 fans in attendance. Another major soccer event – the U.S. Men’s Team vs. Peru - is scheduled for October 16th.

- The first two games of UConn’s 2018 football season saw an average attendance of only 14,000 fans. Food and beverage sales have been strong, however, in part due to expanded menu options and new craft beer stands. At UConn’s request, the Stadium has also expanded tailgating hours and implemented a shuttle service for fans in an effort to increase attendance.

Convention Center – Upcoming events include the St. Francis Miracles Gala, the National Council of Math Teachers Regional Conference and the Association of Science Technology Centers Annual

Conference. There are no new capital projects underway, although there is some work planned within the nearby Front Street district.

Dillon Stadium – Mike will provide an update on Dillon during the Executive Director’s report.

Tennis Center – Final numbers on the 2018 Connecticut Open Tennis Tournament are expected sometime in October.

Regional & Economic Development Committee

Mayor Marcia Leclerc, Chairwoman of the Regional & Economic Development Committee, deferred to Michael Freimuth to present the following projects.

Bushnell South Development Parking Garage

Mr. Freimuth gave background information regarding the Bushnell South Development Parking Garage:

Several significant developments have or will occur in and around the Bushnell South area loosely defined as the area bordered by Buckingham, Washington, Elm and Hudson Streets and bisected by Capitol Ave. The area, abutting the southern boundary of Bushnell Park contains the Bushnell Center for Performing Arts, the State Office Building Complex (currently under extensive renovation), a large public garage (under construction); several state office buildings (Trinity, Elm and Washington Ave), State Court buildings and a variety surface parking lots. The State Legislature authorized the transfer of the state-owned surface parking lots from DAS to CRDA upon the financing of a second supplemental garage at the site of the former State Health Labs (recently demolished).

Specific authorization to fund a CRDA garage at the former State Labs site was contained in last year’s state budget. The State Bond Commission approved the use of design monies earlier this year.

The garage will need to serve up to 390 spaces for state use (350 DAS, 40 State Judicial) but can be built to a larger size (500 spaces) and be used to serve the parking needs of the Bushnell Theatre and the residential parking resulting from new development of the surface parking lots. The garage will have a MOU with DAS and will be owned/operated and built by CRDA.

The CRDA board must take two actions. First to authorize the executive director to secure the funds from the State Bond Commission. Second, upon financing, to enter into agreements with DAS to convey the parcels from DAS to CRDA for redevelopment.

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved.

“The CRDA Board authorizes the Executive Director to secure up to \$17M from the State Bond Commission as an allocation for the construction of a new garage to be built at 10 Clinton Street, to initiate the design and construction of such a garage and to enter into necessary MOU and/or other agreements with the State DAS and the Judicial Branch for the use and operation of the garage.”

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved.

“The CRDA Board authorizes the executive director to enter into land conveyance agreements as necessary for the parcels identified with Section 10 of Special Act 14-23 as amended by Public Act 18-154

Sections 7 and 8. The parcels shall be used for housing and economic development purposes as required and governed by PA 18-154.”

Hartford Regional Market

Memorandum of Understanding with State Department of Agriculture (DoAG)

Mr. Freimuth gave background regarding the Hartford Regional Market project along with the MOU with the State DoAG:

The State Legislature authorized the transfer of the Hartford Regional Market as part of the State Conveyance legislation from the State Dept of Agriculture to CRDA in May 2018. The transfer is subject to two conditions: 1/ that an operating agreement between DoAG and CRDA exist and 2/ that the State Property Review board review approve.

It is understood that DoAG will continue the day to day operations of the market but that CRDA will prepare a redevelopment plan for the property.

The State Bond Commission authorized \$750,000 to CRDA for purposes of initiating the redevelopment plan and to undertake critical short-term capital upgrades to the facility.

The following motion was moved by Andy Bessette, seconded by Kiley Gosselin and approved.

“The CRDA Board authorizes the Executive Director to enter into a MOU with DoAG for the operations of the market and to prepare such redevelopment plan(s) for subsequent review and acceptance by the Board.”

The following motion was moved by Andy Bessette, seconded by Luke Bronin and approved.

“The CRDA Board authorizes the Executive Director to enter into necessary conveyance agreements with the State Department of Administrative Services (DAS) Commissioner to transfer the market property.”

Great River Park Improvements - East Hartford, Connecticut

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved.

“The CRDA Board of Directors authorizes the Executive Director to fund and oversee up to \$1.34 million in repairs and upgrades to Great River Park in East Hartford. Such work shall include (a) improved ADA access to the boat launch and fishing pier, (b) new lighting and signage, (c) demolition of old structures and (d) improved access to the Founders Bridge pedestrian walkway. Such funding shall be subject to 1) East Hartford Town Council approval of a Memorandum of Understanding with CRDA and 2) such fiduciary terms as deemed necessary and appropriate by the Executive Director and the CRDA counsel.”

Neighborhood Blight Projects East Hartford, Connecticut

The following motion was moved by Andy Bessette, seconded by David Jorgensen and approved.

“The CRDA Board of Directors authorizes the Executive Director to fund a \$1 million grant-in-aid to the Town of East Hartford for the abatement and demolition of four blighted structures, including a former

Town fire station and three residential properties. Such funding shall be subject to such fiduciary terms as deemed necessary and appropriate by the Executive Director and the CRDA counsel.”

Executive Director Report

- CRDA and Waterford are working on an analysis of Adriaen’s Landing using the reports that were prepared twenty years ago and comparing them to where we are today.
- Board Meeting schedule is in the package, please note the dates on your calendars.
- October Board meeting will have presentations by the Agricultural Market, DoNo, UCONN Campus Provost. Dillon Stadium use agreement will also be on the October Agenda.
- Ira Henowitz will be rejoining CRDA for a couple of days a week to lend his expertise to the construction team for ongoing projects.
- Bob Saint gave the construction report.

Executive Session

The following motion was moved by Andy Bessette, seconded by Kiley Gosselin and approved.

“The CRDA Board of Directors moved to go into Executive Session at 8:24pm to discuss contracts.”

The Board came out of Executive Session at 9:00pm and adjourned.

“The minutes of the September 20, 2018 CRDA Board Meeting were moved by Evonne Klein, seconded by David Jorgensen and approved at the October 18, 2018 CRDA Board Meeting.”