

Testimony Presented to Finance, Revenue and Bonding Committee
Bonding Subcommittee
March 18, 2024

Capital Region Development Authority (CRDA)

Senator Moore, Representative Napoli, Senator Hwang and Representative Piscopo, thank you for the opportunity to discuss the status of bonding authority, both unallocated and allocated to and being spent by the Capital Region Development Authority. My name is Mike Freimuth, the authority's Executive Director and I am here today with Joseph Geremia, the authority's Chief Financial Officer

CRDA was created in 2012 as the successor agency to the former Capital City Economic Development Authority. CRDA has been tasked with a variety of responsibilities including: managing the State's large entertainment and sports venues including Rentschler Field, the Connecticut Convention Center and the XL Center; we are responsible for nearly 18,000 parking spaces spread across seven garages including four in Adriaen's Landing, three others in the downtown plus surface lots in East Hartford; we've invested in over 3,300 housing units in downtown Hartford; CRDA has undertaken a variety of neighborhood projects including the reconstruction of housing and the redevelopment of former industrial sites like the Swift Factory; and per our statutory authority we have undertaken several projects in nearby communities including East Hartford, Newington and Wethersfield. At times we have carried out projects on behalf of other state agencies as well as General Assembly directives such as the transfer of the CT Regional Market, located in the South Meadows of Hartford from the Department of Agriculture to CRDA.

At the moment, CRDA has approximately 11 projects in construction that are funded in part by state bonding including 5 housing projects; 3 projects in East Hartford; 3 Economic Development projects as well as ongoing capital work on Front Street, at the Convention Center, Rentschler Field, and the XL Center. Additional activity includes renovations and repairs to six of the seven parking garages that is estimated to occur over the next few years and priced at \$22M of which we have bonding authority in the amount of \$5M that we hope to draw this year for the garages.

The Convention Center completed the first phase of an esplanade waterproofing project. With the Connecticut Convention Center and the Rentschler Field stadium approaching twenty years old, these major venues demand increased maintenance and capital investments to not only keep them functional, but to also keep them current with today's technology and amenities to attract patrons to them including the replacement or updating of the building's HVAC, water heating, and lighting system as well as the completion of the second phase of the esplanade waterproofing project which is becoming critical.

At Rentschler Field, our capital budget request relates to funding the first two years of work recently catalogued in the Populus Engineering assessment of that facility. That assessment called for over \$60M in capital needs with CRDA recommending that the work be performed over a five-year period. We expect to request from the State Bond Commission \$5M for initial work to the building's roof and team facilities.

The remaining East Hartford allocation of \$26M is planned for a variety of large-scale economic development projects. These projects consist of redeveloping the Silver Lane corridor, the old Showcase Cinema site, and Founders Plaza, all are multi-year complex projects representing nearly 1,000 housing units and new commercial growth.

The 5 housing projects currently in construction represent over 700 units. These projects consist of \$33M of public funding leveraging an additional \$101M of private funding. We also have 9 housing projects representing nearly an additional 850 units consisting of \$46M of public funding leveraging \$240M of private funding. In addition to these projects, there are numerous city-wide neighborhood projects which are in their early stages of development and have not matured enough to present to the bond commission tentatively consisting of \$85M of public funding to leverage an additional \$249M of private development funding.

The single largest project and bond allocation the Authority has been working on is a strategy to reposition the XL Center. Such a strategy envisions rebuilding the lower bowl to meet industry and code requirements, new security demands, improved amenities such as restrooms and concessions and to provide improved revenue opportunities for the building. The project was recently bid out and a construction manager has been retained to manage the infrastructure and concourse repair projects.

We anticipate to draw down funds during the remaining biennial budget for parking garages, Front Street, Rentschler Field, the XL Center, and the Convention Center as well as General Obligation requests as previously noted. We are happy to answer specific allocation or spend down questions about any of the items mentioned here or of interest to the members.