



CITY OF HARTFORD

HARTFORD STADIUM AUTHORITY

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LUKE BRONIN
MAYOR

I. CHARLES MATHEWS
CHAIRMAN

Hartford Stadium Authority Meeting

Draft Minutes

A Regular Meeting of the Commissioners of the Hartford Stadium Authority (the "Authority") was held on Tuesday, March 1, 2016 at 3:00pm at City Hall, 550 Main Street, City Council Chambers, Hartford, CT.

A. Call to Order/Roll Call

The meeting was called to order by Chairman I. Charles Mathews at 3:06pm.

Commissioners Present:

I. Charles Mathews, Chairman
Darrell V. Hill, Treasurer
Adam Cloud, Secretary (arrived 3:08pm)
Oz Griebel

Ex-Officio Members Present:

Mayor Luke Bronin
City Council President Thomas J. Clarke II

Commissioners Absent:

Yolanda Rivera, Vice Chairman

Also present:

Sean Fitzpatrick, Director of Development Services, City of Hartford
Michael T. Looney, Director of Projects, City of Hartford
Lisa Silvestri, Assistant Corporation Counsel, City of Hartford
Josh Solomon, Owner, Hartford Yard Goats
Tim Restall, General Manager, Hartford Yard Goats
Kevin Greene, Owner's Representative, IFG
Phil Couture, Owner's Representative, IFG
Jason Rudnick - DoNo Hartford LLC
Mark Banfield - Centerplan Construction Company

B. Approval of Minutes

A motion was made by Mr. Hill to approve the minutes of February 2, 2016 and seconded by Mr. Griebel. The minutes of the February 2, 2016 meeting were unanimously approved.

C. New Business

Discussion and Approval of the Issuance and Sale of Not Exceeding \$6,500,000 Hartford Stadium Authority Lease Revenue Bonds

Mr. Hill discussed the details of the proposed bond issuance as approved by City Council, as well as the process of and schedule for entering the bond market to sell the bonds. He noted that the intent was to have the proceeds of the bond sale available on or before April 1, 2016.

Mr. Griebel asked for clarification about the not to exceed amount of \$6.5 million versus the actual expected sale of only \$5.5 million in bonds. Mr. Hill explained that the not to exceed amount provided the flexibility for the bond sale to encompass not just the sale of the bonds themselves but also the costs related to the issuance of the bonds and a debt service reserve fund. Mr. Griebel asked if these bonds would be repaid using the same revenue streams as for the original bond issuance, and Mr. Hill said that was correct. Mr. Griebel asked if Mr. Hill could provide an update and review of these revenue streams and the impact that the new bond issuance would have on these. Mr. Hill stated that the nine revenues streams remain the same, but that the PILOT payments for property taxes from the other Downtown North development parcels would increase by 75 basis points. He also noted that in the project pro forma, some of the first year revenue figures had been adjusted to take into account the delayed opening of the stadium. Mr. Hill stated that the project pro forma continued to generate positive cash flow except for years 7 through 14, where negative balances would peak in about year 11 and then improve.

Mr. Cloud stated that the Authority was fortunate that this bond issuance transaction could be completed as a fully tax-exempt transaction. He explained that this meant that the Authority was able to achieve lowering borrowing costs. Mr. Cloud noted that there was an anticipated hard sell date for the bonds of March 16th, but that the transaction would be accelerated if the markets shifted in a negative manner. He stated that there was an obligation to be transparent about the bonding process both historically and advancing into the future, and that to assist in this process the City had retained the services of a disclosure counsel. He also noted that an executed resolution from the Stadium Authority approving the issuance of the bonds was needed for the sale.

Mayor Bronin asked what the likely annual debt service cost would be on the bonds. Mr. Cloud indicated that a month prior it was expected that the annual cost would be \$450,000, but that as of the day before the meeting that figure had dropped to \$385,000. Mr. Cloud added that this was off of the original projection of \$550,000. Mayor Bronin stressed that by increasing DoNo's annual PILOT payments by \$225,000, this would represent over half of the projected cost of the increased debt service. Mr. Cloud agreed, and he noted that the City was always looking at revenue estimates when considering debt service for projects so that exposure to the taxpayers was minimized. Mr. Griebel asked that a comprehensive update on the debt service revenue streams be provided at the Stadium Authority's April meeting.

A motion was made by Mr. Griebel to approve the issuance and sale of not exceeding \$6,500,000 Hartford Stadium Authority Lease Revenue Bonds. The motion was seconded by Mr. Hill. The motion was unanimously approved.

D. Report of the Executive Director

Mr. Fitzpatrick described the progress being made in achieving the March 9th Interim Milestone per the settlement agreement. He explained that it was the City's assessment that the March 9th milestone would be met in terms of completion of the associated construction activities. Mr. Fitzgerald noted that the City was continuing to have frequent intensive discussions with Centerplan regarding project schedule. He did point out that two small areas of steel in center field and over the barbeque pit along the left field line would not be complete by the March 9th date due to on-going design discussions, but that these were relatively minor in scope and not integral to the overall stadium structure. Mr. Fitzpatrick stated that the May 17th date of substantial completion was still achievable.

Mr. Looney reviewed the Executive Director's Report and discussed the latest invoice from the developer and its component cost elements. He noted that as of the March pay requisition, the developer's fees had been exhausted. Chairman Mathews noted that the Authority was looking to asks question about and vote on approval of the pay requisition at this point. Mr. Griebel asked if the spreadsheet that accompanied the pay requisition included the change orders that stemmed from the January 19th settlement agreement. Mr. Looney replied that the spreadsheet still reflected the original \$56 million budget amount. Mr. Cloud asked if the pay requisition amount was reflective of the pace of work on the stadium increasing, and Mr. Looney replied that it was indicative of a significant increase in the pace of work being put in place.

A motion to approve Invoice #15 was made by Mr. Griebel and seconded by Mr. Hill. The motion was passed unanimously.

Mr. Looney proceeded to review the progress on the road work on-going along Trumbull Street, Pleasant Street and the former Windsor Street. He noted that as of the day prior, Trumbull Street had been reopened.

Chairman Mathews asked for discussion on the proposed change orders from DoNo Hartford LLC. Mr. Looney presented the first of four change orders that had been submitted for Authority review and approval, Change Order 001, in the amount of \$7,573,079.00. He explained that this change order was for the amount required per the January 19th settlement agreement. Mr. Griebel asked if this change order was inclusive of all issues related to the settlement agreement. Mr. Looney replied that this was correct. Mayor Bronin noted that the change order amount would be coming from the City and that \$2 million would be paid by the team on achievement of substantial completion.

A motion to approve Change Order 001 was made by Mr. Griebel and seconded by Mr. Cloud. The motion was passed unanimously.

Mr. Looney presented Change Order 002 in the amount of \$103,940.92. He explained that this change order encompassed several items that were either retained during the value engineering process or were changes that occurred in the plans later. He noted that these included automatic flush urinals, drink rails and some additional steel for stadium signage, and that the change order would have to be agreed to with the team in order to put the necessary funding in place. Chairman Mathews asked if the request was for the Stadium Authority to approve the change order. Mr. Looney replied that the approval would be conditional on being submitted to the Team.

Mayor Bronin asked for clarification as to what the Authority members were being asked to approve. Mr. Looney replied that the City was seeking approval from the Authority for the scope of work included as part of the change order and to provide for funding. Mr. Cloud asked if the requested change order was for more money, and from whom the request was coming. Mr. Looney replied that this change order was for items requested by the Team. Mr. Cloud asked who would be paying for this change order, and Mr. Looney replied that it would be funded by the Team. Mr. Cloud asked if the items were Team requested, why was the Stadium Authority being asked for a change order. Mr. Looney stated that it was the City's opinion that any change order that would affect the overall GMP value should come before the Authority for approval. >

Mayor Bronin ask for clarification that since the Stadium Authority had a contractual relationship with the developer, the Stadium Authority needed to approve such change orders and that this approval was simply a measure of forwarding along the Team's requested changes and not a commitment on the City's part to bear the associated cost. Mr. Looney confirmed that this was correct.

A motion to approve Change Order 002 was made by Mr. Griebel and seconded by Mr. Hill. The motion was passed unanimously.

Mr. Looney presented Change Order 003 in the amount of \$164,341.30. He explained that this change order encompassed supporting steel for the Dunkin' Donuts cup feature in the outfield, some additional steel for the scoreboard, and supporting steel for 10 sponsor signs and the main entry sign. He stated that similar to Change Order 002, this change order was being brought before the Authority for approval and forwarding on to the Team, who would be responsible for the associated cost.

Mr. Cloud asked for clarification as to the structural elements included in the change order. Mr. Looney explained the elements as they related to the change order. Mr. Cloud asked if the support steel was required for the advertising signage originally envisioned or represented an expansion of this signage capacity. Mr. Looney explained that he believed the steel required was based upon the final design of the signs.

A motion to approve Change Order 003 was made by Mr. Griebel and seconded by Mr. Cloud. The motion was passed unanimously.

Mr. Looney presented Change Order 004 in the amount of \$159,052.14. He explained that this change order encompassed the precast subroof necessary to prevent any potential water leakage

into the finished spaces of the dugout level. Mr. Looney stated that as part of design process this element was not included, but it was an important element that needed to be included. He noted that the City was working with Centerplan and their design team to determine why this element was not included in the design. Mr. Looney explained that this change order was effectively a City requested change, and that in terms of funding, the City was exploring its options and that it may have to pay for the subroof in the short term until the appropriate source of reimbursement from the design team members could be determined.

Mr. Griebel asked if the Stadium Authority was being asked to authorize the City to pursue this change while the City worked with Centerplan to determine if there was any potential financial relief available to the City. Mr. Looney noted that this was correct. Mr. Fitzpatrick stated that the City believed this was a design error, not an error by Centerplan. Mayor Bronin pointed out that the attempts by the City to recover funds would not be subject to negotiation. Mr. Fitzpatrick noted that it was important to get this work done now to keep construction progress on track.

Mr. Cloud stated that he was concerned about the City being out the amount of the change order with only an anticipation of being reimbursed at some point in the future. However, he noted that if not doing the work was going to impede meeting construction completion that it made sense provided that the City had a plan of action. Mr. Fitzpatrick stated that conversations had been had with Corporation Counsel but not with third parties as of yet. Mr. Cloud said that he had not accounted for this funding in his calculations for the expected \$5.5 million additional bond issuance.

A motion to approve Change Order 004 was made by Mr. Griebel and seconded by Mr. Hill. The motion was passed unanimously.

E. Report of the Hartford Yard Goats

Mr. Solomon discussed recent Yard Goat team activities, including the planning of a Riverfront Recapture fundraising event on May 21st, the announcement of Bear's BBQ being a concessionaire in the stadium, and the Team's upcoming job fair for employment opportunities at the stadium. He noted that ticket sales remained good, and that despite the delayed opening, excitement was high among the fan base.

Mr. Griebel asked how many jobs would be available at the stadium. Mr. Solomon responded that it would be between 250 and 300 jobs. Chairman Mathews noted that many people in the community would be working with the Yard Goats to ensure that there was a strong response to the job fair. Mr. Griebel asked about any new information on corporate sponsorships. Mr. Restall said meetings continued with corporate sponsors and season ticket holders. He also noted that there would be an upcoming preview of the stadium suites for suite holders. Mr. Cloud asked if the Team was comfortable with the FF&E elements purchased to date. Mr. Solomon said that he would know better on May 17th, but that everyone was working diligently. Mr. Cloud asked about the logistics of ordering and installing FF&E elements. Mr. Solomon stated that most components were being held at the warehouse facilities. Council President Clarke asked about the strength of ticket sales and price points. Mr. Solomon said ticket sales

were going well, but that individual game tickets were not yet available. Mr. Clarke asked about the Team's community outreach efforts. Mr. Solomon indicated that this was going very well. Mr. Cloud asked if the Team had started marketing the stadium for non-baseball events. Mr. Solomon said there had been some discussions, but that the core focus right now was getting the stadium complete and ready for the baseball season. Mr. Cloud also asked what the arrangement was for revenue sharing between the City and the Team for non-baseball events. Mr. Hill responded that this arrangement was for the City to receive 30% of net revenues, but that the current pro forma had assumed no revenues because of the difficulty of projecting these revenues. Mr. Solomon noted that a planned UConn baseball game at the stadium had to be cancelled due to the delayed opening, so he wanted to finalize construction before beginning to commit to other parties about potential scheduled dates.

F. Report from the Owner's Representative on Current Status of Stadium Schedule and Construction Activities

Mr. Greene presented the Owner's Representative Report on the status of potential change orders, allowance budgets, the stadium schedule and construction activities. Council President asked what concerned IFG the most about reaching Substantial Completion. Mr. Greene responded that full completion, not simply some level of completion, was his concern. Mr. Couture said keeping water out of the building and finishing concrete and steel work were his concerns. Council President Clarke asked how these concerns were being addressed, and Mr. Greene responded that these issues were being addressed daily.

G. Report of DoNo Hartford LLC / Centerplan Construction Company

Mr. Rudnick and Mr. Banfield presented a photographic update on the construction progress of the stadium, beginning with February 1st and how much had been accomplished in the previous month. Mr. Cloud asked Mr. Rudnick about the status of the brick work on the Pleasant Street façade, and Mr. Rudnick replied that the scaffolding for the masons was already being taken down as this work was reaching completion. Mr. Cloud noted that it was impressive to see the brick work finished. Mr. Rudnick concluded with a review of the project budget to date.

Mr. Banfield presented information about manpower and work hours for the different project trades, as well as progression through the project schedule. Council President Clarke asked if Mr. Banfield felt that the project could benefit from additional manpower. Mr. Banfield replied that manpower was going to be increased as time progressed. Council President Clarke asked if Mr. Banfield believed that communication with the City was good. Mr. Banfield replied that communication was now substantially better. Council President Clarke asked if there were any other concerns that hadn't been addressed that needed to be addressed, and if Mr. Banfield believed that the Substantial Completion date could be achieved. Mr. Banfield replied that he was confident that the Substantial Completion date could be met, and that any issues or concerns that were arising were being addressed quickly.

Mr. Cloud asked if Centerplan was receiving IFG's daily reports, and Mr. Banfield indicated that they were. Mr. Cloud asked if Centerplan was getting a chance to review the daily reports before they were released. Mr. Rudnick stated that Centerplan receives the reports shortly after they are

completed and addresses any issues raised were being addressed quickly. Chairman Mathews asked about non-compliance items and how they were being handled. Mr. Banfield replied that one project manager was solely dedicated to addressing non-compliance issues. Chairman Mathews asked if these items would be resolved at Substantial Completion or would be part of a future punch list. Mr. Banfield noted that the non-compliance issues were now not structural in nature, and would not go beyond Substantial Completion.

H. Report on Community Benefits

Ms. Graves presented DoNo/Centerplan's monthly report on community benefits. Mr. Cloud asked for clarification on the number of individuals and Hartford residents who had worked on the project. Ms. Graves and Mr. Cloud discussed how workers were classified and accounted for under the different categories tracked.

Mr. Toppin presented the City's report on MWBE compliance for the stadium project. Mr. Cloud noted that looking back over the previous months, minority and Hartford resident participation rates had consistently fallen short, and that he understood some of the difficulties of working through the unions and the workforce itself. However, he stated that the project had to do better in this regard. He asked that the project team keep this in mind.

I. Old Business

Chairman Mathews remarked that there was a substitute resolution regarding the election of Stadium Authority officers. Mr. Looney discussed the substitute resolution regarding the naming of a Vice Chair. Mr. Griebel asked Council President Clarke about an update on the nomination of a new Stadium Authority member. Council President Clarke replied that the nomination of an individual was progressing through the committee referral process in City Council, and should the nomination be approved, the new member would be available for the April meeting of the Authority.

A motion to replace Yolanda Rivera as Vice Chair with Oz Griebel was made by Mr. Cloud and seconded by Mr. Hill. The motion was passed 3-0 with one abstention (Griebel).

J. Call to Public

Anne Goshdigian noted that there was considerable discussion about living wage for stadium employees at City Council and on social media. She thought that a lot of the stadium jobs would be non-union jobs and would not include benefits. She stated that the previous administration had talked about the stadium bringing many good jobs to the City, but that many of these jobs would be seasonal or part time. She also asked if most of the jobs would be concessions-related. She was pleased that the Authority had asked for a list of Hartford residents working on the stadium project the previous month, and asked if that list had been received. She also wanted to know how much Dunkin' Donuts had paid for the naming rights to the stadium. Finally, she asked what the alternative plan was for the \$2 million from the Team if Substantial Completion was not met on time.

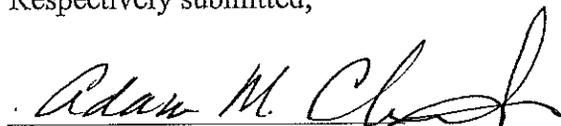
Two representatives for the carpenters' union commented that they could only supply the manpower when called upon by the contractor, but that they were committed to supplying this labor force. They also noted that as union members fully engage with the trades, they often move out of Hartford due to their increased economic means, and that these workers need to be encouraged to remain in the City. They were also working closely with the technical high schools to help students enter into their apprentice program.

Mr. Ware thanked the Stadium Authority members for their questions on MWBE participation and Ms. Goshdigian for her comments. He also stated that he had gone down to the construction trailer to apply for a job on the stadium project, and had been told to leave the construction site. He also wanted to know what happened to all the money put into the project. He wanted to know how much overtime had been paid for workers on the project. He wanted to know why the Yard Goats job fair was being limited to the YMCA. Chairman Mathews commented that the job fair was open to everyone, and that the YMCA was just the venue. Mr. Ware noted that the parking wasn't convenient. Finally, he asked what the current pay rates were on the project and what the community-based events were that had been going on. He also asked that the Stadium Authority not fail the people of the City.

K. Adjournment

A motion to adjourn was made by Chairman Mathews and seconded by Mr. Hill. The motion was passed unanimously. The meeting adjourned at 5:11p.m.

Respectively submitted,



Adam M. Cloud
Secretary
Hartford Stadium Authority