

**MANSFIELD DOWNTOWN PARTNERSHIP  
FINANCE AND ADMINISTRATION COMMITTEE  
MEETING  
PARTNERSHIP OFFICE  
23 Royce Circle**

**THURSDAY, JUNE 26, 2014**

**3:00 PM**

**MINUTES**

Present: Chair: Tom Callahan, Fran Archambault, Phil Barry, Harry Birkenruth, Mark Hammond, Matt Hart (by phone), Dave Pepin

Guests: Board member George Jones; Howard Kaufman and Debbie Lastro with Storrs Center Alliance (by phone); Daryl Krivanec with Hart Realty Advisors; Matt Joyce with Wilder Companies

Staff: Cynthia van Zelm

**1. Call to Order**

Tom Callahan called the meeting to order at 3:05 pm.

**2. Discussion of Commercial Property Transition**

Committee members and guests introduced themselves. Mr. Callahan said the Partnership has spent most of its time working toward getting Storrs Center built. Now that the last two phases are in sight, the Board, with the assistance of the Finance and Administration Committee, is looking toward its future role.

Storrs Center Alliance is now selling some of its commercial assets to the State Pension Fund with the assistance of Hart Realty Advisors. As the Partnership moves into an on-going management role in Storrs Center, with the possibility of work in other areas of town, how does that relate to the work that Hart will do in Storrs Center?

Mr. Callahan asked Daryl Krivanec to discuss Hart and Wilder's role going forward. Would they be responsible for tenanting any of Phase 2 which is now underway?

Howard Kaufman said that Hart will be acquiring the commercial property in Phases 1A, 1B, 1C and 4, on behalf of the State's Pension Fund. They are not acquiring Phase 2 at this time. Mr. Kaufman reiterated that Storrs Center

Alliance has closed with Hart on Phase 1A (1, 9, 11 Dog Lane) and noted that they closed on Phase 4 (Price Chopper land, and MP-2 building) yesterday. The closings are scheduled for 1B in late August, and Phase 1C in mid-September. Storrs Center Alliance is transitioning commercial management to Mr. Krivanec and Matt Joyce's teams for Phases 1A and Phase 4.

Mr. Kaufman said he is working with Mr. Krivanec and Mr. Joyce on the leasing of the MP-2 building.

If Storrs Center Alliance sells Phase 2, they would approach Hart first but there is no current negotiation. Mr. Kaufman said the leasing of Phase 2 will respect any rights that other tenants have in their leases with respect to competition. Mr. Kaufman said that Dan Zelson with Charter Realty, continues to be responsible for leading the leasing on Phase 2. Mr. Kaufman would welcome assistance from Wilder but it is not their responsibility.

Mark Hammond arrived.

There was some continued discussion about the exclusivity of leases if there are multiple property owners in the downtown. Mr. Kaufman thought with time, each property owner would likely look out for its own leases similar to the Haidous and Taylor properties.

Mr. Krivanec provided background on Hart's role. He said Hart represents the State of Connecticut's Pension Fund. Hart manages assets all over the country. They have a fiduciary responsibility to the State and are responsible for keeping the property they control in Storrs Center well leased. He said the Pension Fund plans to own this property in Storrs Center for the foreseeable future.

Hart hires local managers that pay the bills and respond to tenant needs. Hart hired Wilder Companies and Matt Joyce is the lead contact.

Dave Pepin asked if Hart's mandate is "fully discretionary." Mr. Krivanec said it is for the most part but the Pension Fund team likes to be involved in the decision making process and Hart runs all decisions by them.

Mr. Callahan asked how resources are allocated to protect the physical asset of Storrs Center. Mr. Krivanec said Wilder is responsible for taking care of the physical infrastructure and any deferred maintenance. Mr. Krivanec said he is working on a budget with the Wilder team.

Debbie Lastro said the condo association is responsible for the maintenance of the exterior of the buildings. Hart sits on the condo association board. Mr. Callahan asked for more information on the condo association. Mr. Krivanec said the residential and commercial interests work together on common areas to make sure all issues are addressed.

Mr. Kaufman explained that there is one condo association for Phase 1 (1A, 1B, and 1C) which includes one representative from Storrs Center Alliance, one from Hart, and two from EdR. Once Phase 1B is sold, Storrs Center Alliance will drop off the board.

A second condo association will be set up for Phase 2 with representatives from Storrs Center Alliance and EdR.

Fran Archambault asked if tenants pay fees. Mr. Kaufman said retail tenants do not pay direct condo fees but pay CAM (common area maintenance) fees which go toward the condo fees. This would include money to pay for shoveling snow.

Mr. Archambault asked if there was overlap with the condo association and the Partnership. Mr. Kaufman replied in the affirmative, noting the long relationship between the entities especially on marketing and operations.

Mr. Krivanec said that Hart and Wilder will also work closely with the Partnership and noted that he and others had spent an hour before this meeting with Executive Director Cynthia van Zelm talking about the transition.

Mr. Krivanec said Hart will oversee the management of the Storrs Center asset but that people are needed on the ground to take care of details. They interviewed various property management companies and chose Wilder. They have not worked together before but know each other's team.

Matt Joyce said Wilder will be involved in both leasing and property management.

Mr. Callahan asked Mr. Joyce about Wilder's leasing philosophy. Mr. Joyce said Wilder works to find the right mix of tenants and has worked in downtowns and big box developments. The Garden City project in Cranston, RI, that Mr. Callahan had referred to, is an example of an outdoor center (where indoor mall is flipped inside out), which has become very popular. They are often called lifestyle centers.

Phil Barry asked how many people at Wilder will work on Storrs Center. Mr. Joyce said he thought 15 plus people will be involved including billing, administrative and on-site.

Harry Birkenruth asked how best to benchmark success in Storrs Center. Mark Hammond noted that the original vision for Storrs Center was smaller businesses but Wilder works with a lot of nationals. Mr. Joyce said the ownership team likes credit worthy tenants. Typically downtowns have anchors which can allow for smaller spaces for retail. Mr. Hammond asked if Wilder has experience working with smaller retailers. Mr. Joyce replied in the affirmative and said that they will

work to promote the current businesses in Storrs Center. The success of the current tenants will help with recruiting other tenants. Mr. Joyce noted that he has been meeting with tenants individually and attending the monthly tenant meetings. Mr. Kaufman noted that Wilder will bring a depth of experience in retail.

Mr. Krivanec thanked Mr. Kaufman for the work he has done and noted he is looking forward to working with the Partnership and continuing to make Storrs Center a success. Mr. Callahan said he is proud of the work Storrs Center Alliance has done and pleased that the Pension Fund wanted to invest in Storrs Center.

Mr. Callahan noted that for many years it has been important to keep the developer's at arm's length but as Storrs Center comes to completion, there needs to be more discussion about how the Town/UConn/Storrs Center Alliance/EdR and Pension Fund are integrated.

Mr. Kaufman noted that Storrs Center Alliance is still working on Phase 2 (completion one year out) and Phase 3 (two to three years out) and plans to be in Mansfield for a long time.

Mr. Callahan asked for clarification of the Educational Playcare site ownership. Mr. Kaufman said they have a long term (98 year) ground lease with a Leyland affiliate.

Mr. Kaufman, Ms. Lastro, Mr. Krivanec, and Mr. Joyce left the meeting.

### **3. Approval of Minutes from May 22, 2014**

Mr. Archambault made a motion to approve the minutes of May 22, 2014. Mr. Birkenruth seconded the motion. The motion was approved.

### **4. Review of Partnership Long-Term Budget**

Mr. Hammond left the meeting.

Mr. Birkenruth asked about the process of determining the Partnership's role going forward and the timeline. He noted that the Partnership spent a long time on its benchmarks and would like to continue to use them, working with the development team.

The Committee discussed the structure of the Partnership vis a vis the role EdR/Hart/Storrs Center Alliance might play. At what level? Mr. Hart left the meeting. Mr. Callahan will discuss with Board President Philip Lodewick. Ms. van Zelm will follow-up with Mr. Hart. The Committee agreed to move expeditiously on this issue.

## **5. Adjourn**

Mr. Birkenruth made a motion to adjourn. Mr. Archambault seconded the motion. The meeting adjourned at 5:04 pm.

*Minutes taken by Cynthia van Zelm*