



**OFFICE OF THE TOWN AND CITY CLERK
CITY OF HARTFORD
HARTFORD, CONNECTICUT**



A SPECIAL PUBLIC HEARING HAS BEEN SCHEDULED ON THE FOLLOWING RESOLUTIONS FOR 5:30 P.M. MONDAY JULY 8, 2019 IN THE MUNICIPAL BUILDING.

RESOLUTION REQUESTING AUTHORIZATION TO AMEND THE EXISTING GROUND LEASE WITH 315 TRUMBULL STREET ASSOCIATES, LLC FOR 3 PARCELS OF LAND LOCATED AT 315 TRUMBULL STREET.

RESOLUTION REQUESTING AUTHORIZATION THE MAYOR TO SUBMIT A SECTION 108 LOAN GUARANTEE PROGRAM APPLICATION FOR THE RENOVATION OF THE HILTON HOTEL AT 315 TRUMBULL STREET.

COPIES OF THE RESOLUTIONS ARE ON FILE IN THE OFFICE OF THE TOWN AND CITY CLERK FOR PUBLIC INSPECTION.

ATTEST:

**JOHN V. BAZZANO
CITY CLERK**



ITEM# 1 ON AGENDA

Luke A. Bronin
Mayor

June 10, 2019

Honorable Glendowlyn Thames, Council President and
Members of the Court of Common Council
City of Hartford
550 Main Street
Hartford, CT 06103

RE: Ground Lease – Hilton Hotel

Dear Council President Thames:

Enclosed is a resolution for consideration by the Court of Common Council (the "Council") which would authorize the Mayor to amend the existing ground lease with 315 Trumbull Street Associates, LLC for 3 parcels of land located at 315 Trumbull Street.

In 2010, the City successfully submitted an application and secured a \$7,000,000 Section 108 Loan on behalf of the Hilton Hotel that preserved jobs and supported a new ownership group. As part of this deal, the City amended an air rights agreement and ground lease associated with the property that reflected the original terms of the loan.

Today, the hotel is in need of guestroom renovations as required by the Hilton brand and licensing agreement. The owners of the Hilton Hotel are seeking a second Section 108 Loan from the United States Department of Housing and Urban Development under the Community Development Block Grant Program (CDBG). Please refer to the 108 Loan Application resolution that is being submitted at the same time as this request.

However, per the terms of the lease agreement, an amendment to the ground lease is required to allow for more debt against the property as well as extending the lease terms that also reflect the terms of the second loan.

The specific terms of the ground lease with the owner are more particularly set forth in a detailed term sheet that is forthcoming to Council. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Luke A. Bronin", is written over a horizontal line.

Luke A. Bronin
Mayor

550 Main Street
Hartford, Connecticut 06103
Telephone (860) 757-9500
Facsimile (860) 722-6606

INTRODUCED BY:
Luke A. Bronin, Mayor

COURT OF COMMON COUNCIL
City of Hartford, June 10, 2019

WHEREAS, the City of Hartford entered into a ground lease and space agreement with 315 Trumbull Street Associates, LLC, for 3 parcels of land located at 315 Trumbull Street; and

WHEREAS, the current owners are looking to secure a second Section 108 Loan on the property in order to renovate the Hilton Hotel located on the premises as required by the Hilton brand; and

WHEREAS, Per the terms of the existing ground lease and space agreement, the ground lease needs to be re-negotiated to reflect an additional loan and any loan terms associated; and

WHEREAS, the specific terms of the ground lease are more particularly set forth in the forthcoming term sheet; and

WHEREAS, the renegotiated ground lease will allow for the renovation of the 393 guestrooms and suites; and therefore, be it

RESOLVED, That the Court of Common Council hereby authorizes the Mayor, subject to his review and approval of the Loan Term sheet, amend the existing ground and space lease with 315 Trumbull Street Associates, LLC.

RESOLVED, that the Mayor is hereby authorized to execute any and all manner of other documents and to take such other actions as he and the Corporation Counsel may deem appropriate and in the best interest of the City in order to effectuate the above transaction, and be it further

RESOLVED, that no person or entity shall be entitled to rely on, or otherwise claim any benefit by reason of this resolution should the Mayor fail to execute the aforementioned agreements or other documents, or to take any of the other aforesaid actions, and be it further

RESOLVED, that all approvals and authorizations provided hereby are contingent upon, and only shall be effective on and by means of, the Mayor executing such application and taking such actions, all of which shall be, in form and substance, acceptable to the Mayor and the Corporation Counsel.



Luke A. Bronin
Mayor

June 10, 2019

Honorable Glendowlyn Thames, Council President and
Members of the Court of Common Council
City of Hartford
550 Main Street
Hartford, CT 06103

RE: 108 Loan Application – Hilton Hotel

Dear Council President Thames,

Enclosed is a resolution for consideration by the Court of Common Council (the "Council") which would authorize the Mayor to submit a Section 108 Loan Guarantee Program Application for the renovation of the Hilton Hotel at 315 Trumbull Street to the United States Department of Housing and Urban Development under the Community Development Block Grant Program (CDBG).

Under the CDBG program and consistent with the City's FY 2019-2020 annual action plans goals and objectives, the City is able to utilize some of its entitlement funds as guarantee funds to support economic growth and development that support low to moderate-income citizens.


The Hartford Hilton is a full-service hotel located in downtown Hartford and includes 393 guestrooms and suites, 15,000 square feet of flexible, meeting space, wireless internet access, as well as a bar and restaurant and employs approximately 130 low to moderate-income citizens.

In 2010, the City successfully submitted an application and secured a \$7,000,000 Section 108 Loan on behalf of the Hilton Hotel that preserved jobs and supported the new ownership group. As part of this deal, the City amended an air rights agreement and ground lease as well as required the new ownership to maintain the Hilton flagship. To date, the existing loan is in good standing and the new owners have complied with the obligations under the existing loan and agreement with the City.

Today, the hotel is in need of guestroom renovations as required by the Hilton brand and licensing agreement. The additional Section 108 funds are essential to the funding of the required renovation projects. The owner of the project has contributed \$1 million in additional equity for the capital requirements of the new "Herb N' Kitchen" food and beverage concept which is part of the Hilton brand renovation requirements.

Therefore, The Hilton is looking for the City to support an additional \$4.75 million dollars in financial assistance to meet the brand requirements by way of a second 108 Loan Application to the United States Department of Housing and Urban Development. Thank you for your consideration.

Respectfully submitted,


Luke A. Bronin
Mayor

550 Main Street
Hartford, Connecticut 06103
Telephone (860) 757-9500
Facsimile (860) 722-6606

INTRODUCED BY:
Luke A. Bronin, Mayor

COURT OF COMMON COUNCIL
City of Hartford, June 10, 2019

WHEREAS, the City of Hartford is designated as an Entitlement City under the U. S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program; and

WHEREAS, the CDBG Program allows municipalities to use a portion of their CDBG entitlement funds as guarantee funds to support Section 108 loan financing for economic development projects, and

WHEREAS, in accordance with the City's FY2019-2020 CDBG Annual Action Plan, the City of Hartford proposes to apply for a HUD Section 108 Loan Guarantee for the renovation of the Hilton Hotel at 315 Trumbull Street; and

WHEREAS, the Hilton Hotel is a unionized hotel that employs approximately 130 jobs that support low to moderate income persons within the City of Hartford; and

WHEREAS, the Hilton Hotel is required to perform brand renovations under its brand licensing agreement; and

WHEREAS, the City of Hartford desires to facilitate economic growth and job preservation of low to moderate income jobs within the city of Hartford, and

WHEREAS, the City of Hartford desires to make application to HUD on behalf of the hotel project for a Section 108 Loan Guarantee in the amount of \$4.75 million, with the intent to loan the funds to a third-party developer; and

WHEREAS, the loan funds will be used for renovation of 393 guestrooms which in turn supports approximately 130 low to moderate-income jobs; and

WHEREAS, federal regulations require the City to make certain certifications and assurances to HUD as a part of the City's Section 108 Loan application; be it

RESOLVED, That the Court of Common Council hereby authorizes the Mayor, subject to his review and approval of a Term Sheet for the loan and amendments to the existing ground lease, to submit a HUD Section 108 Loan Guarantee application for \$4.75 million for the proposed hotel project at 315 Trumbull Street, as part of its housing and community development goals, objectives and strategies for fiscal year 2019-2020; and be it further

RESOLVED, that the Mayor is hereby authorized to execute any and all manner of other documents and to take such other actions as he and the Corporation Counsel may deem appropriate and in the best interest of the City in order to effectuate the above transaction, upon approval of the Term Sheet and associated ground lease amendments, and be it further

RESOLVED, that no person or entity shall be entitled to rely on, or otherwise claim any benefit by reason of this resolution should the Mayor fail to execute the aforementioned agreements or other documents, or to take any of the other aforesaid actions, and be it further

RESOLVED, that all approvals and authorizations provided hereby are contingent upon, and only shall be effective on and by means of, the Mayor executing such application and taking such actions, all of which shall be, in form and substance, acceptable to the Mayor and the Corporation Counsel.