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A Stadium Plan Goes Sour in Hartford.

The Yard Goats, the Double-A affiliate of the Colorado Rockies, had hoped to open their 2016 season at the new \$63 million Dunkin' Donuts Park. Instead, because of a fiscal crisis in Hartford, their new hometown, the team is playing on a borrowed field about 40 miles away.

On May 27, Hartford Mayor Luke Bronin announced the city could no longer afford to cover the cost of construction delays at Dunkin' Donuts Park. Hartford recently cut services and raided its rainy-day fund to close a \$50 million budget gap for the 2017 fiscal year, which begins July 1. Now, Bronin is making a claim against the insurance bought by builders Centerplan Construction to guarantee the stadium would be completed. "The developer is responsible for any costs beyond what we approved, and there were quite a few," Bronin says.

The stadium, born out of an idea to revitalize Hartford's desolate north side, isn't what caused the city's budget problems. As Connecticut's capital, Hartford is home to a large number of public buildings; half of all properties in the city are tax-exempt. To compensate, the city has raised business taxes, which are now higher than in any neighboring city.

Bronin's predecessor, Pedro Segarra, insisted the stadium wouldn't just pay for itself but also generate revenue for the city. He oversaw the creation of the Hartford Stadium Authority, which issued \$56 million in municipal bonds in 2015 to finance construction. In early January, shortly after Bronin took office, Centerplan reported that it would require an additional \$10.4 million to finish the job in time for opening day. Bronin agreed to split those costs with Centerplan in exchange for the builder finishing the project by May 17, a deadline it missed.

Bronin, a 36-year-old former Rhodes scholar who graduated from Yale College and Yale Law School, ran for mayor on a promise to look "under the hood" of the city's deteriorating finances. What he found wasn't pretty. "I knew we were facing some serious fiscal challenges, but this was just a lot worse than I had planned on," says Bronin, who served as a naval reserve officer in Afghanistan and worked for the U.S. Department of the Treasury before returning home to Connecticut, where he was appointed general counsel under Democratic Governor Dannel Malloy.

For the 2018 budget, Bronin anticipates a \$34 million shortfall, thanks to payments on debt that are coming due. The gap balloons to \$78 million by 2022. "The stadium isn't the straw that broke the camel's back here," says Melissa McCaw, Hartford's director for management, budget, and grants. "It's just some hay that was dumped on a crippled, half-dead camel."

Centerplan says it wasn't able to meet its deadline, in part because of changes the city requested, including the installation of a barn-style door in a luxury suite. The company has threatened to walk off the job until the insurer, Arch Insurance, completes its evaluation of the city's claim. Centerplan principal Jason Rudnick estimates that could take anywhere from six to nine months. If Arch sides with the city, the insurer will cover as much as \$47 million to complete the ballpark.

McCaw says that with the stadium unfinished and no new revenue sources available, the city may need to lean on the state for help: "I really just have no idea how we're going to close that budget

gap.”

The bottom line: *Hartford, which recently struggled to close a \$50 million budget gap, is refusing to cover cost overruns at its new ballpark.*

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