

CRDA Venue Committee Meeting
APPROVED Meeting Minutes
January 7, 2022
2:00 p.m.

Members Present via GoToMeeting: Committee Chair Andy Bessette, Board Chair Suzanne Hopgood, David Jorgensen, Andrew Diaz-Matos and David Robinson

Staff Present via GoToMeeting: Mike Freimuth, Joe Geremia, Bob Saint and Kim Hart

Guests Present via GoToMeeting: Jeff Armstrong and Paul Murdoch (SCI Architects), Mike Scanlon, Frank Russo, Ben Weiss and Charles Tillem (Spectra), Joe Dolan (Webster Bank Arena)

The meeting was called to order at 2:02 p.m. by Board Chair Hopgood and the minutes of the November 1, 2021 meeting were approved on a voice vote. Chairman Bessette joined the meeting at 2:10 and chaired the meeting from that point.

I. **Spectra / OVG Merger**

Mike Scanlon, Senior VP at Spectra Venue Management, reviewed the firm's recent acquisition by the Oak View Group (OVG) and how it will impact CRDA venues. He noted that while Spectra is a more traditional venue management company, OVG is a more entrepreneurial entity, investing heavily in its venues, including the Climate Pledge Arena in Seattle and the UBS Arena in New York. Mr. Scanlon also noted that OVG has a strong relationship with LiveNation, which should be an asset in booking the promoter's shows. He does not see any issues with the transition and does not expect any staff downsizing. He also noted that several former Spectra employees currently hold leadership positions at OVG.

Mr. Scanlon introduced Mr. Dolan from Webster Bank Arena in Bridgeport, another OVG facility. Mr. Freimuth reminded Committee members that CRDA's Facilities Management Agreement requires the Authority to approve Spectra's management of any competing facility within 75 miles. Mr. Scanlon offered that he saw potential synergies between the facilities, rather than competition. Many family shows already play both venues and marketing could be strengthened by combining the efforts of the two venues. Mr. Scanlon indicated that he sees the two as filling different roles in the market, with XL, as the much larger venue, retaining larger concerts. Mr. Dolan concurred, saying he also sees opportunities for cooperation between the venues. He noted that Webster Bank's concert capacity was limited to 7,500 seats and it could not compete for the larger shows.

Mr. Scanlon, Mr. Weiss, Mr. Dolan and Mr. Jorgensen all commented that the Mohegan Sun casino presented more competition to XL given its financial capacity to book artists.

Mr. Bessette offered suggestions for retaining corporate support based on his experiences in Minneapolis/St. Paul. Mr. Diaz-Matos asked about competition from the MGM casino in Springfield. Mr. Scanlon indicated that while they are able to book shows that have ties to MGM's Las Vegas operations, the venue is mostly focused on its AHL team and does not represent serious competition to XL. Mr. Russo noted that MGM's concert capacity was less than 7,000 seats.

II. **XL Center – Sports Betting Lounge Presentation**

Mr. Freimuth reported that per the new legislation authorizing sports betting in the State, CRDA is working with the Connecticut Lottery to locate one of the 15 designated facilities at the XL Center. He noted that Spectra will oversee operations under the terms of our current Facilities Management Agreement.

In conjunction with CRDA's overall XL renovation plans, SCI Architects has been charged with designing the facility. Mr. Freimuth noted that the Trumbull Block was one of several locations considered, but revenue projections from the sports betting lounge could not justify the expense of obtaining that space. The western concourse along Ann Uccello Street was deemed the most viable location, providing the opportunity to both open up the concourse to the arena bowl and to open up the rear of the building to the surrounding neighborhood.

Mr. Freimuth and Mr. Armstrong walked the Committee through SCI's concept plan, noting that the new lounge will operate on both event and non-event days and will utilize existing kitchen and storage facilities at XL. Mr. Freimuth noted that the target date for opening the lounge is September, in time for the start of the fall sports season.

Chairman. Bessette argued strongly that CRDA needs to make sure the facility adds revenue to the XL Center or at least breaks even. Mr. Freimuth agreed and explained that while food and beverage revenue projections show the lounge operating at a loss, CRDA will not move forward without assurances from the Lottery of additional revenue from betting operations in order to balance the budget.

There being no further business, the meeting was adjourned at 3:14 p.m.

The next Venue Committee conference call is scheduled for **February 4, 2022.**