

CRDA Venue Committee
Microsoft Teams
(instructions below)
Monday, April 18, 2022
2:00 pm
Agenda

- I. Introductions
- II. Approval of Minutes from March 4, 2022 Meeting/Conference Call*
- III. Venue Updates
 - a. XL Center
 - Sports Betting
 - OVG Partnership
 - b. Pratt & Whitney Stadium at Rentschler Field
 - Expiration of Major Stadium Agreements
 - c. CT Convention Center
- IV. Next Meeting May 6, 2022
- V. Other Business
- VI. Adjourn

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CRDA Venue Committee Meeting
DRAFT Meeting Minutes
March 4, 2022
2:00 p.m.

Members Present via Microsoft Teams: Committee Chair Andy Bessette, Board Chair Suzanne Hopgood, Alexandra Daum, Andrew Diaz-Matos and David Robinson

Staff Present via Microsoft Teams: Mike Freimuth, Bob Saint, Jen Gaffey and Kim Hart

Guests Present via Microsoft Teams: Ben Weiss (Spectra)

The meeting was called to order at 2:02 p.m. by Chairman Bessette and the minutes of the January 7, 2022 meeting were approved on a voice vote.

I. **XL Center – Sports Betting Lounge**

Mr. Freimuth reported that SCI was moving forward with the design of a new sports bar area at the XL Center, which could become the site of a sports betting facility pending General Assembly approval of a CRDA/CT Lottery net revenues structure. While a new sports bar would enhance food and beverage revenue, the additional costs associated with sports betting would put a strain on the XL budget. CRDA has negotiated an agreement with CT Lottery that would allow us a share of betting revenue, however this requires legislative approval. Mr. Freimuth noted that one of the design issues that SCI is working through is spanning the truck ramp on Ann Uccello Street. He indicated that further updates would be presented at the full Board meeting on March 24th.

During Committee discussion of the project, Chairman Bessette and Mr. Diaz Matos questioned whether CRDA would move forward without the sports betting component. Mr. Freimuth noted that the sports bar concept on its own addresses many of our goals for the venue, including expanding food and beverage opportunities, opening up the concourse to the arena, easing congestion on the concourses and opening the building up to Ann Uccello street.

Mr. Freimuth also reported that CRDA has been in discussions with OVG, the new parent company of Spectra Venue Management, about their potential investment in the arena. He noted that while we have seen XL as primarily a sports and family entertainment venue, OVG sees the building's potential as a premium concert facility. There are certain seating and layout requirements that tie into that, however, and SCI will be looking into whether XL can accommodate those. The question of whether the load-in area can accommodate modern shows is of particular interest to OVG. The company has asked CRDA to split the cost of SCI's due diligence work, which is estimated at \$80-\$100,000.

Mr. Robinson raised a concern about expending these funds if the study finds XL can't accommodate the necessary concert-related improvements and/or if OVG opts not to invest. Mr. Freimuth noted that the cost split may be adjusted in that event and that the study would be of value to CRDA as it tackles other renovations in the building, including the ramps and load-in area.

Ms. Hopgood and Mr. Bessette both noted that OVG is a leader in this industry and that their interest in partnering with us and developing XL as a successful concert venue should not be taken lightly. The question of splitting the cost of the SCI study was approved on a voice vote and sent to the full Board for consideration.

II. Pratt & Whitney Stadium at Rentschler Field

Mr. Weiss reported that NYCFC will be playing in a CONCACAF quarterfinals match against the Guatemala City team on Tuesday, March 8th at 8:00 p.m. Approximately 10,000 tickets have been sold and, while it is early in the season, the Stadium's field will be ready for play.

Mr. Weiss also noted that over 25,000 tickets have already been sold for the NCAA Lacrosse finals to be held at the Stadium over Memorial Day weekend.

Mr. Freimuth noted that CRDA and Spectra are in discussions with Raytheon regarding the company's sale of the Rentschler airfield to National Development. Certain Stadium parking areas and an access road currently on Raytheon property will need to be relocated prior to the start of construction on a new logistics center planned for the site.

III. Connecticut Convention Center

Mr. Freimuth reported that while the number of events is lighter than in past years, crowds are starting to return to the Convention Center. The facility has hosted the annual Flower and Garden show and Home show in recent weeks.

IV. Dillon Stadium

Hartford Athletic will open its 2022 season later this month.

There being no further business, the meeting was adjourned at 2:48 p.m.

The next Venue Committee conference call is scheduled for **April 1, 2022.**

Pratt & Whitney Stadium at Rentschler Field – Key Agreements Expiring June 30, 2023

1. Stadium Lease Agreement

Prior to the opening of the Stadium in 2003, OPM entered into a lease agreement with UConn as the facility's primary tenant. Among other provisions, the 20-year deal provides for the following:

- UConn to pay a base rent of \$170k per game, increasing each year by \$500. They are also required to pay a \$3 surcharge on each ticket sold and to reimburse the Stadium for any incremental operating expenses (i.e., additional expenses required to address emergency or other extraordinary circumstances). UConn retains all revenue related to ticket sales, suite sales, tent space, permanent ad signage in the Bowl and on the Stadium concourses, novelty and program sales and broadcast revenues.
- The Stadium is responsible for all operating expenses, including management fees, maintenance and utilities. It retains all revenue from concessions, catering and parking for UConn events and certain revenue from non-UConn events.
- The Stadium must be financially self-supporting and must be managed and operated so as to avoid any operating deficit. Non-UConn events may not be booked unless they are projected to at least break even budgetarily. In the event of an operating deficit, UConn is responsible for covering up to \$250k of such deficit.

2. OPM / CRDA MOU

In 2013, OPM and CRDA entered into a 10-year MOU for management of the Stadium. With the Authority owning/operating the Convention Center and leasing/operating the XL Center, the parties believed there were operating efficiencies and marketing synergies to be achieved with CRDA managing all three venues.

As amended, the MOU stipulates that no CRDA funds are to be expended for Stadium operations and that any budget shortfalls are the responsibility of OPM. CRDA collects an annual administration fee of \$50k.

3. Facilities Management Agreement

Pursuant to the terms of the OPM MOU, CRDA issued an RFP for a management company to operate both the Stadium and the XL Center. Global Spectrum (now Spectra Venue Management) was selected and a 10-year Facilities Management Agreement was executed in April 2013.

The Stadium portion of that agreement charges Spectra with management of the facility, including marketing, bookings, event management, building management, security, and similar operational matters. In exchange, Spectra receives a management fee starting at \$100k per year with annual increases tied to CPI. The agreement also provides for an incentive fee equal to 25% of non-UConn event revenue in excess of a mutually agreed benchmark.