

CRDA Venue Committee
Thursday, May 12, 2022
2:00 pm

Agenda

- I. Introductions
- II. Approval of Minutes from April 1, 2022 Meeting/Conference Call*
- III. Venue Updates
 - a. XL Center
 - b. Pratt & Whitney Stadium at Rentschler Field
 - c. CT Convention Center
- IV. FY23 Venue Budgets
- V. Next Meeting June 3, 2022
- VI. Other Business
- VII. Adjourn

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CRDA Venue Committee Meeting
DRAFT Meeting Minutes
April 18, 2022
2:00 p.m.

Members Present via Microsoft Teams: Committee Chair Andy Bessette, Board Chair Suzanne Hopgood, David Jorgensen and Andrew Diaz-Mato

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

Guests Present via Microsoft Teams: Paul Robertson (DECD), Ben Weiss (Spectra)

The meeting was called to order at 2:01 p.m. by Chairman Bessette and the minutes of the March 4, 2022 meeting were approved on a voice vote.

I. XL Center – Sports Betting Lounge (Part 1)

Mr. Freimuth reported that CRDA continues to work with the Connecticut Lottery Corporation on a shared revenue arrangement for a sports betting lounge at XL. Legislative action may be required. Mr. Freimuth noted that CRDA continues moving forward with the construction of a new sports bar area that will eventually house a betting facility. A construction manager has been selected and the initial bid packages have been released. The sports betting facility could be operational this fall, however, supply chain issues will likely impact the construction schedule.

II. OVG Partnership

Mr. Freimuth also reported that CRDA and DECD recently met with OVG, the new parent company of Spectra Venue Management, about their potential investment in the arena. OVG continues evaluating XL's potential to host premier concerts, with a focus on seating and load-in capacity. Mr. Freimuth expects a proposal from the company by the end of April.

III. Events

Mr. Weiss noted that while the event schedule is improving post-Covid, attendance numbers are still struggling. The arena will host Stars on Ice later this week and the Wolfpack will also play their last regular season home games. The team is currently ranked seventh in their division and may secure a playoff spot if it breaks into the top six teams. Upcoming events include a Journey concert, WWE and a number of graduation ceremonies.

Mr. Freimuth alerted Committee members that next month's Venue Committee meeting will include a review of draft budgets for the three CRDA venues.

IV. Pratt & Whitney Stadium at Rentschler Field

Mr. Freimuth noted that the agenda packet included summaries of the three major Stadium agreements expiring next year: the OPM / UConn lease, the OPM / CRDA operating MOU and the CRDA / Spectra management agreement. The lease will be the most critical, as negotiations between the State and the University will decide the future ownership structure of the venue. While the Stadium could remain under OPM control, the parties could also decide to transfer management to UConn.

Mr. Diaz-Matos raised a question as to whether UConn rent at the Stadium will need to be increased. Mr. Freimuth noted that an increase in attendance is more critical, explaining that with less than 20,000 people in the stands, food/beverage and parking revenue retained by the Stadium cannot support operations. In recent years, the venue has had to rely on revenue from non-UConn events and a mandated UConn subsidy in order to balance its budget.

Mr. Weiss noted that the Stadium has had a remarkable year in terms of non-UConn revenue, highlighted by the NCAA lacrosse championships and two international soccer matches. Next year's calendar is expected to be lighter and UConn football will need to better support itself.

V. XL Center – Sports Betting Lounge (Part 2)

Mr. Saint entered the meeting and Committee members continued their discussion of renovation work planned for the XL Center. Mr. Saint reported that Dimeo Construction, who is overseeing the renovation work, has issued the first early release bid package covering demolition, food service, elevators and curtainwall. The next package to be released will be structural and work is expected to start in early May. Mr. Saint noted that supply chain delays are expected to impact the project, with the longest lead times related to the curtainwall and the video wall required for sports betting operations. Such delays could impact a projected fall opening.

VI. Connecticut Convention Center

Mr. Freimuth reported that repair work on the plaza between the Convention Center and Marriott is near completion, while work continues on the chiller replacement project. He also noted that the venue has secured the popular Van Gogh Experience show, which will run from August to October this year.

There being no further business, the meeting was adjourned at 2:32 p.m.

The next Venue Committee conference call is scheduled for **May 6, 2022.**

**CONNECTICUT CONVENTION CENTER
FYE2023 BUDGET COMPARISON**

	Budget FYE2023	Opened Sept Budget FYE2022	Opened Sept Forecast FYE2022	Fav/(Unfav) Variance	Closed March Actual FYE2020	Full Year Actual FYE2019	Fav/(Unfav) Variance
OPERATING INCOME							
Rent	2,228,955	1,561,427	1,472,341	756,614	1,613,419	2,381,134	(152,179)
Event Services Income	308,217	22,475	260,699	47,518	382,862	789,659	(481,442)
Other Income	10,200	8,586	95,905	(85,705)	23,446	125,983	(115,783)
F&B Income	(127,405)	(162,318)	(745,031)	617,625	739,434	920,596	(1,048,001)
TOTAL OPERATING INCOME	2,419,967	1,430,170	1,083,914	1,336,052	2,759,161	4,217,372	(1,797,405)
OPERATING EXPENSES							
Salaries & Wages	2,816,101	2,326,061	2,361,759	(454,342)	2,570,786	2,920,794	104,693
Taxes & Benefits	1,021,537	1,010,255	852,948	(168,589)	959,249	1,045,773	24,236
Operations	101,184	59,683	60,087	(41,097)	87,175	120,578	19,394
Security	31,643	35,507	32,428	785	18,974	29,241	(2,402)
Administrative & General	114,910	103,458	121,195	6,286	118,751	107,148	(7,762)
Finance	57,586	47,323	47,818	(9,768)	55,004	54,234	(3,352)
Sales & Marketing	332,819	378,306	335,937	3,117	226,366	323,785	(9,034)
TOTAL OPERATING EXPENSES	4,475,780	3,960,593	3,812,172	(663,608)	4,036,305	4,601,553	125,773
GROSS OPERATING PROFIT	(2,055,814)	(2,530,423)	(2,728,258)	672,444	(1,277,144)	(384,181)	(1,671,633)
FIXED CHARGES							
Facility Maintenance	453,779	602,830	613,851	160,072	571,094	599,459	145,680
Utilities	736,585	742,467	672,443	(64,142)	684,126	735,507	(1,078)
CUP Utilities	981,234	898,518	767,919	(213,315)	868,479	924,497	(56,737)
Insurance	111,798	100,895	102,571	(9,227)	99,060	97,246	(14,552)
Management Fee	232,189	221,132	221,132	(11,056)	211,926	207,364	(24,825)
Incentive Fee	18,369	-	-	(18,369)	-	2,757	(15,612)
Other Fixed Expenses	14,113	72,265	62,358	48,245	62,573	63,948	49,835
TOTAL FIXED CHARGES	2,548,066	2,638,108	2,440,275	(107,791)	2,497,258	2,630,778	82,712
NET OPERATING INCOME	(4,603,880)	(5,168,531)	(5,168,533)	564,653	(3,774,402)	(3,014,959)	(1,588,921)
Property Insurance Reserve	-	-	-	-	-	-	-
Reserve for Replacement	-	-	-	-	-	46,921	46,921
Debt Service (1)	593,702	616,704	616,704	23,002	662,708	685,709	92,007
Accrued Maintenance (2)	60,718	60,718	60,718	0	45,538	60,717	(1)
NET OPERATING CASH FLOW	(5,258,300)	(5,845,953)	(5,845,955)	587,655	(4,482,648)	(3,808,306)	(1,449,994)

**CONNECTICUT CONVENTION CENTER
 FYE2023 BUDGET EVENT STATISTICS**

Number of Events

Market Segment	Budget FYE 2023	Forecast FYE 2022	Fav/(Unfav) Variance	Actual FYE 2020	Actual FYE 2019	Fav/(Unfav) Variance
Banquet	19	13	6	19	39	(20)
Convention	10	7	3	6	13	(3)
Meeting	24	22	2	56	91	(67)
Other	9	11	(2)	9	16	(7)
Public Show (Consumer)	11	14	(3)	11	16	(5)
Tradeshow (Industry Exhibition)	1	2	(1)	4	3	(2)
Total Markets	74	69	5	105	178	(104)

Attendance

Market Segment	Budget FYE 2023	Forecast FYE 2022	Fav/(Unfav) Variance	Actual FYE 2020	Actual FYE 2019	Fav/(Unfav) Variance
Banquet	11,400	6,357	5,043	8,600	20,891	(9,491)
Convention	53,700	40,984	12,716	47,896	73,292	(19,592)
Meeting	16,360	18,791	(2,431)	30,093	38,489	(22,129)
Other	55,645	44,523	11,122	47,557	85,642	(29,997)
Public Show (Consumer)	183,650	115,159	68,491	89,803	106,837	76,813
Tradeshow (Industry Exhibition)	1,000	2,815	(1,815)	5,557	2,762	(1,762)
Total Markets	321,755	228,629	93,126	229,506	327,913	(6,158)

XL CENTER
July 2022 - June 2023
BUDGET

	BUDGET FY 2023	FY 2022 YTD ACTUALS & PROJECTED (February '22 F/S)	VARIANCE FY23 BUDGET VS. FY22 ACTUALS & PROJECTED	ACTUALS FY 2019
TOTAL # OF EVENTS	121	104	17	137
Number of Events- Arena Bowl	111	92	19	122
Number of Events-Assembly & Exhibition Hall	10	12	(2)	50
ATTENDANCE - PAID	445,600	347,928	97,672	474,170
PAID SUITE/CATERING ATTENDANCE	2,862	2,163	699	5,256
PAID CLUB ATTENDANCE	730	839	(109)	350
GROSS TICKET REVENUE	\$14,157,350	\$10,288,927	\$3,868,423	\$20,614,115
SPONSORSHIP REVENUE	\$49,500	\$0	\$49,500	\$0
OTHER REVENUE	\$47,383	\$47,204	\$179	(\$178,653)
RENTAL REVENUE	\$2,360,944	\$2,219,048	\$141,896	\$2,059,628
LESS: TAXES AND OTHER EXPENSES	(651,872)	(359,492)	(\$292,380)	130,361
NET REVENUE	15,963,305	12,195,687	3,767,618	22,625,452
RENT INCOME	(1,035,804)	(458,923)	(576,881)	207,519
BUILDING SERVICE CHARGES	512,334	93,393	418,941	(720,316)
DIRECT EVENT INCOME	(523,470)	(365,530)	(157,940)	(512,797)
CONVENIENCE FEE INCOME	693,306	359,999	333,307	885,891
ORDER FEE INCOME	0	0	0	0
FACILITY FEE INCOME	1,015,233	823,132	192,101	839,850
PREMIUM SEATING INCOME	119,077	102,942	16,135	598,112
NET TICKETING FEE REVENUE	1,827,616	1,286,073	541,543	2,323,853
ANCILLARY INCOME				
CONCESSION INCOME	1,811,061	1,772,134	38,926	1,362,268
CATERING/SUITE INCOME	138,997	109,722	29,274	135,357
CLUB INCOME	42,802	39,836	2,967	28,928
NOVELTY INCOME	42,695	33,459	9,236	102,069
TOTAL ANCILLARY INCOME	2,035,555	1,955,151	80,404	1,628,622
FOOD & BEVERAGE ADJUSTMENT*	-	-	0	(32,545)
EVENT OPERATING INCOME	3,339,701	2,875,695	464,006	3,407,132
OTHER INCOME				
ADVERTISING REVENUE	449,794	232,998	216,796	421,466
NAMING RIGHTS REVENUE	490,000	490,000	0	460,000
PREMIUM SEATING REVENUE	457,460	288,987	168,473	479,680
MISC/OTHER REVENUE	320,000	320,000	0	425,610
TOTAL OTHER INCOME	1,717,254	1,331,985	385,269	1,786,755
Adjusted Gross Income	5,056,955	4,207,680	849,275	5,193,887
INDIRECT EXPENSES (VENUE)	6,713,588	6,235,796	477,792	5,799,446
INDIRECT EXPENSES (FOOD SERVICE)	581,085	697,760	(116,675)	-
BASE FEE (VENUE)	442,507	304,570	137,937	385,079
BASE FEE (FOOD SERVICE)	194,910	151,423	43,487	71,998
AHL HOCKEY OPERATIONS - SUBSIDY	420,084	474,446	(54,363)	385,447
NET OPERATING REVENUE BEFORE CAPITAL RESERVES & SPECTRA INCENTIVE FEE	(3,295,218)	(\$3,656,315)	\$361,097	(\$1,448,083)
CRDA CHURCH ST. GARAGE FUNDING	1,400,000	1,000,000	\$400,000	1,000,000
CRDA STATE APPROPRIATION	800,000	800,000	\$0	800,000
ADD'L FUNDING REQUIRED - ARPA	1,095,218	1,856,315	(\$761,097)	250,000
DEPRECIATION	(3,240,000)	(2,300,000)	(\$940,000)	(2,039,383)
NET OPERATING REVENUE BEFORE CAPITAL RESERVES & SPECTRA INCENTIVE FEE	(3,240,000)	(\$2,300,000)	(\$940,000)	(\$1,437,466)
VENUE INCENTIVE FEE				
12% over \$100k - up to \$650k	-	\$0	\$0	\$0
20% over \$650k	-	\$0	\$0	\$0
TOTAL INCENTIVE FEE	-	\$0	\$0	\$0
NET OPERATING REVENUE BEFORE CAPITAL RESERVES	(3,240,000)	(\$2,300,000)	(\$940,000)	(\$1,437,466)

*F&B DEPARTMENT ESTABLISHED IN FY22. REVENUES WILL BE RECORDED IN EVENTS & INDIRECT EXPENSES WILL BE RECORDED IN DEPT.

PRATT & WHITNEY STADIUM
July 2022 - June 2023

BUDGET

	BUDGET FY 2023	FY 2022 YTD ACTUALS & PROJECTED (February '22 F/S)	VARIANCE FY23 BUDGET VS. FY22 ACTUALS & PROJECTED	FY19 ACTUALS
TOTAL # OF EVENTS	65	52	13	148
NUMBER OF EVENTS - BOWL	7	10	(3)	9
NUMBER OF EVENTS - CLUB	15	13	2	99
NUMBER OF EVENTS - LOTS	43	29	14	40
ATTENDANCE - PAID	77,000	146,547	(69,547)	153,966
PAID SUITE/CATERING ATTENDANCE	350	730	(380)	0
PAID CLUB ATTENDANCE	1,500	1,032	468	0
GROSS TICKET REVENUE	\$1,932,139	\$4,314,477	(2,382,338)	4,455,192
SPONSORSHIP REVENUE	\$0	\$2,210	(2,210)	\$0
OTHER REVENUE	\$0	\$0	0	18,889
RENTAL REVENUE	\$1,181,250	\$1,252,380	(71,130)	1,312,382
LESS: TAXES AND OTHER EXPENSES	0	(45,921)	45,921	(397,958)
NET REVENUE	3,113,389	5,523,146	(2,409,757)	5,388,505
RENT INCOME	327,442	473,853	(146,411)	459,038
BUILDING SERVICE CHARGES	(10,224)	(162,059)	151,835	(43,887)
DIRECT EVENT INCOME	317,218	311,794	5,424	415,151
CONVENIENCE FEE INCOME	81,947	671,881	(589,934)	319,830
ORDER FEE INCOME	0	0	0	0
FACILITY FEE INCOME	255,500	413,129	(157,629)	257,157
PREMIUM SEATING INCOME	2,120	(660)	2,780	0
NET TICKETING FEE REVENUE	339,567	1,084,350	(744,783)	576,987
ANCILLARY INCOME				
CONCESSION INCOME	407,852	520,991	(113,139)	387,319
CATERING/SUITE INCOME	162,726	145,434	17,292	154,366
CATERING	32,697	36,916	(4,219)	26,471
NOVELTY INCOME	21,710	52,923	(31,213)	25,165
PARKING INCOME	221,714	218,076	3,638	210,607
TOTAL ANCILLARY INCOME	846,699	974,341	(127,642)	803,928
FOOD & BEVERAGE ADJUSTMENT*	0	0	0	(200,580)
EVENT OPERATING INCOME	1,503,483	2,370,484	(867,001)	1,595,486
OTHER INCOME				
ADVERTISING REVENUE	53,611	67,523	(13,912)	74,898
NAMING RIGHTS REVENUE	0	0	0	0
PREMIUM SEATING REVENUE	0	0	0	0
MISC/OTHER REVENUE	38,000	38,000	0	128,855
Total Other Income	91,611	105,523	(13,912)	203,753
Adjusted Gross Income	1,595,094	2,476,008	(880,913)	1,799,239
INDIRECT EXPENSES (FOOD SERVICE)	413,242	506,840	(93,598)	0
INDIRECT EXPENSES (VENUE)	2,505,525	2,458,229	47,296	2,232,347
GROSS BUILDING OPERATING INCOME (LOSS)	\$ (1,323,673)	\$ (489,062)	\$ (834,611)	\$ (433,108)
REQUIRED STATE FUNDING - ARPA	25,000	22,000	3,000	
UCONN FOOTBALL RESERVE FUND	250,000	250,000	0	250,000
ADD'L FUNDING REQUIRED - OP FUNDING	1,048,673	217,062	831,611	258,006
NET OPERATING INCOME (LOSS)	\$ -	\$ -	\$ -	\$ 74,898

*F&B DEPARTMENT ESTABLISHED IN FY22, REVENUES WILL BE RECORDED IN EVENTS & INDIRECT EXPENSES WILL BE RECORDED IN DEPT.