

CRDA Venue Committee
Friday, October 7, 2022
2:00 pm

Agenda

- I. Introductions
- II. Approval of Minutes from September 14, 2022 Meeting/Conference Call*
- III. Venue Updates
 - a. XL Center
 - Sports Betting Lounge
 - 1. CT Lottery Agreement*
 - 2. OPM / CRDA Agreement*
 - b. Pratt & Whitney Stadium at Rentschler Field
 - c. CT Convention Center
- IV. Next Meeting November 4, 2022
- V. Other Business
- VI. Adjourn

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CRDA Venue Committee Meeting
DRAFT Meeting Minutes
September 14, 2022
3:00 p.m.

Members Present via Microsoft Teams: Committee Chair Andy Bessette, Andrew Diaz-Matos and David Robinson

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

The meeting was called to order at 3:02 p.m. by Chairman Bessette and the minutes of the June 10, 2022 meeting were approved on a voice vote.

I. XL Center

- a. **Sports Betting Lounge** - Mr. Freimuth reported that supply chain issues are expected to delay the opening of the new sports betting lounge at XL until sometime on the spring. Long lead times on the glass curtain wall, video boards and HVAC equipment have forced Dimeo, CRDA's construction manager, to also change the sequencing of the project. Work has also been scheduled so as not to impact events this fall and winter. The XL Center did not include any betting revenues from the new lounge in its current fiscal year budget, so the delay will not adversely impact the arena from a budget perspective.

Mr. Freimuth also noted that the two agreements required for operation of the betting facility are nearing completion and will be presented to the Venue Committee next month. The first, between CRDA and OPM, stipulates how the net betting proceeds will flow from the CT Lottery Corporation (CLC) to CRDA through OPM per the implementing legislation. The second, between CRDA and CLC outlines how CLC will operate the betting components of the new facility through its subcontractor, Rush Street Gaming. CRDA, through Spectra Venue Management, will operate the food and beverage component, along with maintaining the facility as part of the XL Center.

- b. **OVG Partnership** – Mr. Freimuth reported that OVG has expressed its interest in moving forward with a partnership on XL. CRDA has determined that it can accommodate OVG's requested upgrades related to concert seating, the arena concourse and loading dock accessibility. OVG is working on a formal business proposal that will come back to the State for approval. In response to a question from Chairman Bessette, Mr. Freimuth noted that while an upgrade to the building's sound system is planned, no additional changes related to acoustics will be required for concerts.

II. Connecticut Convention Center

Mr. Freimuth informed Committee members that the cooling tower replacement project at the Convention Center's Central Utility Plant is current underway and the new tower should be installed sometime in October. Installation of a second elevator is also underway and it should be operational by December.

Event bookings have been lower than expected, particularly corporate trade shows, which drive much of the Center's food and beverage revenue. Mr. Freimuth noted that the Van Gogh immersive experience currently in the building has done extremely well, selling nearly 60k tickets to date. The show, which was scheduled to close October 2, has been extended for another three weeks. The ComiCon convention returned this summer and attendance was close to pre-Covid levels.

III. Pratt & Whitney Stadium at Rentschler Field

Mr. Freimuth and Ms. Hart reported on the comprehensive building assessment conducted by Populous earlier this year. (A summary of the report was included in the meeting's agenda packet.)

The report notes that while the Stadium has been well-maintained over the last twenty years, it will need some \$63.3 million in repairs and upgrades over the next five years. The most pressing issues are the replacement of Tower roof membrane, technology and security upgrades to make the building more functional and replacement of equipment that has reached the end of its useful life, including the playing field's irrigation system. Mr. Freimuth indicated that the report will be discussed at the next Board meeting and if members are supportive, CRDA will ask for \$24 million in the next biennial budget to begin implementation of Populous' recommendations.

As noted at the last Committee meeting, this report comes at a critical time with the expiration of the OPM/UConn lease, the OPM/CRDA Stadium operating agreement and the CRDA/Spectra management agreement.

The next Venue Committee conference call is scheduled for October 7, 2022.

There being no further business, the meeting was adjourned at 3:35 p.m.

CAPITAL REGION DEVELOPMENT AUTHORITY

Venue Committee

October 7, 2022

Retail Sports Wagering Cooperative Agreement (the “Cooperative Agreement”)

Background:

CRDA is in the process of constructing a Retail Sportsbook located at the XL Center, which upon completion shall be subleased to an Operator (chosen by the Connecticut Lottery Corporation (“CLC”)) via a separate agreement between the CLC and said Operator.

CRDA and CLC desire to memorialize the manner and their respective obligations with respect to this cooperative joint effort through the proposed Cooperative Agreement.

CRDA Responsibilities:

- Buildout of the Sportsbook, including all cost and expenses associated with the buildout
- Cost and expenses relating to personnel, maintenance, insurance, utilities, licenses, etc.
- Physical security and security personnel
- Provision of ten reserved parking spaces for Sportsbook patrons at no cost to the patrons

CLC Responsibilities:

- Operator shall provide Betting Machines
- Staffing and managing the sports betting operation
- Branding and marketing of the Sportsbook

OPM Responsibilities:

OPM shall distribute the Retailer Revenue Share to CRDA on a quarterly basis.

Term:

Concurrent with CRDA’s management of the XL Center.

MOTION

The CRDA Venue Committee recommends the Cooperative Agreement to the CRDA Board of Directors for approval in accordance with the terms and conditions provided above

CAPITAL REGION DEVELOPMENT AUTHORITY

Venue Committee

October 7, 2022

Agreement between the Office of Policy & Management and CRDA Concerning Proceeds from Retail Sports Wagering at the XL Center (the “OPM Agreement”)

Background:

Section 427 of Public Act 22-118 requires the Connecticut Lottery Corporation (“CLC”) to certify to OPM, on a monthly basis, the amount that CLC transfers to the General Fund from the proceeds of retail sports wagering at a retail sports wagering facility at the XL Center in Hartford that exceeds the payment of prizes and winnings, the payment of any federal excise taxes applicable to such sums received, the payment of current operating expenses and the funding of approved reserves of CLC (“XL Center Wagering Proceeds”).

Additionally, Section 428 of Public Act 22-118 authorizes and requires the State of Connecticut, acting through OPM, to enter into an agreement with CRDA to distribute the XL Center Wagering Proceeds to CRDA on a quarterly basis.

CRDA and OPM desire to memorialize the manner and their respective obligations with respect to the distribution of the XL Center Wagering Proceeds through the proposed Agreement.

CRDA Responsibilities:

CRDA agrees to expend the XL Center Wagering Proceeds for the operation of the XL Center while maintaining sound fiscal control, effective management, and efficient use of the XL Center Wager Proceeds.

OPM Responsibilities:

OPM shall distribute the XL Center Wagering Proceeds to CRDA through CORE on a quarterly basis.

Each distribution shall reflect the amounts certified by CLC in accordance with Section 427 of Public Act 22-118 with respect to the calendar quarter.

Term:

Concurrent with CRDA’s management of the XL Center.

MOTION

<p>The CRDA Venue Committee recommends the OPM Agreement to the CRDA Board of Directors for approval in accordance with the terms and conditions provided above.</p>
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