

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

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

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

The meeting was called to order at 2:05 p.m. by Chairman Bessette and the minutes of the September 14, 2022 meeting were approved on a voice vote.

I. Pratt & Whitney Stadium

Mr. Freimuth reported that UConn has played three of its six home games, with the first two exceeding expectations in terms of attendance and revenue. Bad weather is believed to have impacted attendance at the third, but the team's surprising win may bode well for fan interest in upcoming games.

CRDA has requested additional bond funds for the next biennium to address the most pressing capital needs at the Stadium – particularly the Tower roof and technology repairs/upgrades - as identified in the Populous report. Mr. Freimuth reminded members that the UConn/OPM Stadium lease is set to expire in June of 2023, along with CRDA's management agreement with Spectra and the MOU through which CRDA operates the Stadium on OPM's behalf. OPM has authorized CRDA to extend the management agreement for another year in order to maintain continuity while the future Stadium management structure is being debated. Spectra will also be allowed to book events beyond the end date of their contract.

II. Connecticut Convention Center

As reported at the last Venue Committee meeting, the Van Gogh exhibit has been extremely popular, with attendance expected to reach 70,000 people - some 20,000 over original estimates. While less profitable for surrounding hotels and restaurants, the event has brought new people and much-needed revenue into the Convention Center and established a relationship with the promoter that may bode well for future events.

Replacement of the building's cooling towers is underway, with surface parking in the Columbus Boulevard lot suspended while the cranes are in operation. Work will be scheduled around Convention Center events and may be suspended under certain weather conditions. Installation

of a second passenger elevator is also underway, while additional plaza work has been scheduled for next spring.

Mr. Freimuth noted that the shortage of hotel rooms in the City continues to be an issue when booking conventions and meetings. The City lost three hotels during COVID – the Hilton, Radisson and Homewood Suites – and a number of annual Convention Center events are looking to relocate to other venues because of the limited options. The Convention Center has now included the Goodwin in its inventory and is keeping an eye on the expected renovation of the former Holiday Inn in East Hartford.

III. XL Center

Mr. Freimuth noted that the UConn and Wolfpack hockey seasons have begun, with a number of family shows and concerts filling out the schedule.

Supply chain issues continue to plague construction of the new sports betting lounge at XL, but the ramp improvements below the lounge have been completed. While the contractor awaits delivery of the curtainwall system, a temporary wall has been installed, allowing work to continue over the winter and a constant temperature to be maintained for the ice surface.

Mr. Lazzaro walked Committee members through the two agreements required for operation of the sports betting lounge. The first, between OPM and CRDA, provides that net revenue from the lounge will be transferred to OPM by the CT Lottery Corporation on a quarterly basis. OPM will then transfer such funds to CRDA for operation of the XL Center.

In response to questions from Board members, Mr. Freimuth and Mr. Lazzaro noted that state regulations require the lounge to be open daily from 11 a.m. to 11 p.m. year-round, with the exception of certain holidays. Revenue is expected to ebb and flow throughout the year, but it will represent a net gain to the XL Center and the facility will not be expected to cover any shortfalls in betting operations.

After a brief discussion, the following was approved on a voice vote:

***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><i>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.</i></p>

Mr. Lazzaro next walked Committee members through the Retail Sports Wagering Cooperative Agreement between CRDA and the CT Lottery Corporation, which outlines the responsibilities and obligations of each party relative to the sports betting lounge. In response to a question from Committee members, Mr. Lazzaro indicated that he would distribute an explanation of the revenue formula prior to the next CRDA Board meeting.

After a brief discussion, the following was approved on a voice vote:

***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.

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

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

There being no further business, the meeting was adjourned at 2:34 p.m.