

**CRDA Venue Committee**  
**Tuesday, May 9, 2022**  
**4:00 pm**

**Agenda**

- I. Introductions
- II. Approval of Minutes from October 7, 2022 Meeting/Conference Call\*
- III. Venue Updates
  - a. XL Center
    - Construction Update
    - Sportsbook Update
  - b. Pratt & Whitney Stadium at Rentschler Field
    - Amendment to OPM / CRDA Stadium MOU\*
    - Amendment to OVG Stadium Management Agreement \*
  - c. CT Convention Center
    - Waterford Management Agreement Extension\*
- IV. Next Meeting June 2, 2022
- V. Other Business
- VI. Adjourn

## Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 242 070 106 931

Passcode: nLoUQF

[Download Teams](#) | [Join on the web](#)

**Or call in (audio only)**

+1 872-242-7941,,193558652# United States, Chicago

Phone Conference ID: 193 558 652#

**CRDA Venue Committee Meeting**  
**DRAFT 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**

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.

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.

**MOTION TO AMEND THE MEMORANDUM OF  
UNDERSTANDING BY AND BETWEEN THE OFFICE OF  
POLICY & MANAGEMENT (“OPM”) AND THE CAPITAL  
REGION DEVELOPMENT AUTHORITY (“CRDA”) RELATING  
TO PRATT WHITNEY STADIUM AT RENTSCHLER FIELD**

- On August 28, 2014, OPM and CRDA executed an Amended and Restated Memorandum of Understanding relating to the management and operation of Pratt & Whitney Stadium at Rentschler Field (the “Original MOU”);
- On June 21, 2017, the parties amended the terms of the Original MOU to delegate certain additional responsibilities and obligations to CRDA in order to perform stadium operations in a more efficient and cost-effective manner (the “Existing MOU”);
- The Existing MOU is scheduled to terminate on June 30, 2023. The parties desire to amend further the Existing MOU to extend the termination date to June 30, 2028; and
- All other substantive terms and conditions of the Existing MOU will remain unchanged.

**MOTION**

***THE CRDA VENUE COMMITTEE HEREBY RECOMMENDS THIS PROPOSED AMENDMENT TO THE CRDA BOARD OF DIRECTORS FOR APPROVAL IN ACCORDANCE WITH THE TERMS AND CONDITIONS PROVIDED ABOVE.***

**MOTION TO AMEND THE OVG MANAGEMENT  
AGREEMENT AS IT RELATES TO PRATT & WHITNEY  
STADIUM AT RENTSCHLER FIELD (the “STADIUM”)**

- On April 26, 2013, CRDA entered into a ten (10) year Management Agreement with OVG Facilities (f/k/a Global Spectrum L.P.) relating to the management of the Stadium, as amended (the “Existing Agreement”);
- The Existing Agreement is scheduled to terminate on June 30, 2023. The parties desire to amend the Existing Agreement to extend the termination date to June 30, 2024, in order to allow the CRDA/OPM staff to complete a competitive bid process for management services through a request for proposals; and
- All other substantive terms and conditions of the Existing Agreement will remain unchanged.

**MOTION**

***THE CRDA VENUE COMMITTEE HEREBY RECOMMENDS THIS PROPOSED AMENDMENT TO THE CRDA BOARD OF DIRECTORS FOR APPROVAL IN ACCORDANCE WITH THE TERMS AND CONDITIONS PROVIDED ABOVE.***

**MOTION TO AMEND WATERFORD VENUE SERVICES  
HARTFORD L.L.C. AGREEMENTS RELATING TO  
CONNECTICUT CONVENTION CENTER**

- On July 1, 2017, CRDA entered into a five (5) year Management Agreement and a coterminous Catering & Concessions Agreement with Waterford Venue Service Hartford, LLC (“Waterford”) relating to the management, sales, and marketing of the of the Convention Center as well as its catering & concession services (collectively, the “Agreements”);
- On February 25, 2021, the parties extended the terms of the Agreements due to circumstances relating to the State of Connecticut’s declaration of public health and civil preparedness emergencies, proclaiming a state of emergency as a result of the coronavirus disease outbreak in the State of Connecticut;
- The Agreements are scheduled to terminate on June 30, 2023. The parties desire to amend further the Agreements to extend the termination dates to June 30, 2024, in order to allow the CRDA staff to complete a competitive bid process for management services through a request for proposals; and
- All other substantive terms and conditions of the Agreements will remain unchanged.

**MOTION**

***THE CRDA VENUE COMMITTEE HEREBY RECOMMENDS THESE PROPOSED AMENDMENTS TO THE CRDA BOARD OF DIRECTORS FOR APPROVAL IN ACCORDANCE WITH THE TERMS AND CONDITIONS PROVIDED ABOVE.***



May 5, 2023

## Sports-betting operator Rush Street Interactive explains CT pullout



MARK PAZNIOKAS | CT MIRROR Glitter fell after Gov. Ned Lamont celebrated the launch of sports betting by making a bet at Foxwoods on Sept. 30, 2021. Online gambling launched weeks later.

• [By Andrew Larson – Hartford Business Journal](#)

Rush Street Interactive, the Chicago-based company that the Connecticut Lottery Corp. hired to operate its online and in-person sports-betting program in 2021, said during an earnings call Thursday afternoon that it's exiting the state's market because it was not profitable enough.

Rush Street and Connecticut Lottery announced in March that the partnership was "winding down," but did not state a reason.

"We are very determined to build profitability in a manner that makes sense for our shareholders," Richard Schwartz, CEO of Rush Street, told investors Thursday. "Towards that end, we announced a joint

agreement to wind down our online and in-person sports betting partnership with the Connecticut Lottery.”

Schwartz said there are no separation-related payments for either side.

Connecticut Lottery is looking for a new operator for its sport-betting program, and Rush Street has agreed to continue operating it until a replacement is found – likely during the second half of 2023, Schwartz said during the call.

Schwartz faced several questions from analysts about the Connecticut pullout. He said that leaving Connecticut will reduce the company’s revenue in the short-term, but will have a “long-term positive impact on profitability.”

“We thought long and hard about this decision,” Schwartz said.

“Ultimately, we are staying true to our strategy in any market: we have to see appropriate return on investment. As the Connecticut market unfolded, it became clear that it was not the right fit for RSI, and our capital and resources could be used more efficiently elsewhere.”

An analyst from Wells Fargo asked whether Rush Street plans to exit any of the other 14 states in which it currently operates.

“I would say that we are constantly evaluating existing markets, new markets,” Schwartz said. “And when we decide there's a change necessary, we will be happy to let everybody know.”

Another analyst asked about rumors that Rush Street had a “fairly significant minimum guarantee” in its agreement with Connecticut Lottery.

Under the 10-year deal, Rush Street guaranteed a \$170 million minimum revenue share from online and retail sports betting for the Connecticut Lottery. The payments to the state were contingent upon “how many retail locations were up and running, along with other factors,” Schwartz said.

It’s unclear whether those terms will apply to the next operator, Schwartz said.

During the first quarter of 2023, Rush Street reported a net loss of \$24.5 million, compared to a net loss of \$52.3 million during the first quarter of 2022.

Revenue was \$162.4 million during the first quarter of 2023, an increase of 20%, compared to \$134.9 million during the first quarter of 2022.

Sports betting has been legal in Connecticut since 2017, and went live in 2021.