

CRDA Venue Committee
Friday, September 15, 2023
2:00 pm

Agenda

- I. Introductions
- II. Approval of Minutes from May 9, 2023 Meeting/Conference Call*
- III. Venue Updates
 - a. XL Center
 - OVG / Sportsbook*
 - Construction Update
 - Status of OVG and City of Hartford Agreements
 - b. Pratt & Whitney Stadium at Rentschler Field
 - Renovation Project
 - c. CT Convention Center
- IV. Next Meeting October 13, 2023
- V. Other Business
- VI. Adjourn

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CRDA Venue Committee Meeting
DRAFT Meeting Minutes
May 9, 2023
4:00 p.m.

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

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

Guests Present via Microsoft Teams: Ben Weiss, OVG

The meeting was called to order at 4:03 p.m. by Chairman Bessette and the minutes of the October 7, 2022 meeting were approved on a voice vote.

I. Events

1. XL Center - Ben Weiss, General Manager of the XL Center, and Ms. Hart reported on upcoming events, including the Wolfpack qualifying for Round 3 of the Calder Cup championships. Mr. Weiss noted that attendance for playoff games has been “outstanding”, with “a great energy in the building”. The team’s next home game will be May 11th against the Hershey Bears.

The Lizzo concert cancelled on May 6th due to the singer’s illness will be rescheduled, but no date has been offered as of yet. Upcoming events include the Connecticut Cannabis and Hemp Convention on May 20-21, WWE Raw on June 5th and multiple graduation ceremonies.

2. Pratt & Whitney Stadium - Mr. Weiss noted that OVG is working to finalize two international soccer matches at the Stadium, one in June and the other in October.

II. Construction Updates

1. Pratt & Whitney Stadium – Mr. Freimuth noted that the Governor’s proposed two-year bond package includes \$12 million in each year for repairs and improvements at the Stadium. Replacement of the roofing membrane will be a top priority.
2. XL Center - Some improvement work is underway in the building, including in the new sports betting lounge. Other planned work is awaiting finalization of the public-private partnership arrangement between CRDA and OVG.

III. XL Center Sports Betting Lounge

Mr. Freimuth noted that CRDA is targeting September for the opening of the sports betting lounge. The facility is taking shape, with walls being put in place and furniture being selected. CT Lottery has issued an RFP for a sports betting operator following the departure of Rush Street and expects to have a firm under contract by June. CRDA will negotiate a financial deal with that new operator.

In response to a question from Mr. Diaz- Matos, Mr. Freimuth noted that the lounge will be open to the arena on event days, but access doors will be shut on non-event days.

IV. OPM / CRDA Stadium Memorandum of Understanding

Mr. Lazzaro presented a resolution for the Committee's consideration. He explained that OPM is finalizing an amendment to extend UConn's lease agreement at the Stadium for another five years. Paralleling that, OPM and CRDA have proposed extending their MOU for operation of the Stadium for another five years. The amended agreement will also include new State contract boilerplate. Mr. Lazzaro noted that OPM and CRDA cannot sign this amended agreement until the UConn lease amendment has been executed.

Mr. Diaz-Matos questioned whether CRDA was extending a contract that imposes a financial burden on the agency as the Stadium operates at a deficit. Mr. Lazzaro explained that CRDA bears no financial responsibility for the building, with UConn required to cover the first \$250,000 of any deficit and OPM, as owner of the Stadium, covering anything above that.

The following motion was approved on a voice vote:

**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.

V. CRDA / OVG Stadium Management Agreement

Mr. Lazzaro presented a second Stadium resolution for the Committee's consideration. With the extension of the OPM /CRDA MOU, CRDA is looking to extend its management agreement with OVG for another year, giving the agency time to re-bid the contract. He noted that the current management contract was signed in 2013 and is set to expire on June 30th of this year.

The following motion was approved on a voice vote:

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.

VI. Waterford Management Agreement

Mr. Lazzaro presented an additional resolution extending for one year Waterford's agreement to manage the Convention Center, as well as its catering and concessions contract for the facility. As with the Stadium management resolution, this allows CRDA time to re-bid the contracts.

In response to a question from Chairman Bessette, Mr. Freimuth noted that attendance at Convention Center events is tracking up, with numbers exceeding 2021, but still not at pre-Covid levels.

The following resolution was approved on a voice vote:

**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.

VII. Other Business

Mr. Freimuth noted that staff have been tracking various legislative proposals that might impact CRDA and/or our venues, including the 2024-2025 budget and bond package.

The next Venue Committee conference call is scheduled for **June 2, 2023**.

There being no further business, the meeting was adjourned at 4:29 p.m.

XL CENTER SPORTSBOOK

OVG HOSPITALITY RESTAURANT AND BAR MANAGEMENT SERVICES

REVISED FINANCIAL TERM SHEET

OVG Hospitality is pleased to present the Capital Region Development Authority (CRDA) with the following revised proposed financial terms to provide restaurant and bar management services at the new XL Center Sportsbook. This revised proposal was developed following our conversations with the CRDA around our initial proposal. We have agreed to make the requested adjustments as fully outlined below.

Under the terms of this agreement, the day-to-day operation will be overseen by the OVG Hospitality team at the XL Center and Regional Vice President, Charles Tillem, but will be managed by a new and dedicated management team for the Sportsbook. Additionally, a new and separate contract will be developed for this partnership between the CRDA and OVG Hospitality with separate and independent operating budgets and financial statements being provided to the CRDA.

TERM OF THE AGREEMENT

INITIAL TERM: OVG agrees to an initial term of the agreement to begin at the execution of the new contract and run through the first fiscal year, ending June 30, 2024.

EXTENSION TERM: The CRDA may choose to extend the term of the agreement at the Sportsbook following the initial term to align with OVG's management and food & beverage agreement term at the XL Center, currently scheduled to run through June 30, 2025. If and when these agreements are extended for the XL Center or should they be terminated early for any reason whatsoever, OVG Hospitality's agreement for the Sportsbook will correspondingly be extended or terminated at the same time.

MANAGEMENT FEE

OVG will earn a monthly management fee equal to Seven- and One-Half Percent (7.5%) of the Net Food and Beverage Sales Revenue generated from the Sportsbook operation. The Net Food and Beverage Sales Revenue will be equal to Gross Food and Beverage Sales minus the actual food cost.

Any sales generated during XL Center events at the Sportsbook Bar that will service the XL Center concourse will not be subject to OVG's management fee stated above as these revenues will be associated with the event.

INCENTIVE FEE

Under these revised terms, OVG will NOT be eligible for additional incentive fees from the operation of the restaurant and bar management services at the Sportsbook. Additionally, any operating profits or losses from the Sportsbook will not improve or impact the incentive fees earned through the XL Center food and beverage agreement.

ADDITIONAL OPERATIONAL TERMS

Pre-opening expenses: The CRDA will provide OVG Hospitality with a pre-opening expense budget of up to Twenty-five Thousand Dollars (\$25,000) to cover the initial operational set up, including point of sale purchase, staff uniforms, staff training, and other one-time set up costs.

Operational funding: Under the terms of this management agreement, the CRDA will provide the operational funding of the food and beverage program and will receive any and all operating profits (with the exception of the monthly management fee and annual incentive fee) or will be responsible for any and all operational losses in any given year. The CRDA and OVG will mutually agree upon annual operating budgets during standard budgeting process and the CRDA will be provided with monthly financial operating statements.

Development and Capital Investment: The CRDA will be responsible for the initial development and set-up of the food and beverage operation of the Sportsbook and any ongoing capital needs that may be required to operate the restaurant and bar service. Under this agreement OVG Hospitality is not required to provide any upfront capital investment into the operation.

OPEN TO DISCUSSION

OVG Hospitality looks forward to working with the CRDA on this exciting new project for the XL Center and the City of Hartford. We continue to be open to further discussing these terms of our agreement to provide these services now or as the Sportsbook becomes operational to ensure that the terms of our partnership are beneficial for both the CRDA and OVG.