

**CIVIC CENTER COMMISSION
MEETING MINUTES
December 16, 2015**

Attendees:

CCC Members: Chairman John Budd, Commissioner John Harrity, Vice-Chair Jim Knowlton, Commissioner John Brissette, Commissioner Lowell Alexander

City: John Odell, Michael Traynor, David Moore & Candee Raphaelson

SMG: Sandy Dunn, James Moughan, Julia Iorio

Guest: Aaron Nicodemus, Telegram & Gazette

Minutes Prepared by: Paige Williamson, SMG

1. Call to Order:

Chairman Budd brought the meeting to order at 12:16pm.

2. Acceptance of the Meeting Minutes – November 19, 2015

Commissioner Harrity motioned to accept the meeting minutes from the November 19, 2015; Seconded by Vice Commissioner Knowlton. (5 yeas, 0 nays) *Motion passed.*

3. Executive Session to Discuss the Value of Real Property – Prospective New Tenant

Roll call vote taken to adjourn to an Executive Session; *Chairman Budd – Yea; Commissioner Harrity – Yea; Vice Chair Knowlton – Yea; Commissioner Brissette – Yea; Commissioner Alexander – Yea.* (Unanimous. 5 yeas, 0 nays) *Passed.*

4. Rotary Club – Rent Waiver Request

Commissioner Harrity motioned to grant the Rent Waiver Request for the Rotary Club of Worcester Event “*Celebrate Community*” on *June 4, 2016*; Seconded by Vice Chair Knowlton. (Unanimous. 5 yeas, 0 nays) *Passed.*

5. Major Projects – John Odell

a. Capital Projects

Corner Retail Space/Figs & Pigs — The end result of this space is beautiful.

Congratulations to APC Development Group, the City, SMG, and City Manager Augustus, who did a fantastic job with seeing this project to completion despite the “changing of the guards” in the middle of the project.

Lighting – The project has been approved on the City end. The company, *Annese Electrical*, is currently pursuing incentive and finance approval through National Grid (could be as early as next week). The plan is to work with SMG regarding the installation based on event scheduling thereafter.

Other – Sandy Dunn reported that the popcorn popper has been received and the staging has been shipped and is on the way. Snow removal equipment (salter & snow blower had also been received and will be ready when needed).

- b. *Security Options/Wi-Fi*** – Sandy Dunn expressed a “wave of the future” in that of aggressive capital improvements that are to include Wi-Fi and intensified security demands. Wi-Fi has been a continued struggle within the DCU Center facility. In addition, with much focus and attention drawn to the recent events of terrorism, larger producers are looking for more enhanced security walk-throughs, detectors, bomb dogs, closed circuit, etc. The DCU Center
-

is not in compliance with these demands to date and SMG is currently looking at options to provide recommendations to the Commission. In the short term, rentals may be an option but will not be a long term solution and may just be a waste of money if we can move forward quickly.

4. SMG Reporting – Sandy Dunn / Julia Iorio / James Moughan *(detail included in monthly packet)*

- a. *Monthly Highlights* – Chairman Budd recommended that a letter of congratulations be drawn up in honor of Joan Hutchinson’s retirement as Payroll Coordinator after sixteen (16) years of service.
- b. *Financial Statements – October 2015*
- c. *Sales Report* – The “Be Like Brit” Fundraiser event moved to the DCU Center from a Boston venue and doubled their attendance. United Dance Merchants has contracted for 2017 for a four (4) day convention expecting to draw 2500 attendees. Several new clients are considering the DCU Center for potential events including a yoga conference and a “Yu-Gi-Oh” Card Tournament.

5. Adjournment

Commissioner Brissette motioned to adjourn; seconded by Commissioner Harrity.
(5 yeas, 0 nays) Motion passed.

Meeting Adjourned at 1:25pm

January Meeting: Thursday, 1/28/16 at 12 Noon – DCU Center Conference Room

MINUTES OF CIVIC CENTER COMMISSION EXECUTIVE SESSION – December 16, 2015

Mr. Traynor distributed, for reference, the “Terms of Agreement between the City, Acting Through Its Civic Center Commission, and Worcester ProHockey, LLC which includes, in detail, the parking arrangements and facility improvements to be completed as requested by the new hockey tenant, should the pending application be approved by the Board of Governors. Mr. Traynor further explained that many proformas had been completed and reviewed by the City specific to the negotiated Licensee Agreement that would be signed between the tenant and SMG. The new hockey agreement is more aggressive than with the former Worcester Sharks. This agreement would be for a five (5) year term with a one-time option to renew. The Inaugural season would be 2017-2018, pending certain requirements being met by the prospective owner as outlined by the ECHL. The owner will need to provide application for an expansion franchise by tomorrow, December 17, 2015, which must include an executed venue lease agreement, as well as financial criteria set by the ECHL. The application will be reviewed and a vote will be taken in early February by the ECHL Board of Governors to approve (or deny) an expansion franchise. Assuming approval, the owner would have offices on site no later than May 2016. Within one year, the owner will need to meet certain ECHL benchmarks for corporate sponsorships (\$350k) and season ticket sales (1500) to receive final approval of beginning play for the 2017-2018 season. The owner is investing a significant amount of money for the initial startup. Much of which will not be recouped if he fails to meet the various benchmarks..

David Moore, City Solicitor, also explained that the pending agreement, if approved, would extend beyond SMG’s management agreement term with the City of Worcester therefore, the Commission would also need to conduct a separate vote to approve SMG entering into this agreement.

Sandy Dunn provided terms of the agreement. She also added, that like many other minor league hockey teams, the new tenant has requested direct involvement and participation in the revenues with all advertising not just advertising related specifically to the hockey team as the previous two teams, Sharks and Icecats had. Effective May 1, 2016, the hockey team would take over sales of all arena and hockey advertising. All current and future advertising that is specifically hockey related would be kept 100% by the hockey team; all venue advertising would be split 75% to the venue and 25% to the hockey team after certain commissions off the top. The team would also handle all monies, collections, etc.

The new tenant has a long term goal of establishing an affiliation with the Boston Bruins but will focus on a Worcester home town team with a winning record to succeed in the first several years as an unaffiliated team.

- Several inquiries were brought forth by the Commissioners and addressed, e.g., points of termination within the agreement
 - there are several for both the City and Worcester ProHockey, LLC,
- effect on other potential events with a hockey tenant in the facility
 - minimal particularly due to the type of scheduling that the ECHL will have
- comparing other venues that have lost AHL teams and replaced with ECHL product,
 - Manchester is the prime example. Initial reports were that ticket sales were only impacted minimally but it is still too early to tell. While comparing to other cities is something that we keep a close eye on, it does not specifically represent what might happen in Worcester. By changing to the ECHL, the new owner will have rights to market east of 495 which was not possible for the 2 previous AHL franchises.

○

- , opportunities with the New Harding Street ice rink in development by the WBDC.
 - The new owner is aware of this potential development and will be in discussions with the WBDC to see if there is a mutually beneficial opportunity
- expanding youth hockey opportunities throughout the City,
 - could only help
- the possibility to market outside of Worcester County,
 - This will definitely be done especially into the areas east of Worcester based on the new territorial alignment. However, the most important aspect is the response by city residents and the contiguous towns as this will be Worcester's team.
- the potential "hope" for a future Bruins affiliation,
 - Hard to say at this point as the Bruins vet their affiliations very carefully. The owner is committed to making this Worcester's winning team.
- new hotel properties opening Spring 2017,
 - Hockey team can only help fill hotel rooms on game nights. At a minimum, the traveling teams require housing.
- earlier notice of hockey schedule (SMG to receive in April for season rather than August, expanded timeframe between games (3 games home, 3 games away),
 - Allows SMG additional opportunities to plan other events earlier in the season, ,
- and the expected increase in positive activity in the downtown area.
 - Again, having several thousand hockey fans downtown can only help increase traffic to local restaurants, hotels and other establishments

Sandy Dunn further commented that what will be vitally important in this partnership is City leadership, including the Commissioners, to make this effort successful.

Vote – “Resolved that the Commission hereby authorizes its chair or vice-chair to execute and recommend to the city manager an agreement with Worcester Prohockey, LLC., said agreement: 1) to acknowledge the agreement between SMG and the Worcester Prohockey, LLC; 2) authorize the execution of a lease which extends beyond the current term of the SMG management agreement; and, 3) address the city's role in marketing the club, capital improvements, parking in the city garage on Major Taylor Boulevard and other legal matters.” (5 yeas, 0 nays) *Passed.* (attached)

Commissioner Brissette motioned to adjourn the Executive Session and return to Regular Meeting Session; Seconded by Chairman Budd. (Unanimous. 5 yeas, 0 nays) *Passed.*