

**CIVIC CENTER COMMISSION
MEETING MINUTES
February 24, 2015**

Attendees:

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

City: John Odell Absent: Candee Raphaelson

SMG: Sandy Dunn, James Moughan, Julia Iorio

Guest: Cliff Rucker, Owner & Toby O'Brien, President/GM - Worcester Professional Hockey, LLC & Bill Ballou, Telegram & Gazette

Minutes Prepared by: Paige Williamson, SMG

1. Call to Order:

Chairman Budd brought the meeting to order at 12:20pm.

2. Cliff Rucker – ECHL Hockey Introduction & Update

Introductions were given by the Commission and others present at the meeting to both Cliff Rucker, Owner & Toby O'Brien, President/General Manager prior to their ECHL presentation update. Highlights from the presentation included the following:

- *By contract deadline of January 2017 – Must have \$250,000 in annual corporate sponsorships & 1500 season ticket holders or ECHL league has the right to keep deposit monies*
- *Added value to have one sales force to sell all inventory within the facility & the hockey team expressed the interest of being that sales force creating one look and partnership with the DCU Center.*
- *Momentum has been tremendous since the announcement and have even seen the return of former IceCats season ticket holders. The first 1,000 season tickets will be part of the Worcester Pro Hockey Founders Club. To date, 259 season tickets have been sold in just over a two week time period.*
- *Sales goal is one million dollars, “handshake” commitments are a value of \$210,000, and additional proposals are equivalent to \$500,000 in value. The Team has a goal to close these by the April 3, 2016 date.*
- *Season Ticket Price Ranges : \$432, 560, 640, 790 (glass) per seat – all depending on seating locations. The ECHL does share all data and these ticket prices are very comparable with that of Manchester’s pricing. Plans are definite to include many family days, discount pricing & promotions.*
- *Confident that Worcester will have an affiliation with an NHL team come 2017 but now must focus on memberships and sponsorships.*
- *Community Fanfest is scheduled for Sunday, April 3rd with the Crest (logo) and team name unveiling. Community brand for Worcester to embrace once again similar to that of the former IceCats and that of the Worcester Bravehearts has high expectations to exceed all goals.*

3. Acceptance of the Meeting Minutes – December 16, 2015

Commissioner Brissette motioned to *CORRECT* the meeting minutes from the January 28th, 2016 meeting to reflect that the Rent Waiver Request for the Higher Education Consortium of Central Massachusetts Event was to be *TABLED* rather than *APPROVED*; Seconded by Commissioner Harrity. (5 yeas, 0 nays) *Motion passed.*

Additionally, John Odell stated to the Commission that the Consortium reached out to his office to say

that they were hoping for a decision within the next week or they may need to take their event elsewhere. Jim Moughan had reached out to the organization regarding dates but what they were looking for was not available. He had not met with them in person. John Odell will inform the organization that there had been an error and the event had not actually approved yet, and also suggest that they schedule a meeting to speak with Jim. Jim in the meantime will attempt to reach out as well. Commissioner Brissette further suggested that the Consortium be told that they have until the March 24th meeting to further present to the Commission the additional information that is needed for a rent free vote.

4. **Major Projects** – John Odell

a. **Capital Projects**

Lighting – Some unexpected news to report with the lighting project. National Grid has pulled back on what the City believed was the arrangement leaving a gap of an estimated \$600,000 (Mr. Odell to send the exact figure to the Commission once that is known). Rick Trifero has also been actively working right along on this project. Anise Company is the contractor.

Questions that were raised at this point was whether to borrow from the 30 million dollar Phase II monies to satisfy this gap, whether we can change the scope of the project at this point or would that risk having to rebid or would be also be at risk for loss of incentive rebates? Would it be possible not to finance with National Grid and pay out totally through Phase II monies and then back fill that fund? Commissioner Harrity suggested that a representative(s) from National Grid come to present a more in depth presentation on the status of this project at the next Commission meeting in March. If they are not able to make the 24th date, the Commission is willing to meet on a separate date. John Odell will also check to see if the bid can be extended as an extension has already been done once before for this project.

Commissioner Harrity motioned to have National Grid representatives attend a Commission meeting in March (TBD) to present the status of the lighting project; seconded by Chairman Budd; (5 yeas, 0 nays) *Motion passed.*

- b. **Metal Detectors** – The bid is out and due back on March 2nd. Sandy Dunn stated that once we do have the detectors here at the facility, we will use them at every arena event. The first Live Nation show isn't until April 10th. We have utilized wands for the past 10 years with voluntary pat downs. If a patron refuses a pat down, then a wand is used.
- c. **Other** – Sandy Dunn told the Commission that Tom Zidelis wanted to make note that attention was being given to the new scoreboard with the hockey team.

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

- a. **Monthly Highlights** – In addition to what was reported in the monthly highlights packet:

NCAA East Regional Hockey Tournament team selection day will be held on the Sunday prior to the tournament dates at the DCU Center. Worcester received the days it desired for the tournament being the Friday and Saturday. The alternative was Saturday and Sunday with Easter pm the Sunday. Alcohol was allowed within the individual suite areas in the past, but NCAA is considering alcohol for all tournaments in the future and would likely start with the hockey tournaments. Commissioner Harrity asked if closing of Vive Bene Restaurant will impact the venue? Sandy Dunn commented that the environs definitely have a huge impact on the facility. A new restaurant is due to open on Main Street called Dead Horse Hill Restaurant. Having a number of quality establishments surrounding the facility is a definite

plus for the venue. The lack of venues for visitors is one of the reasons we look to add temporary set ups during larger events in the convention center when possible.

As part of the consolidation of advertising sales under the hockey team's leadership, Leah Mosis, our Advertising & Sponsorship Sales Manager will become an employee of the team as of March 15th.

- b. *Financial Statements* – General discussion plus Fiscal Year 2017 Budget included.
- c. *Sales Report* – Highlights provided for the Commissions reference - *UMass Memorial Epic Workflow Meeting* stemmed out of a new building being utilized downtown (7-900 people expected); potential *NESBA Drill & Percussion Competition next April 2017* would be in the arena; and *Cars of Summer Auction/Reception – July 2017*

6. Adjournment

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

Meeting Adjourned at 1:25pm

Next Meeting: Thursday, 3/24/16 - 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 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 approximately \$3 million on the initial startup.

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 past 2 teams had. Effective May 1, 2016, the hockey team would take over sales of all arena and hockey advertising. All current and future advertising which 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. 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, i.e., points of termination within the agreement, effect on other potential events with a hockey tenant in the facility, comparing other venues that have lost AHL teams and replaced with ECHL product, opportunities with the new Harding Street ice rink under consideration by the WBDC, expand youth hockey opportunities throughout the City, possibility to market outside of Worcester County, the potential of “hope” for a future Bruins affiliation, new hotel properties opening Spring 2017, 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), scoreboard and fascia board would be “state of the art”, including specs for hockey and basketball with the monies allocated, and a definite increase in positive activity in the downtown area. 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 years, 0 days) *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.*