

Responses to Questions Related to XL Center
Request for Qualifications and Expressions of Interest

1. Has a formal feasibility study been done and if so, may bidders receive a copy?

SCI has prepared a "Program Development and Construction Feasibility Services" report and this is available on the CRDA website at <http://crdact.net/data/Unsorted/XL-SCIStudy-FINAL-2-18-2015-72808-1.pdf>. Copies of the pro forma prepared for CRDA by Stafford Sports are available upon submission of a Nondisclosure Agreement, which is available upon request

2. What is the total expected square footage for the redesigned XL Center site? What areas / sections of the XL Center arena are not ADA compliant? What parcels are expected to be purchased to proceed with the redevelopment?

SCI's concept plans, including demolition, slab and leasehold drawings, will be posted on CRDA's website on Wednesday, May 31st.

3. How does CRDA see the guest experience enhanced with a new development of the XL Center?

In addition to upgraded mechanical and HVAC systems, CRDA is looking for new premium seating and Club options for patrons, enhanced food and beverage opportunities, additional restrooms, improved circulation and upgraded security at the venue.

4. How many existing parking spaces? Is there an expansion of parking envisioned for this redevelopment project?

The venue currently owns 93 spaces on the lowest level of the Northland garage on Asylum Street. CRDA also owns and operates the Church Street garage adjacent to the XL Center and this includes 1,299 spaces. There are currently no plans to expand parking.

5. What is the expected / desired schedule of events at the XL Center outside of the 30 planned events for UCONN? How many events are to be held each month? Each Week?

An expected schedule of XL Center events appears in Stafford’s pro forma. This is not broken down by month or by week.

6. What are the exact operating budget for the XL Center – profit & loss annually?

Projected FY17 Gross Revenues	\$15,978,653
Projected FY17 Net Revenues	\$ 5,329,572
Projected FY17 Expenses	\$ 7,085,396
Projected FY17 Loss	\$ 1,755,824
Budgeted FY18 Gross Revenues	\$18,641,442
Budgeted FY18 Net Revenues	\$ 5,500,869
Budgeted FY18 Expenses	\$ 7,606,266
Budgeted FY18 Loss	\$ 2,105,397

7. How many people are employed at the XL Center annually?

The XL Center has approximately 40 full-time and 800 part-time employees.

8. What are current concession sales at the XL Center annually?

Projected FY17	\$1,276,059
Budgeted FY18	\$1,389,145

9. What is the current profitability of XL Center events on an averaged basis?

Given the wide variety of events in the building, it would be difficult to calculate an “average profitability”.

10. Will the State of Connecticut, the City of Hartford, and/or the CRDA guarantee the financial success of the project with the full faith-and-credit of their rating from Moody’s, Fitch, and/or S&P?

The State will maintain its public investment and operating subsidy, if needed. It is not anticipated that full faith and credit will be guaranteed.

11. Would the CRDA give preference to a limited credit guarantee, or no credit guarantee situation, that also benefits the State of Connecticut and/or the City of Hartford as it relates to the financing structure for a sale-leaseback or revenue bond structure?

At this point in the process, no decision has been made on any kind of credit guarantee.

12. What is the expected / desired role of SCI Architects for this redevelopment awarding decision? (Do you want them to stay in as the lead architect?)

At this point, SCI is the design team of record. Please note that any costs related to a potential change in their status would be borne by a private partner and not by the State.

13. How will Spectra be involved in the redevelopment planning and financing requirements?

CRDA's contract with Spectra for management of the XL Center runs through 2023 and we anticipate that they will be involved in planning and operating a new XL Center.

14. Are there any preferred teaming partners to consider for the financing and development team?

No, but CRDA anticipates that SCI and Spectra will continue to be involved.

15. Will the CRDA, City of Hartford and/or the State of Connecticut be willing to enter into a sale-leaseback agreement?

Nothing would prohibit such an agreement, however, CRDA is not prepared to endorse any particular structure at this point in the process.

16. Will the CRDA be willing to act as an issuer for tax-exempt bonds to finance the redevelopment of the XL Center?

CRDA has the authority to act as issuer, subject to statutory approvals.

17. Can CRDA provide clarification on the currency of legal authority from the Governor given that previous authority for P3 projects was due to expire on January 1, 2016?

It is expected that P3 legal authority will be restored during the current legislative session.

18. Previous statutory restrictions stated that a P3:

- Must not extend beyond 50 years;
- Required contractual commitment to user-fee levels;
- Availability payment models are excluded on the assumption that an AP model could not generate revenue; and
- State contributions are capped at 25%.

Should these restrictions be assumed for any potential deal structure for XL Arena moving forward?

Modifications may be made to these statutory restrictions by the General Assembly, however, at this point, we cannot opine as to what those modifications will look like.

19. The XL Center Improvements were previously noted as a 'vetted' project within the statutory restrictions for PPP. Can you provide details on what that scope entailed?

SCI's concept plan was presented at a public hearing on November 29, 2016 and then approved by the CRDA Board on December 8, 2016.

20. Does the CRDA foresee pre-requisites for Development parties providing minimum equity investment %'s? If so, what might that be?

No.

21. Does the CRDA intend for a strictly DBFOM structure or could a DBFM with separable Operator procurement be considered?

A DBFM with separable Operator procurement would also be considered.

22. Does the CRDA foresee any form of state/city contribution to reduce the composite financing costs, and if so would this entail progress payments, milestones or deferred payment?

It is anticipated that there will be public investment in the project, however, the amount and structure of such investment has yet to be defined.

23. Can you provide reference to projects which reflect the P3 precedent CRDA intends to follow?

There are no precedents or preferred pathways.

24. Please confirm if CRDA has existing P3 financial, legal and technical advisors in place.

Yes.

25. The RFQ makes reference to Associated Properties, please provide a reconciliation of any land, property or assets which would be turned over as part of this scope.

SCI's leasehold drawings show the property to be acquired for the project. As noted in Question #2, these will be posted on CRDA's website on Wednesday, May 31st.

26. It is intended that the current Operations provided by Spectra Management will be terminated or carried forward?

See Question #13 above.

27. The RFQ states that CRDA is currently responsible for Operation and Maintenance of the XL Center - will this continue?

We are currently in Year 4 of a 10-year lease agreement the City for the XL Center. This agreement includes the opportunity for an additional 10-year extension.

28. Given existing operation, will there be a requirement to carry forward existing employees into any PPP agreement? If so, please provide headcount and associated union membership information.

CRDA has no contractual obligation to carry forward existing employees into any PPP agreement; however, Spectra currently has a collective bargaining agreement with International Alliance of Theatrical Stage Employees.

29. Under a complete replacement scenario (per SCI Report) Northland's building is demolished. What is the status of such a negotiation with the owners facilitating this?

CRDA is pursuing a building transformation strategy at XL, rather than a demolition and complete replacement strategy.

30. Can you confirm under a Special Purpose Vehicle (SPV) response to the RFQ, if you will assess the response with combined and collective experience?

Yes.

31. It is common place with transactions like this that teaming arrangements are not concluded until RFP stage (e.g. equity, lenders, sub-consultants, specialist contractors etc.), can you confirm pre-requisite components of a team to be assessed under the RFQ?

We would recommend that teams identify current members and indicate if additional members will be added based on the structure of any public-private partnership.

32. Will a team who does not yet have an Operator be excluded from the RFP stage?

No.

33. Can you provide relevant assessment criteria for this RFQ response?

The "Request for Qualifications and Expressions of Interest" lists required submission materials on page 9. All of the information contained in these will be considered as part of this RFQ process. The second RFP phase will include more detailed scoring/weighting criteria.