

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING OF FEBRUARY 21, 2019

PRESENT: Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin

ABSENT: Commissioner Kathleen B. Blanco

I. ROLL CALL and WELCOME

Chairman Kyle France welcomed everyone to the February 21, 2019 meeting, calling it to order at approximately 1:15 p.m., and Commissioner Robin led everyone in attendance in the Pledge of Allegiance. Present were: Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. There was a full quorum.

II. APPROVAL OF MINUTES OF JANUARY 23, 2019 MEETING

Chairman France asked for a motion for approval of the Minutes of the January 23, 2019 Board Meeting. Commissioner Lapeyrolerie moved for approval of same, seconded by Commissioner Morrison. All were in favor, and the Minutes of the January 23, 2019 Board meeting were adopted.

III. SMG REPORT

In Doug Thornton's absence, Evan Holmes presented a combined SMG General Manager and Service report, which included the list is the Master Plan and its development, the recommendation from the Evaluation Committee for design services; Mr. Holmes discusses the cost, sequencing, schedule, etc., in order to develop the plan of finance and negotiations with the Saints. Before the Commission today is the letter agreement with the Saints, and in this Agenda is a resolution related to the design expense funding mechanism, the Saints paying a portion and the LSED paying a portion of the ongoing design expenses.

With respect to the Westwego Sports Complex, meeting have taken place with representatives of Jefferson Parish, council members, staff, administration, etc., to keep everyone apprised of the project. Design advancement continues to allow for receipt of additional funding from the next round of Capital Outlay funds. On February 20, 2019, a meeting took place with Parish leadership concerning next steps, how the Parish plans to manage the facility, and our expert has been involved in order for everyone to be comfortable with the approach, making sure the Parish understands what they want, need, and how best to move forward to secure that.

Turning to the Shrine at Airline and conversations with the Baby Cakes, understanding of the timeline for the franchise and its intention to move to Wichita for the 2021 season and with respect to the 2020 season, due diligence is being conducted to understand alternative uses and a

“backfill” of what the franchise would be, such as soccer, lacrosse, and rugby, and to determine future investment in the facility to accommodate those future users. We must be conscious of what work has been provided and make sure we obtain the highest and best use for the facility. Mr. Holmes refers to an agenda item by LSED’s bond counsel relating to the termination agreement that relates to the prior bond structure for the LSED. Responding to a queries from Commissioner Morrison and Chairman France as to average attendance at Baby Cakes games, Cookie Rojas responds that average attendance is about 3,500 per game; paid attendance would be about 5,000 people per game.

[This concluded the General Manager and Services reports.]

Alan Freeman presents the Facility Operations Report, commenting that the Dome’s busy season has finished, with the Smoothie King Center’s being in full swing. A review of the Dome’s past events includes the Boat Show and annual Urban League School Expo. The SKC hosted seven Pelicans games, who are ranked 13th in the NBA’s Western Conference, and with the recent Anthony Davis situation, there has been a fall-off in attendance, a trend which is expected to remain going forward. Mr. Freeman notes the two-month block-off of dates, pending hosting of playoffs. The contract with the pelicans contains a clause that contract events could be preempted if there is a playoff game; however, we endeavor to reschedule a concert or other events.

SKC concerts following the January meeting were Panic at the Disco on February 19, Fleetwood Mac before a crowd of 14,520, the Valentine’s Love Jam, with 8,400 attending, followed by WWE SmackDown, with 4,278 in attendance.

Champions Square hosted the annual King Cake Festival on January 27.

All buildings are performing better than budget, and it is hoped that with the drop-off in attendance at Pelicans games, other upcoming events will compensate this loss.

Future events at the Dome will be the Endymion Extravaganza on March 2, the NFL products – Consumer Products Show on March 11 and 12, the Annual Home and Garden Show March 15 through 17, the Kiss “farewell” tour on February 22, Zac Brown Band on March 9, and Pink on March 17. There are no scheduled events in the next 30 days at Champions Square.

Recent contracted events are Lynyrd Skynyrd and Hank Williams, Jr. on the SKC on May 17, Michael Buble on July 17, and Chainsmokers on October 29. Mr. Freeman further notes that following the LHSAA’s decision to allow private schools to conduct their own championships in events, such as football, the Dome appears to be only hosting public schools, though an approach has been made by private schools wanting to know if we’d be available to host their championships.

Mr. Freeman provides a brief discussion with respect to Wi-Fi developments and the number of users per game. Wi-Fi system upgrades of approximately \$500,000 have been made at the Dome, particularly since the NFL moves towards mobile ticketing. This upgrade provides

coverage outside the buildings to allow attendees to pull up their mobile tickets on cellphones or pads. Upgrades at the SKC are being discussed with the Pelicans.

Video board upgrades at the 100 level of the SKC are up and operational for displaying live game action and concert events, etc.

The NFL officially released the year-end fan satisfaction surveys, resulting in the Mercedes-Benz Superdome ranking No. 1. An ad was placed in the New Orleans Advocate recognizing SMG and the Saints for this accomplishment.

Responding to a query by Commissioner Morrison as to the \$500,000 spent in Wi-Fi upgrades, Mr. Freeman states that that was just for adding underseat antennas in the upper tiers at the Dome, and discussions should take place concerning an approach to this system, which was installed in 2012; an alternative is to tear out the old and start over, which would be a \$10.0 million investment. Mr. Holmes comments that no one has been able to monetize Wi-Fi or is willing to pay to watch a replay, and Mr. Freeman states that fans expect this to be a service that you [arenas] provide.

[This concluded the Facility Operations Report.]

Jennifer Cook presents the Sales & Marketing Report, beginning with the Songs of the South Giveaway, combining tickets to the Boat Show and to Alabama concert at the SKC, producing 1,100 entries, a wedding marketing campaign for Coke 44 at the Hyatt, giving away two tickets to the Zac Brown concert at the SKC, and the Home Sweet Dome giveaway of four tickets to the Home and Garden Show.

Ms. Cook announces the departure of one of her staff, Savannah Chamblee, comments on her great work at SMG, and welcomes her replacement.

[This concluded a report presented by Ms. Cooke.]

IV. FINANCE REPORT

David Weidler presents the Finance Report, noting a 43% in total collections for the current year, which represents a 4% increase over budget. The Dome revenues reflect an 86% of total revenues, but only 50% of expenses. You will see a big increase in operating expenses over the next six months, which consists of payroll, utilities, and such other items, but is not reflective of the playoff games. There is no change with respect to LSED expenses, and the Arena is on target for budget. Meetings are being had with the Pelicans and Saints concerning going paperless as to tickets.

[This concluded the Finance Report.]

V. CONSTRUCTION REPORT

Pat Tobler of The Tobler Company was not available to present the Construction Report.

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following five (5) Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$208,857.95 to purchase equipment and make repairs necessary to maintain and operate the Mercedes Benz Superdome, the Smoothie King Center, and Champions Square for the 2018-19 Fiscal Year. The source of funds for the resolution is the LSED Capital Reserve Account, and there are sufficient funds to support this Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Lapeyrolerie, Morrison, and Robin. Voting against: None. Abstaining: None. Absent: Commissioner Blanco. Motion **19-5** passed.

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved the selection of the design professional for the 2019 Mercedes-Benz Superdome Master Plan Project. On or about January 11, 2019, a Request for Qualifications was issued with respect to the solicitation and engagement of an architectural firm to provide design services with respect to the Master Plan. An evaluation committee (comprised of the LSED Construction Committee, representatives of SMG, and representatives of the New Orleans Saints) has received and evaluated the RFQ responses utilizing a pre-determined set of criteria and has recommended the selection of Trahan Architects to perform the required design services with respect to the Master Plan. The fee for the architectural and design services is based upon the State of Louisiana Facility Planning & Control State Fee Curve. In accordance with legal requirements, the State of Louisiana, Division of Administration, has approved the selection process utilized by the LSED and the selection of Trahan Architects, APAC. This Resolution had the Staff Analysis Support and Recommendation of The Tobler Company and SMG and the LSED Construction Committee. A source of funding for the architectural design services will be LSED Capital Reserve. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Lapeyrolerie, Morrison, and Robin. Voting against: None. Abstaining: None. Absent: Commissioner Blanco. Motion **19-6** passed.

On motion of Commissioner Robin, seconded by Commissioner Landry, the LSED authorized and approved the negotiation and execution of (i) a Memorandum of Understanding Among and Between the New Orleans Louisiana Saints, LLC, the LSED, and SMG for the funding and development of certain Capital projects at the Mercedes-Benz Superdome that relate to the 2019 Mercedes-Benz Superdome Master Plan, and (ii) a Letter of Understanding Among and Between the New Orleans Louisiana Saints, LLC, the LSED, and SMG for the funding of architectural design services with respect to the Master Plan. The Resolution authorized the execution of the Memorandum of Understanding and the Letter of Understanding once in final form, and following approval by LSED's Legal Counsel. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Lapeyrolerie, Morrison, and Robin. Voting against: None. Abstaining: None. Absent: Commissioner Blanco. Motion **19-7** passed.

On motion of Commissioner Lapeyrolerie, seconded by Commissioner Morrison, the LSED confirmed and took action with respect to the Smoothie King Center ReRoof Project. On or about February 14, 2019, the LSED received two (2) bid responses with respect to the Project both of which exceeded the construction funds that were budgeted and approved by the LSED for the Project. In accordance with the applicable statutes, the LSED rejected each of the bids submitted and authorized and approved the re-advertisement for the solicitation of bids with respect to the Project. The Resolution had the Staff Analysis Support and Recommendation of The Tobler Company and SMG, and had been approved the LSED Construction Committee. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Lapeyrolerie, Morrison, and Robin. Voting against: None. Abstaining: None. Absent: Commissioner Blanco. Motion **19-8** passed.

On motion of Commissioner Morrison, seconded by Commissioner Robin, the LSED consented to the termination of the International Swaps and Derivatives Association Master Agreements between the LSED and Merrill Lynch Capital Services, Inc. dated as of March 21, 2006, and the Novations thereof, dated as of October 5, 2011. The Resolution further approved its Chairman, Kyle M. France, and Foley & Judell, L.L.P., as bond counsel to the LSED, to notify Bank of America and its representatives of the LSED's consent and take any other actions as may be required on behalf of the LSED to terminate the Agreements. The agreements that were being terminated pursuant to this Resolution related to former bond indebtedness of the LSED that had been refinanced, and there was no ongoing liability of the LSED associated with these Agreements. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Lapeyrolerie, Morrison, and Robin. Voting against: None. Abstaining: None. Absent: Commissioner Blanco. Motion **19-9** passed.

[This concluded the Legal Report.]

VII. BOARD REPORTS

None.

VIII. OTHER BUSINESS

None.

IX. ADJOURNMENT

On motion by Commissioner Morrison, seconded by Commissioner Landry, the LSED February 21, 2019 monthly meeting adjourned at 1:40 p.m.