

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING OF May 28, 2020

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

ABSENT: Commissioner Wells T. Watson

I. ROLL CALL and WELCOME

Chairman Kyle France called the May 28, 2020 meeting to order at approximately 1:14 p.m. Present were: Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, J.P. Morrell, Gregory A. Morrison, and Casey J. Robin. Absent: Commissioner Wells T. Watson.

Chairman Kyle M. France commenced the roll call and welcomes everyone.

Chairman France, with the assistance of Matt Boyd, ASM's IT Manager and Katie Bourque, ASM's Business Operations Coordinator, conducts a roll call, with five commissioners responding. Legal Counsel confirms there is a quorum in order to proceed with the Board meeting.

II. APPROVAL OF MINUTES OF April 23, 2020 MEETING

Chairman France asked for a motion for approval of the Minutes of the April 23, 2020 Board Meeting. Commissioner Robin moved for approval of same, seconded by Commissioner Landry. All were in favor, and the Minutes of the April 23, 2020 Board meeting were adopted.

III. SMG REPORT

Doug Thornton begins the SMG report by presenting an overview of the reactivation plans for both the Smoothie King Center and the Superdome, continued efforts to mitigate expenses through the remainder of the fiscal year, 2021 cash flows, and discussions with the sports leagues, such as the NBA and NFL, commencing plans for restarting their events. They're in the formatting stage of planning reactivation.

ASM has initiated a project called VenueShield across all of its 325 facilities, consisting of six different working teams/streams, such as food service, environmental hygiene, customer journey (from arrival to departure), technology, work force, and public awareness. This will be separated into four different venue types - stadiums, arenas, theatres, and convention centers.

Mr. Thornton highlights the importance of the VenueShield initiative, which allows ASM to have a dialogue with the NFL. There are no definitive plans with regard to the NFL season yet, other than they plan to have a season. Thoughts, such as starting the season without fans, migrating towards limited capacity, and then gradually increasing that capacity are currently being explored. There is a tentative plan to have some guidance out to teams and venue operators

by the month of June. The NBA will proceed the same way. They are considering playing the rest of the season in two or three isolated cities on a limited basis. Plans for the NBA to return to the Smoothie King Center are being formulated, but there is no definitive decision as to whether they will start the season with or without fans. With the necessary precautions, we can manage under a six-foot social distancing guideline. Every protocol with the VenueShield initiative has that in mind and would operate under a Phase II guideline of the White House Task Force. The Saints and the Pelicans are very forward-leaning on the planning activities. Ochsner Hospital has given good medical guidance. There is a separate sub-commission of VenueShield task force dedicated to the New Orleans venues. One of the challenges posed is the capacity. There is a seating manifest that is being created that allows us to adhere to the six-foot social distancing rule, but also increases capacity. Using the six-foot rule would reduce capacity to about 17 ½%, about 13,000 fans in the Superdome. We are exploring creative ways to increase capacity and calling it the Associated Guest Model, which could allow people who know one another to sit together. Ideally, we would like the seating capacity to be in the 20,000 to 30,000 range, if not greater. AECOM has been contracted by ASM on a national level to help with environmental hygiene, specifying all of the CDC approved products and PPE that are required post-event to clean the buildings. We hope to have our Venue-Shield product in a first draft format aligning with the NBA and NFL within the next two weeks.

Mr. Thornton states that significant steps have been taken to mitigate costs due to a lack of revenue. A furlough was enacted April 1, continuing through June 30. We were able to cut expenses by almost 3.7 million, which is about 46%.

[This ends the General Matters report.]

Evan Holmes presents the Services Report, stating that David Weidler has led the charge in making sure the budget is in, both from an operational perspective, but also with the State as it relates to the renovations. We are re-prioritizing and re-sequencing the budget, our ability to borrow funds, and those funds from the cash flow.

With respect to the renovations, we continue to work with the contractor, and manpower has significantly improved, and the project is advancing according to plan, in order to be ready for football in August. We have taken steps internally to ensure that there is a safe and healthy work environment in the building. We have also taken steps to reduce the scope of work and set the project up for subsequent phases in future years that allow for the return on investment exercise to begin. We should have something for the next Board meeting regarding future scope. Beyond that, we are looking at options to extend the project out for an additional year. We anticipate approval of a resolution before the Commission today to borrow the remaining funds for the work underway right now, and to give us the opportunity to use dollars for cash flow purposes. We feel confident that we will get through the rest of the existing fiscal year 2020. With hotel occupancy and self-generated revenue down, we're anticipating some cash flow borrowing to help offset anticipated losses. The proposed resolution seeks \$90 million authority request, \$70 for renovations, and \$20 million for cash flow purposes, moving forward. In addition, there's going to be a reduction in Capital Outlay (based on discussions with Baton Rouge) for each of the LSED venues, originally allocated prior to the pandemic.

There has been preliminary conversations in regards to the Shrine on Airline, both on the use side and the facility side. NOLA Gold had to cut their season short, but are interested in returning. Other groups have expressed interest, primarily non-baseball. We are doing our due diligence and having discussions as to future use, and there is hope that progress will be made within the next couple of months.

Westwego Sports Complex discussions advance with Jefferson Parish and its Recreation Department; they are evaluating their options regarding management of the facility in order to advance into the construction stage.

[This concludes the Services Report.]

Alan Freeman highlights cancelled events in his Facility Operations Report such as: Essence Festival, Beach Body event, Sun Belt Basketball Tournament, NCAA Women's Final Four, Rascall Flats, Journey, and The Weeknd. WWE and the Comedy Show with Dave Chappelle and Joe Rogan are hoping to re-schedule in the fall. As early as March of 2021 calendared events will take place.

Events at Champion Square have also been cancelled, and there is question as to whether or not they will be able to host events in the fall, such as Boudin, Bourbon, and Beer, Live Nation concerts, and Saints pregame activities due to the social distancing requirement. If the social distancing requirement is still in place, come fall it will prohibit doing anything at Champions Square for the foreseeable future.

Conversations are being held concerning drive-in concerts at the Shrine on Airline. Budgets are being put together, and costs are being analyzed.

[This concludes the Facility Operations Report.]

IV. FINANCE REPORT

David Weidler presents the Finance Report, noting a reimbursement by the State for insurance premiums, for this current year. The 2020-2021 fiscal year budget will be presented at the next Board meeting. There have been discussions concerning additional borrowing, transferring, unencumbering capital items, about \$5 million, to get us through this period, and bridge potential budget shortfall, and continue mitigation into July, with additional furloughs. There are many unknowns at this time regarding many assumptions in the new budget.

Doug Thornton notes that money has been allocated for certain capital improvements inside the LSED budget for emergency situations, such as procuring equipment or making repairs during the season, and we are converting that Capital into operating funds. There is an ORM (Office Risk Management) deferral of \$3.6 million for insurance premiums paid to the State for property and liability insurance.; we've asked for this to be covered by State funds out of the supplemental bill that is advancing through the House. According to the 2021 forecast, we are projecting tax collections to be down by \$21 million for the full fiscal year and \$17 million in

event income that will not be realized because of the event cancellations. There's \$5 million that was set aside in the Capital Reserve Account which we are proposing to unencumber and allow that money to be used as needed for operational funding. There is approximately an \$11.5 million potential shortfall to this budget over the full 2021 fiscal year as a worst case scenario, and this is based on assumption.

Chairman France notes that there is no playbook on how to deal with the issues that we face and acknowledged the efforts being made to scrub the budget through furlough, etc.

[This ends the Finance Report.]

V. CONSTRUCTION REPORT

Eileen Long presents a brief summary of the construction projects.

Superdome Renovations: Phase one of the Superdome renovations consist of the egress stairs, freight elevators, freight elevator lobbies, and the east and west sideline demolition. Broadmoor has added Saturday and Sunday work to finish the restrooms on the Plaza and the scissor stairs by August 10th.

Alario Center Kitchen Replacement Project: We are close to having a Tender Agreement signed with the surety company. Construction should begin soon, and the expected duration of this project is 302 days.

TPC-Louisiana: The bunker renovations and design drawings have been finished. The project is on hold and will be re-evaluated at the beginning of 2021. The Clubhouse roof is complete, except for the gutters.

Westwego Sports Complex: RFQ for the sports and construction management will be out by June 9, to send to the Parish for review. Following our review, the proposal will be submitted to Jefferson Parish for review and comment prior to any advertisement. The construction management RFP should be completed in two weeks, by June 9th.

[This concludes the Construction Report.]

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following 6 Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$74,206.44 to purchase equipment and make repairs/renovations necessary to maintain and operate the Mercedes Benz Superdome, the Smoothie King Center, and Champions Square for the 2019-2020 fiscal year. SMG received competitive proposals for the equipment and the repairs/renovations related thereto. The resolution authorized SMG (on behalf of the

LSED) to sign the Purchase Requisition documents. The funding source is the LSED Capital Reserve Account, and there were sufficient funds to support this Resolution. Approval of the Resolution was recommended.

Voting in favor were: Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin. Voting against: None Abstaining: None Absent: Wells T. Watson. Motion **20-18 passed**.

On motion of Commissioner Landry, seconded by Commissioner Baptiste, the LSED authorized and approved the removal of the dedication and encumbrance of the LSED Capital Reserve Funds in the amount of \$5 million with respect to certain LSED capital projects Unencumbered for Operational Needs. The removal of the dedication and encumbrance was necessary in order to address current cash flow needs of the LSED. Approval of the Resolution was recommended.

Voting in favor were: Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin. Voting against: None Abstaining: None Absent: Wells T. Watson . Motion **20-19 passed**.

On motion of Commissioner Baptiste, seconded by Commissioner Robin, the LSED authorized and approved the execution of a Settlement Receipt and Release Agreement with the City of New Orleans with respect to the LSED's use of the portion of the LaSalle Street right-of-way that is adjacent to Champions Square. The Agreement will contain certain terms and conditions pursuant to which the City releases any and all claims regarding the LSED's use of the property from the period of January, 2011 through December, 2020. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin. Voting against: None Abstaining: None Absent: Wells T. Watson. Motion **20-20 passed**.

On motion of Commissioner Baptiste, seconded by Commissioner Robin, the LSED authorized and approved the execution of a Settlement Receipt and Release Agreement with the City of New Orleans with respect to the LSED's use of the portion of the LaSalle Street right-of-way that is adjacent to Champions Square. The Settlement Agreement provided for the payment to the City of New Orleans by the LSED of ten installments, each in the amount of \$235,000, over a five-year period. The Agreement would contain certain terms and conditions pursuant to which the City releases any and all claims regarding the LSED's use of the property from the period of January, 2011 through December, 2020. This agreement also provided that commencing January 1,2021, the LaSalle Street right-of-way shall be reopened by the City to allow for vehicular traffic, and the City's ordinary and customary procedures for the closure of streets for events and the issuance of any related permits will be utilized, should there be any event at Champions Square that necessitates same. The funding source is the LSED Capital Reserve Account, and there were sufficient funds to support this Resolution. Approval of the Resolution was recommended.

Commissioner Morrell takes a moment to commend Chairman France in resolving the ongoing issues and reaching a long term solution with the City

Voting in favor were: Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin.
Voting against: None Abstaining: None Absent: Wells T. Watson. Motion **20-21 passed.**

On motion of Commissioner Landry, seconded by Commissioner Robin, the LSED authorized and approved the execution of the issuance of the Second Supplemental Note Addendum to the Second Supplemental Note Resolution adopted pursuant to Resolution 20-16, dated April 23, 2020, with respect to the issuance of the Louisiana Stadium and Exposition District Bond Anticipation Notes, Series 2020. Bond Counsel Jason Akers provides a brief summary.

Voting in favor were: Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin.
Voting against: None Abstaining: None Absent: Wells T. Watson. Motion **20-22 passed.**

On motion of Commissioner Morrison, seconded by Commissioner Baptiste, the LSED authorized and approved the execution of the LSED 2019 Superdome Capital Improvements project representative to approve change orders with respect to the Master Plan project that are recommended by the Master Plan Project Manager, up to and to not exceed the amount of \$1,500,000 on such terms and conditions as are acceptable to the LSED Project Representative, the Master Plan Project Team, LSED Legal counsel, and the Master Plan Project Manager. Any such Change Order would be ratified by the LSED at its next regularly scheduled meeting Approval of the Resolution was recommended.

Voting in favor were: Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin.
Voting against: None Abstaining: None Absent: Wells T. Watson. Motion **20-23 passed.**

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved the selection of "The Advocate" as the LSED's official newspaper of record for the 2020-2021 fiscal year. Approval of the Resolution was recommended.

Voting in favor were: Commissioners France, Baptiste, Landry, Morrell, Morrison, and Robin.
Voting against: None Abstaining: None Absent: Wells T. Watson. Motion **20-24 passed.**

VII. BOARD REPORTS

None.

VIII. OTHER BUSINESS

None.

IX. ADJOURNMENT

The LSED May 28, 2020 monthly meeting adjourned at 2:17 p.m