

LOUISIANA STADIUM AND EXPOSITION DISTRICT

BOARD OF COMMISSIONERS MINUTES

FROM THE MEETING OF JULY 23, 2020

PRESENT: Commissioners Kyle M. France, Hilary H. Landry, J.P. Morrell, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson.

ABSENT: Commissioner Henry N. Baptiste

I. ROLL CALL and WELCOME

Chairman Kyle France called the July 23, 2020 meeting to order at approximately 1:07 p.m. Present: Commissioners Kyle M. France, Hilary H. Landry, J.P. Morrell, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson. Absent: Commissioner Henry N. Baptiste.

Chairman Kyle M. France reads aloud the Certification under Proclamation No. 84 JBE 2020 related to open meetings, pursuant to which the LSED is authorized to conduct the July meeting via telephone conference.

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 JUNE 25, 2020 MEETING

Chairman France asked for a motion for approval of the Minutes of the (June 25, 2020) Board Meeting. Commissioner Robin moved for approval of same, seconded by Commissioner Morrison. All were in favor, and the Minutes of the June 25, 2020 Board meeting were adopted.

III. ASM REPORT

Doug Thornton begins the ASM report by presenting an overview of the industry outlook, continued cost mitigation, VenueShield Reactivation Plan, and potential Cares Act/FEMA reimbursement.

Mr. Thornton provides perspective regarding the entertainment industry stating that not much has changed and very few events are taking place on a national level. In terms of live music and concerts, most events have either been rescheduled or cancelled. Professional Bull Riding and WWE events employ their own casts and props, and have been more successful with booking dates. They are looking for markets that would allow them to produce events with limited capacity, and the only markets that have hosted these events thus far are South Dakota, Oklahoma, and Florida. There is a lot of uncertainty in the industry at this precise moment.

Further discussion regarding continued cost mitigation for the remainder of the fiscal year. A pretty significant budget shortfall was projected for the remainder of the fiscal year, but we are now forecasting by June 30th of next year at about an \$11.5 million deficit that would be bridged by borrowing from UBS. On July 6th, we were forced to lay off 26 full time employees.

As of July, we had 61 full-time employees that remain on 100% furlough and 23 are on a 25% furlough. 60 of the full time staff were required to take salary reductions and/or reduce the number of hours worked per week. These adjustments resulted in almost \$400,000 savings for just the month of July, and on a full year basis it results in about a \$2 million savings in payroll expenses. Plans to bring some of the furloughed employees back are being made in order to better prepare for the upcoming football season. In addition to the payroll expenses, other fixed costs have been reduced. We are doing everything we can to mitigate costs, and hopefully we stay close to the \$11.5 million deficit.

In regards to the qualification for reimbursement via Cares Act/FEMA, I had a conversation with the Division of Administration and believe that we will be able to qualify for certain reimbursements of costs related to COVID, that could be everything from extraordinary cleaning costs, cleaning supplies, special equipment, and technology. Evan Holmes along with Alan and the team are putting together a master list of requests to submit in order to qualify for infrastructure costs reimbursements that should be ready in the next two weeks.

With respect to the VenueShield reactivation plan, Mr. Thornton notes that this is a company-wide initiative that has developed. Each of the ASM operated venues will be required to develop their own reactivation plans based on the conditions and needs for their respective markets. The VenueShield reactivation plan contains information based on six categories such as: environmental hygiene, work force safety, customer journey, operations, food service, and public awareness housed in a password protected site for all ASM facilities. Alan and the team are working on a reactivation guide specific to the Superdome, Smoothie King Center, and all of the New Orleans Properties.

Mr. Thornton closes by thanking Mike Hoss for developing a Superdome renovation video and looks forward to sharing more information with respect to the renovations on the micro-site.

[This ends the General Matters report]

Evan Holmes presents the Services Report by providing updates on current renovations, other projects, and LSED's operating budget.

Mr. Holmes notes that despite some challenges from a manpower perspective, given the pandemic, we expect to stay on schedule for the first Saints game. We intend to have finished the new stairwells in each of the four quadrants, two new freight elevators in place, and begin the demolition of the ramps. Everything is on schedule and the budget is still intact. There was a small COVID outbreak that made the local media with some of the Broadmoor steelworkers. Mr. Holmes thanks Broadmoor and their team as well as Legends, our project management group, and the local ASM team for putting in efforts to minimize and mitigate any future spread, and to date we haven't had any spread which has allowed us to stay on schedule. We have employed additional safety measures to help assist with that effort, and it has worked. The issue has been addressed and should not impact the delivery of the first phase. An agenda item will come before the Board which would release our design team, Trahan Architects, to advance to the next round of work, which we are calling Phase II. The work is being designed and we are going to enter into our GMP negotiation.

Mr. Holmes notes that we closed on \$90 million dollars of Bond Anticipation Notes on July 1st, and there was great interest and were upwards of \$500 million of orders, which gave us some leverage to further reduce the rate that the LSED would pay for these funds, which was much better from a borrowing standpoint. Despite, everything going on with the pandemic we benefited pretty well from an interested market. This is something we will use to primarily fund the renovations, but also a portion will be used to offset some operating losses.

Mr. Holmes thanks Jason Akers and his team at Foley Judell and BFM, the municipal advisor, and everybody that was involved, especially with UBS who stepped in to help when not everyone was willing to.

Mr. Holmes turns it over to Mr. Farrow Bouton who addresses the updates on the current use of force policy. Mr. Bouton begins by stating that they took a good look into the current policy and consulted with local law enforcement agency, NOPD, specifically, Captain Demma, Commander Albert, and the superintendent himself, and told them what our concept is and what our goals and objectives were. We adopted the use of force policy that the NOPD follows under the federal mandate. In addition, we have challenged and engaged our current source of professional security training to enhance the learning phase of the use of force policy as it relates to all ASM commissioned officers. So they are evaluating the teaching mechanism that they have regarding training. Mr. Farrow states that if any additional use of force policies or adaptations arise we will adopt those as well.

[This concludes the Services Report.]

Alan Freeman presents the Facility Operations Report noting that almost all events that were previously contracted from 2020 have either migrated into 2021, or are cancelling altogether. Justin Bieber and The Wild 'N Out show have cancelled their tours. Bayou Classic and the Battle of the Bands will not host their events over the Thanksgiving weekend, and will now be rescheduled sometime in April. The touring shows will most likely reschedule in the first six months of the 2021 calendar year. We are anticipating the 2021 NBA season to begin as early as December. The current season is scheduled to resume next week in the Orlando area. The first Pelicans game is scheduled for July 30th, and the Pelicans and Fox Sports will utilize the Smoothie King Center as their studio for pregame, half-time, and post-game media. The general public will be able to see the Arena in basketball mode as Fox does their in-studio presentation from the Arena.

Mr. Freeman highlights some points with respect to the VenueShield reactivation plan. He states that they meet with the Saints to review all of the six components that are a part of the plan and a lot of good information came out of that meeting. There is a final draft form that was forwarded to the Saints for review and a scheduled telephone call with them this coming Monday morning to review the document and hopefully finalize it after the call.

[This concludes the Facility Operations Report.]

IV. FINANCE REPORT

David Weidler presents the Finance Report by stating a break-even for the current fiscal year. We will be monitoring the next fiscal year as we move forward making sure that we control all the costs, whether its payroll or fixed costs. Hotel tax is \$4.5 million dollars less than last year at this same period of time, giving us an idea of the cash flow issues we are going to have going forward. He states that the \$5 million that we took out of capital and moved to operating is going to helps us going forward. He is working on a spread sheet for next year's budget for all the facilities, the Superdome, the Arena, and the LSED costs (monitoring it on a weekly basis).

Mr. Weidler closes by stating that there was a slight uptick in hotel/motel tax at about \$250,000. Last year we showed \$45 million and are projected only \$25 million for the current year. Occupancy levels are running between 12 to 15 percent right now and most hotels are having to go through cost mitigation, layoffs, and furloughs. No closures have been reported yet, but is projected in the near future.

[This concludes the Finance Report.]

V. CONSTRUCTION REPORT

Eileen Long presents a brief summary of the construction projects.

Superdome Renovations: The first half of Phase I will be completed in time for the upcoming football season. The Phase II work, will commence once DB's are done and we receive cost pricing from Broadmoor and Trahan.

Alario Center kitchen replacement project: The surety company and C.M. Combs signed their construction contract a couple weeks ago. C.M. Combs got a Notice to proceed last week and have already commenced work. The duration for this project is about 302 days with an estimated completion date set at May 13th or earlier of next year. We have also re-engaged the original design team to finish up construction administration. The only issues with this job is looking at all the kitchen equipment that was stored for a couple years and see if anything can be salvageable.

TPC-Louisiana Bunker Renovation project: The bunker renovations and design drawings have been finished for TPC Louisiana. We plan to put a bid out for a million dollars and hope to start advertising next week. The bids are due at the end of August and if everything is within budget we can start construction in the middle of September.

TPC-Louisiana Clubhouse roof: The roof and gutter work is finished. There is one last portion of the roof that needs to be completed and there is a scheduled meeting with the contractor to see what can be done.

Westwego Sports Complex: Schematic design for Phase I was finished early in the year. The original budget was \$14 million dollars, but has now increased. The entire construction project is about \$26 million dollars. This includes 3 dual-purpose rectangular fields, which contain 3 soccer or 6 youth baseball/softball fields. The layout can have three 90 foot baseball diamonds or three adult and three youth baseball and softball fields. It includes parking, maintenance facility, and amenities such as: five batting cages, a playground, two shade pavilions, shade structure, and the entry plaza. Currently, there are drafts of the Sports

Management Proposal and Project Management Proposal for solicitation. There is an upcoming meeting with Jefferson Parish, LSED, ASM, and the architect to talk through the project to set a date and put both proposals out to have someone on board by the end of September to start design development. Estimated start date is early May of 2021. The project takes about 12 months and we hope to finish in early May of 2022 to have a Memorial Day grand opening.

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following 7 Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Landry, seconded by Commissioner Robin, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$69,927.11 to purchase equipment and make repairs necessary to maintain and operate the Mercedes Benz Superdome, the Smoothie King Center, and Champions Square for the 2020-2021 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 was Recommended

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-33 passed**.

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved the release of the proposed 2021 Enabling Scope Package for Future Phases of the 2019 Superdome Capital Improvement Project This Resolution has the approval of the Master Plan Project Team, consisting of the LSED Project Representative, the ASM Project Representative, and the New Orleans Saints Project Representative. The source of funds for the 2021 Proposed Master Plan Future Phase Scope is the Master Plan Project Budget and there are sufficient funds to support the resolution. Approval of the resolution was Recommended

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-34 passed**.

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved Change order No. 002 and a certificate of substantial completion with respect to the contract with Rycars Construction, LLC for the TPC Louisiana Clubhouse Roof Replacement project Change Order No. 002, is a no cost change order that provides for the extension of the Project completion date to June 15, 2020, and the Certificate of Substantial Completion provides that the work performed under the Project Contract is sufficiently complete in accordance with the Contract documents to allow the owner to utilize the work for its intended purpose. This Resolution has the Staff Analysis Support and Recommendation of ASM Global and has been approved by the LSED Construction Committee. Approval of the resolution was Recommended

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-35 passed**

Pursuant to Resolution No. 17-34, dated April 20, 2017, on motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved Amendment No. 001 to the Agreement with PGA Tour Design Services, pursuant to which, PGA Tour Design Services, Inc. will provide additional design services with respect to the Project for a not to exceed fee of \$115,000.00, with this fee based on the State of Louisiana Facility Planning & Control approved State Fee Curve. This Resolution has the Staff Analysis Support and Recommendation of ASM Global and has been approved by the LSED Construction Committee. The source of the funds for the Amendment is TPC Capital Outlay, and there are sufficient funds to support this Resolution. Approval of the resolution was recommended.

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-36 passed.**

Pursuant to Resolution No. 20-14, dated April 23, 2020, on motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved the negotiation and execution of a Tender and Release Agreement with Endurance American Insurance Company with respect to the Performance and Payment Bond that was issued by Endurance in connection with the Alario Center Kitchen Replacement Project. The resolution located at Tab 10 approved and ratified the execution of the (i) Tender and Release Agreement, and (ii) the contract with CM Combs Construction, LLC for the completion of the Project in accordance with the terms and conditions of the Tender and Release Agreement. This Resolution has the Staff Analysis Support and Recommendation of ASM Global and has been approved by the LSED Construction Committee. Approval of the resolution was recommended.

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-37 passed.**

Pursuant to Resolution No. 16-16, dated March 24, 2016, on motion of Commissioner Watson, seconded by Commissioner Landry the LSED accepted and approved the proposal of Lourie Consultants to provide professional design services related to the Alario Center Kitchen Replacement project. In order to complete the Project it is necessary for Lourie to provide additional design services beyond those contained in its original Proposal, for a fee of \$40,000 the Resolution located at Tab 11 authorized and approved the execution of the Lourie Additional Service Request. This Resolution has the Staff Analysis Support and Recommendation of ASM Global and has been approved by the LSED Construction Committee. Approval of the resolution was recommended

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-38 passed.**

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized and approved an increase in the amount of \$37,573.14 to the original contract amount of \$300,000.00 that was provided for in the LSED 2019 Fiscal year Contract for Professional Services between the LSED and Chaffe McCall, L.L.P. The Contract Cap of \$300,000 was based on an estimate of the anticipated legal fees and costs for the year and did not contemplate or anticipate the extensive involvement that was required of LSED legal counsel for special projects and matters such as the Superdome Master Plan Project, the Alario Center Kitchen Replacement Project, Baby Cakes Lease termination, expanded use of the

Shrine on Airline facility and the LaSalle Street usage. Pursuant to the terms and conditions of the Contract, notice to and approval of the LSED is required with respect to any fees and costs that exceed the Contract Cap The fees and costs for the professional services provided for in this Resolution are governed by and comply with, the State of Louisiana, Hourly Fee Schedule as set by the Attorney General's Office. Approval of this Resolution was Recommended.

Voting in favor were Commissioners France, Landry, Morrell, Morrison, Robin, and Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste Motion **20-39 passed.**

[This concludes the Legal Report.]

VII. BOARD REPORTS

VIII. OTHER BUSINESS

IX. ADJOURNMENT

The LSED July 23, 2020 monthly meeting adjourned at 2:09 p.m.