

**LOUISIANA STADIUM AND EXPOSITION DISTRICT**  
**BOARD OF COMMISSIONERS MINUTES**  
**FROM THE MEETING OF MAY 24, 2018**

**PRESENT:** Commissions Kyle M. France, Henry N. Baptiste, Kathleen B. Blanco, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin.

**ABSENT:** None.

**I. ROLL CALL and WELCOME**

Chairman Kyle France welcomed everyone to the May 24, 2018 meeting, calling it to order at approximately 1:13 p.m., and Commissioner Morrison led everyone in attendance in the Pledge of Allegiance. Present were: Commissioners France, Baptiste, Blanco, Landry, Lapeyrolerie, Morrison, and Robin. There was a full quorum.

**II. APPROVAL OF MINUTES OF APRIL 18, 2018 MEETING**

Chairman France asked for a motion for approval of the Minutes of the April 18, 2018 Board Meeting. Commissioner Robin moved for approval of same, seconded by Commissioner Blanco. All were in favor, and the Minutes of the April 18, 2018 Board meeting were adopted.

**III. SMG REPORT**

Doug Thornton begins the SMG report with congratulations to everyone on being selected to host the 2024 Super Bowl, in addition to the 2020 college football play-off and the 2022 NCAA Final Four, and further recognizes the staff's work over the last 18 months to finalize documents for submission to the NFL to meet its requirements. Costs for the Super Bowl will be covered by the Host Committee, which raises those funds locally from various businesses through means of sponsorship/hospitality contributions.

There has been a significant increase in ticket sales for the Bayou Country Superfest—the highest grossing show for a one-day concert. [A brief discussion on George Strait's tour and ticket sales in various venues.]

The budget was submitted to the State, which is being examined by the legislative body, with hopes for approval as part of House Bill No. 1. Approval of the 2019 Fiscal Year Budget will be before the Board today.

The documentation phase for the Master Plan is about 60% complete, with hopes to finalize by the end of June before the Essence Festival. Excess reserves are approximately \$6.4 million at year's end and, after meeting internally, a capital needs list was compiled for FF&E within the building and other projects, some of those dollars going for Baby Cakes Stadium, the TPC, the Master plan, and the Smoothie King Center roof. [A discussion between Commissioners France and Morrison, Mr. Thornton, and Mike Schilling with respect to ticket

sales for Bayou Country Fest (and the Taylor Swift Concert in Arizona) and making the public aware of this significant and successful show]. Mr. Thornton notes there is an oversaturation of festivals in the U.S., and artists are in great demand, wanting high guarantees, resulting in the market unable to support ticket prices. Local concerts draw from Picayune, Pensacola, and rural areas in the State and region, the same areas that the Saints and Pelicans draw from. In 2017, SMG and the Dome grossed \$40 million in concert tickets at the Arena (SKC).

[This ends the General Matters report.]

Evan Holmes presents the Services Report by updating the Commission on the last regular session, with the Governor vetoing HB No. 1. With the upcoming special session, the intent is to get HB No. 1 in order. There are also a few sales tax instruments that are being tracked.

SMG's Capital Encumbrance Package will be presented in June, along with a presentation of proposed projects before the Construction Committee, going through the list, estimated costs, and justification for the requests.

Turning to the TPC Louisiana, Zurich Classic signed a seven-year extension to remain title sponsor for the TPC tour event. The PGA manages the TPC on behalf of the State and LSED, which contract expires in two years. With Zurich's extension, we will begin negotiations to have the PGA stay as manager. [Brief discussion between Commissioner Morrison and Mr. Thornton regarding change in format, number of top players, TV ratings/attendance at tournament, and attendance at various local festivals, etc.]

Mr. Holmes notes an agenda item before the Board with respect awarding of a contract for the Westwego Sports Complex Clearing Package. Meetings will be had with designers, stakeholders, and persons of interest or decision-makers to formulate a plan/program for construction.

[This concludes the Services Report.]

Mike Schilling presents the Facility Operations Report for Alan Freeman, also noting awarding of the 2024 Super Bowl, while protecting the dates for the Pelicans and various events, negotiating with the Superdome move-out requirements to accommodate Endymion, providing cost estimates, responding to technology/utility/seat configuration/capacity questions, and coordinating with the Saints on suites/sponsor signage. Mr. Schilling turns to Jennifer Talbot for review/explanation of the past-event slide presentations, then continues with past and present events, such as the Loyola/Tulane commencements, Pelicans games, concerts at SKC, Champions Square and Superdome events, review of the Saints upcoming schedule, and projects at the Superdome and SKC. [Colloquy between Mr. Schilling, Commissioners, and Mr. Thornton, regarding the installation of the Dome's turf and its costs, and with Frank Depizzo of the Pelicans regarding the SKC's court design, etc.].

Mr. Schilling goes on to state that Essence could be a sell-out, probably 46,000 to 47,000. Ms. Talbot describes some of the highlights (slides) for promoting concerts.

[This concludes the Facility Operations Report.]

#### **IV. FINANCE REPORT**

David Weidler presents the Finance Report, noting that the four-penny tax is doing well, with a projection of \$1.0 million higher than last year. The budget adjustment for the one-penny tax was submitted and approved by the legislature for \$700,000 to capture an additional dedication. Other taxes are tracking well. The Superdome is up \$2.5 million, which will be reflected in the budget for 2019. Mr. Weidler confirms about \$6.4 million in excess funds through March 2018, to be adjusted in the May financial report. Referring to the budget Resolution before the Board for the 2019 Fiscal Year, Mr. Weidler has explained the process to Commissioner Landry and the LSED's financial advisors. He makes sure that he has captured all expenses so that the departments can operate efficiently for each upcoming fiscal year. The 2019 budget is less than a full year estimate because of the Saints and Pelicans play-offs.

Commissioner Landry comments that the facilities are running with meticulous efficiency, and feels that the public knows that their tax dollars go towards running them well and effectively.

Upon Mr. Thornton's request, Mr. Weidler explains the budget summaries and statements (attached to the proposed Resolution for same), which are two months behind and are very conservative in the approach, dealing with taxes for the next year. A balanced budget must be submitted, not a budget with a surplus or excess of funds. For the play-offs, Mr. Weidler believes that \$1.5 million was netted, but after payment to the team, about \$500,000 overall. Team-related obligations are fixed.

Mr. Thornton states that the "conservative" approach is on the facility side—Dome, Arena, and Champions Square operations—and will perform better than forecasted. On July 1, the events begin to materialize. At present, we have holds for concerts not contracted. You cannot reasonably include those until those events are in the contract stage.

In response to Commissioner Morrison's query as to a drop-off year, Mr. Schilling states that it was slow in the beginning, but calls are coming in from promoters to hold dates. SMG's corporate office goes through the holds from all promoters, and we watch this very carefully. Mr. Weidler comments that he budgeted for 13 concerts, historically, but there will probably be 21 for this year. Mr. Thornton believes that if you take a more worst-case scenario and it materializes, that's great.

[This ends the Finance Report.]

Proposed Resolution at Tab 6 is taken out of order and presented by Legal Counsel, which would approve the 2019 Fiscal Year Budget, covering July 1, 2018 through June 30, 2019,

and which includes the summary consolidated cash flow statement, facility statement of income for the Superdome, SKC, and administrative services budget. Approval is recommended. Commissioner Landry moved for approval, seconded by Commissioner Blanco. Voting in favor were Commissioners France, Baptiste, Blanco, Landry, Lapeyrolerie, Morrison, and Robin. Voting against: None. Abstaining: None. Absent: None. All were in favor, and Motion 18-27 passed.

## **V. CONSTRUCTION REPORT**

Pat Tobler of The Tobler Company presents the Construction Report, beginning with an update on the Superdome 500 and ground level transformer replacements complete and operational, gathering close-out documentation, with improvements in the hands/operation of SMG.

ESCO II boiler installed and operational, with close-out/commissioning on May 25, and SMG in control within a week or so.

Gutter Tub Project contractor will mobilize after Bayou Country Fest, which work will run through the end of September.

SKC roof replacement selection of Eskew Dumez Ripple is before Board. Goal is to design, bid, and build close to or before the start of the Pelicans season.

Alario Kitchen Project is slow, currently in the pile-driving stage. Sixty (60) percent of the existing piles to be used and extended are complete.

No work at present conducted at TPC, except for Phase II re-grassing. The architect has been released for that design, to be bid next year.

Baby Cakes Stadium work is done, with a final substantial completion inspection in about a week.

WSC site clearing has been bid, with a contract to be awarded to Magee Builders before the Board today. Notice to Proceed is to be issued for May 29, and clearing to take about 120 days. Legal Counsel points out that Mike Sherman is to provide re-subdivision plans laying out what the proposed land swap would entail. Mr. Tobler points out that clearing will be for the proposed Phase I area; Phase II includes the swap area.

[This concludes the Construction Report.]

## **VI. LEGAL REPORT**

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

On motion of Commissioner Landry, seconded by Commissioner Blanco, the LSED authorized and approved execution of a certificate of substantial completion with respect to the contract between the LSED and All Star Electric, LLC for the Superdome 500 Level Transformer Replacement Project. The certificate provides that the work performed under the Contract is, subject to the completion of the items on the Master Punch-list, sufficiently complete in accordance with the Contract Documents to allow the owner to occupy and/or utilize the work for its intended use. The Resolution has the Staff Analysis Support and Recommendation of The Tobler Company and has been approved by the LSED Construction Committee. Approval of the Resolution is recommended.

Voting in favor were Commissioners France, Baptiste, Blanco, Landry, Lapeyrolerie, Morrison, and Robin`. Voting against: None. Abstaining: None. Absent: None. Motion **18-28** passed.

On motion of Commissioner Landry, seconded by Commissioner Baptiste, the LSED authorized and approved the selection of Eskew Dumez Ripple, APC to perform architectural and related services in connection with the Smoothie King Center Roof Replacement Project, which services shall include the survey of existing conditions, program development, code analyses and compliance, schematic design, design development, construction documents, bidding and contracting, construction administration, closeout, commissioning assistance, professional cost estimates, and architectural, design, and development services. These architectural and related design and development services shall be provided by Eskew Dumez Ripple for a not to exceed fixed fee of \$109,834.00, said fee being based upon the Facility Planning & Control approved State Fee Curve. The Resolution has the Staff Analysis Support and Recommendation of The Tobler Company and SMG, and has been approved by the LSED Construction Committee. The funding source will be the LSED Capital Reserve Account, and there are sufficient funds to support this Resolution. Approval of the Resolution is recommended.

Voting in favor were Commissioners France, Baptiste, Blanco, Landry, Lapeyrolerie, Morrison, and Robin`. Voting against: None. Abstaining: None. Absent: None. Motion **18-29** passed.

On motion of Commissioner Blanco, seconded by Commissioner Morrison, the LSED authorized and approved the execution of a Contract with Magee Builders, LLC with respect to the Westwego Sports Complex Clearing Package Project. Pursuant to Resolution 18-25, dated April 18, 2018, the LSED recognized the bid of Magee Builders, LLC as the lowest responsive bid for the Project and accepted the Base Bid of Magee Builders in the amount of \$595,000.00 for the Project, and authorized the negotiation and execution of a contract with Magee Builders, LLC. The Resolution has the Staff Analysis Support and Recommendation of The Tobler Company and SMG and has been approved by the LSED Construction Committee. The source of funding for the Project is LSED Capital Outlay, and sufficient funds exist to support this Resolution. Approval of the Resolution is recommended

Voting in favor were Commissioners France, Baptiste, Blanco, Landry, Lapeyrolerie, Morrison, and Robin`. Voting against: None. Abstaining: None. Absent: None. Motion **18-30** passed.

[This concludes the Legal Report.]

**VII. BOARD REPORTS**

None.

**VIII. OTHER BUSINESS**

None.

**IX. ADJOURNMENT**

On motion by Commissioner Blanco, seconded by Commissioner Landry, the LSED May 2018 monthly meeting adjourned at 2:08 p.m.