

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

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

ABSENT: *In Memoriam* Kathleen B. Blanco

I. ROLL CALL and WELCOME

Chairman Kyle France welcomed everyone to the August 21, 2019 meeting, calling it to order at approximately 1:16 p.m., and Commissioner Landry 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.

A moment of silence and remembrance for the LSED's fellow Commissioner Kathleen B. Blanco and her family.

II. APPROVAL OF MINUTES OF JULY MEETING

Chairman France asked for a motion for approval of the Minutes of the July 25, 2019 Board Meeting. Commissioner Lapeyrolerie moved for approval of same, seconded by Commissioner Morrison. All were in favor, and the Minutes of the July 25, 2019 Board meeting were adopted.

III. SMG REPORT

Doug Thornton echoes the sentiments for Commissioner Blanco, acknowledging that she was not only a dear friend, but a great friend of the Superdome and the City of New Orleans.

Turning to the recent Bond Commission hearing, the LSED received authorization to move forward with short-term borrowing for the construction loan for the \$450M [\$350M] renovation, and for issuance of up to \$560M in refinanced debt in 2023. Architects continue work on the construction documents, design development is 100% complete, allowing for movement into the CD phase.

The contract with Broadmoor for preconstruction services continues so as to allow for a guaranteed maximum price proposal in mid-October, with construction to begin following this football season. Construction loan approval today will allow for advancement of the capital for cash flow to pay the contractor upon commencement of work.

Terms of the Memorandum of Understanding with the Saints have been finalized, which anticipate a long-term lease extension. The Saints are giving back some lease entitlements they currently possess so that the LSED can use some of that revenue to capitalize its debt. The Project Development Agreement with the Saints, which governs how the parties will pay invoices, make decisions as to change orders, etc., will be signed within 30-40 days. These agreements set up the timeline for commencement of construction.

The Superdome will close next Spring, reopen for Essence, and next football season. The Renovation Work will continue “behind the walls,” and temporary walls will be built. The building will shut down following the end of football season through the end of June.

There is a working number of \$350M for hard costs, with a total budget of \$450. The difference covers architectural fees and other soft costs related to the project, plus a significant amount of contingency, to be mitigated over the next several months. The budget will be updated, with progress reports to be issued going forward.

The renovation work is modeled in terms of long-term financing, that is, assuming the State’s contribution is \$90M towards the \$450M, with the intention that it would have a zero impact on the LSED’S operating obligations. Beyond that, it would increase the LSED’s debt service of about \$4.5M over what is it today. The \$4.5M would be offset through varying revenues from the Saints and other areas, such as the hotel/motel tax, through CEA with the CVB, Convention Center, and Economic District, assuming there is a contribution from the State of \$90M, CEAs, and interest rates remain the same. Fund balances at the end of each year should remain at or around where they are today. All of this was modeled by the LSED’s bond counsel, SMG’s team, and the LSED’s financial advisors, together with the Saints’ contribution of \$150M and the State’s commitment to contribute \$90M – all over a four-year period.

Mr. Thornton notes a meeting with the PGA to review the progress of the TPC’s golf course and the regrassing/resodding projects, to be completed by November 1, along with discussions for media events to lure people to the TPC. There is also possible reallocation of \$500,000 that was not needed for the regrassing project to be used for certain capital repairs before the 2020 tournament.

Chairman France takes a moment to recognize and extend condolences to Fox 8 for the loss of Nancy Parker and Franklin Augustus, two premiere citizens of New Orleans.

[This ends the General Matters Report.]

Evan Holmes leads into the Services Report by explaining the process leading up to commencement of renovations, beginning with the bond financing and staging of bids from banks that were received after the Bond Commission hearing, the timeline for funds to be in place, mobilization, and purchasing of equipment, all to allow the contractor to be on site. Ten banks, many local, participated in the bid process. The \$30M budget was significantly lower than anticipated in terms of cost obligations for borrowing. Mr. Holmes notes two resolutions before the Board today to be discussed by LSED’s bond counsel. It is anticipated that the LSED

will be called back to Baton Rouge in August to testify on the budget before the Joint Legislative Committee, which consists of the Senate Finance and House Appropriations Committees, all to better understand what impact this has on the State's budget. The staff of the JLC will come to the Dome in September for what we believe will be more of an informational meeting.

Following today's LSED meeting, the Legislative Auditor will conduct its entrance exam for purposes of ensuring that finances, procurement, budgeting, and accounting efforts are where they need to be.

Returning again to the TPC, Mr. Holmes notes an extension of the PGA's management of the facility on behalf of the LSED to keep the Zurich Classic tournament in place so as to generate activity, which helps to build Jefferson and Orleans Parishes.

[This ends the Services Report.]

Alan Freeman begins his Facility Operations Report with a review of past events, such as the Dome's hosting of Herbalife over a three-day period, with 61,600 in attendance, and thereafter installation of the football turf (video of same is shown). The Saints first preseason game was on August 9, with 57,000 fans attending, and the Dome and Champions Square hosted Fraternal Order of Police was on August 13-14.

On August 17, the Pelicans had open house at the Smoothie King Center, Queen and Adam Lambert concerts were on August 20, with approximately 14,000 in attendance, and Champions Square had Bush and +Live+ on July 30, with 4,624 attending. A review of the bar charts shows that all facilities had a better year with events and attendance.

Upcoming events for the next 30 days include the Saints final preseason game on August 28, the University of Louisiana vs. Mississippi State on August 31, the New Orleans Sports Foundation's awards luncheon on September 5, and the Saints home game against Houston on September 8.

The SKC will host Big 3 Basketball on August 25, followed by WWE Monday Night Raw, Chris Brown on August 25, Backstreet Boys on August 30, and Charlie Wilson on September 1, with Sweet Adelines running from September 17 – 21.

Chris Young will perform at Champions Square on September 6, followed the next day by the Saints Fun Run.

One return event will be the Trans-Siberian Orchestra on December 18.

The NBA has released its 2019-20 season, with the Pelicans preseason game at the SKC on October 11 against the Utah Jazz. Regular season will open at Toronto on October 22, then back to New Orleans for the home opener against Dallas on October 25.

Mr. Freeman notes that the SKC roof repair project is essentially complete, as is pressure washing of the Dome skin. Parking operations are now accepting credit cards. Monthly meetings with the CFP are being conducted in preparation for the January National College Championship football games, with regular meetings with the NCAA Women's Basketball staff for hosting of the Final Four in April, and he, Evan Holmes, and Doug Thornton met with the NCAA Men's Basketball staff regarding the Men's Final Four in 2022, who had concerns regarding renovations to take place prior to the tournament. We will visit the entire men's basketball community in late October for a formal presentation.

[This concludes the Facility Operations Report.]

Jennifer Talbot presents the Sales & Marketing Report with an on-line wedding ad with New Orleans & Company, which resulted in an in-trade advertisement with a value of approximately \$5,000, all in an effort to increase revenues in Club XLIV and Encore. There was also a Chris Brown giveaway for a pair of tickets and night's stay at the Hyatt, resulting in 800 followers on the Hyatt's Facebook page.

[This concludes the Sales & Marketing Report.]

IV. FINANCE REPORT

David Weidler presents the Finance Report, noting a very robust year for hotel tax collections, with the Superdome and SKC generating over \$8.0M. With respect to Capital Reserve requests, we were \$18,000 better than projected from the prior month of excess cash at the end of the year. Hotel tax is ahead of last year by \$500,000. The Dome is budgeted a little less because of the Master Plan, but it is factored into our projections for the current year, and a little less cash at the end of the year to help with any other projects.

[This ends the Finance Report.]

V. CONSTRUCTION REPORT

Chad Tobler of The Tobler Company presents the Construction Report.

Contractors have completed their work on the SKC roof, with the exception of minor punch list items.

The Alario Center kitchen replacement contractor has been terminated, with the surety taking over the project. A prebid meeting for new contractors was held on August 14, with two responsive contractors present. The Center's roof replacement is about 90% complete. In addition to the original scope, HVAC work is to be completed due to deterioration of existing ductwork. Restroom upgrades and exterior door panel/hardware is in process, along with completion of the mockup of the exterior door. TTC and the architect will review the work and prepare observations/comments for distribution. Advertisement for the Center's exterior façade waterproofing project went out to bid on August 5, with bids due August 29. However, due to

access restrictions and in conjunction with the Saints final home preseason game, TTC will issue an addendum for postponement of bids until August 30. TTC is also working on the list of 2020 priorities for the Alario Center.

The TPC's gold course regrassing project is about 95% complete.

The Shrine On Airline Phases I and II improvements were awarded and completed, with a few minor punchlist items.

[This concludes the Construction Report.]

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following ten (10) Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Morrison, seconded by Commissioner Robin, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$287,246.87 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 had received competitive proposals for the equipment and the repairs related thereto. The source of funds for the Resolution was the LSED Capital Reserve Account, and sufficient funds existed to support the Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution 19-47 passed.

On motion of Commissioner Baptiste, seconded by Commissioner Morrison, the LSED authorized and approved Change Order Nos. 2 and 3 (incorrectly noted as Change Orders 001 and 002) to the Contract between the LSED and Urethane of Kentuckiana, dba Insulated Roofing Contractors for the Dome Gutter Tub Waterproofing Replacement Project. Change Order No. 002 reflects a credit of \$80,000 to the original Project Contract amount for damages to the building for outer skin cleaning due to product overspray, and a credit in the amount of \$15,528.06 for rain water repairs caused by water infiltration during a rain event. Change Order No. 003 increases the Project Contract time by an additional 64 days, through December 20, 2018, due to adverse weather conditions. The Resolution had the Staff Analysis Support and Recommendation of The Tobler Company and SMG and had been approved by the LSED Construction Committee. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution 19-48 passed.

On motion of Commissioner Lapeyrolerie, seconded by Commissioner Morrison, the LSED authorized and approved the execution of a Certificate of Substantial Completion with respect to the Contract between the LSED and Urethane of Kentuckiana, dba Insulated Roofing Contractor for the Superdome Waterproofing Gutter Tub Replacement Project. The Certificate provided that the work performed under the Project Contract was sufficiently complete in accordance with the Contract

Documents to allow the owner to utilize the work for its intended purpose. The Resolution had the Staff Analysis Support and Recommendation of The Tobler Company and SMG and had been approved by the LSED Construction Committee. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution **19-49** passed.

Legal Counsel notes that the following two Resolutions pertain to the creation and establishment of short-term debt obligations of the LSED, known as the Bond Anticipation Notes and First Supplemental Note supplementing and amending the General Bond Anticipation Note adopted on August 22, 2019, said Resolutions to be presented by Bond Counsel.

Jason Akers of Foley & Judell takes a moment to introduce co-bond counsel, Maria Auzenne with Auzenne & Associates, Josh McCoy with PFM Advisors, Shawn Barney with CLB Porter, who serve as co-municipal advisors, and Beth Ziegler and Stephen Edwards, with Hancock Whitney, who serve as LSED's trustees.

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved the General Bond Anticipation Note, which established the framework for all construction financing for the Superdome Master Plan.

Article 3 authorizes issuance of up to \$350M in Bond Anticipation Notes/pledges to pay the debt service from the LSED's four (4%) percent hotel occupancy tax after payment of existing 2013 bonds and other revenues of the LSED.

Article 4 provides for payment of notes as of when they become due.

Articles 5 and 6 establish certain funds/accounts to be maintained with respect to the notes. Mr. Akers emphasizes that the proceeds of the notes remain under the control of the LSED, rather than subject to requisition from the trustee, when needed to pay project costs. Tax proceeds will continue to flow through Hancock Whitney to ensure prompt payment of all debt service, including the 2013 outstanding bonds, notes, and any notes to come.

Article 8 relates to covenants of the LSED while the notes are outstanding. Mr. Akers notes that this is the promise to continue to levee the hotel occupancy tax while the notes are outstanding, and that it the LSED's contractual obligation to budget and pay the debt service in each fiscal year as the notes become due.

This Resolution governs the plan of finance during the entire Master Plan construction period and is drafted in a broad manner to encompass any potential changes in the municipal market that can be reasonably foreseen over the next four years. Mr. Akers further emphasizes the importance to understand that the maximum principal amount of \$350M for the notes is just a parameter and should not be interpreted to imply that the LSED will borrow \$350M or that the LSED's portion of the cost of improvements has increased over and above the amounts previously disclosed and discussed by Mr. Thornton.

The Resolution was drafted in consultation with co-bond counsel, co-municipal advisors, LSED's general counsel, and the LSED and SMG staff.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution **19-50** passed.

On motion of Commissioner Robin, seconded by Commissioner Landry, the LSED authorized and approved the issuance of the first \$30M in Bond Anticipation Notes, as authorized by the Resolution approved, above. Bond counsel notes he, along with the LSED, its finance team, and SMG, engaged in a competitive process with approximately 18 banks and other financial institutions, which consisted of in-person meetings to present an overview of the project, plan of finance, and the LSED's financial condition. Distribution of an RFP for recipients to ask questions and answers were distributed to everyone who received the RFPs to ensure that they received the same information and the prescribed bid form. There were ten offers to purchase.

After review and consultation, the finance team recommended acceptance of the offer submitted by Iberia Bank, the lowest responsive bidder. Iberia offered to purchase the entire first series of notes of \$30M at an fixed 1.78% interest rate, a competitive rate in today's market. This Resolution selects Iberia Bank as the lowest lender and incorporates various terms of the RFP and its offer to purchase, provides for a form of the note, the deposit of proceeds, and other required findings and covenants.

The Resolution was drafted in consultation with co-bond counsel, co-municipal advisors, LSED's general counsel, and the LSED/SMG staffs, and was also reviewed and approved by counsel to Iberia. With approval, closing will take place on September 11, with funds being available for expenditures that day, including reimbursement of any funds that the LSED has spent to that date on the Master Plan Project.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution **19-51** passed.

Chairman France takes a moment to recognize Cleveland Powell from Iberia as one of the City's premiere bond individuals and for presenting such a good proposal to the LSED.

Chairman Frances also presented the following proposed Resolution, moved by Commissioner Landry and seconded by Commissioner Baptiste, to become a permanent part of the records of this Board, which contained in part:

The LSED authorized and approved recognition of Governor Kathleen Babineaux Blanco and her unfettered commitment, passion, and devotion to the community and the State of Louisiana. This Resolution was read out loud by Chairman France. .

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution **19-52** passed.

On motion of Commissioner Landry, seconded by Commissioner Morrison, the LSED authorized and approved Trahan Architects to provide additional services with respect to the 2019 Superdome Capital Improvements Project in accordance with Additional Services Request #2. The additional services would consist of the engagement of Architectural Resource Consultants to provide consulting

and modeling services in connection with the creation of an Existing Conditions BIM Modeling Template with respect to the Mercedes-Benz Superdome. The fee for this Additional Services Request is the sum of \$91,670.00, plus an additional ten (10%) percent, in accordance with the terms of the Trahan Contract for architectural services. This Resolution had the Staff Analysis Support and Recommendation of The Tobler Company, SMG and the LSED Project Representatives. The source of funds for the Resolution was the Project Soft Cost budget, and approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution 19-53 passed.

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved Trahan Architects to provide additional architectural services with respect to the 2019 Superdome Capital Improvements Project in accordance with Additional Services Request #5. The additional services would consist of the engagement of Architectural Resource Consultants, Zelus, and Tri-Corps to provide digital imaging, modeling services, and integration services with respect to the development of an existing conditions BIM Model of the Mercedes-Benz Superdome, solely with respect to Phase I of the Project. Pursuant to the restoration [resolution], any and all architectural services associated with the development of an existing conditions BIM Model of the Superdome with respect to subsequent Phases of the Project would be subject to approval by the LSED under a separate and specific Resolution. The fee for Additional Services Request #5 was the sum of \$975,000.00, plus an additional two and a half percent (2.5%), which represents the negotiated reduced fee of Trahan Architects (for a total not to exceed amount of \$1,000,000.00). The approval of this Resolution by the LSED would be conditioned upon the receipt from Trahan of (i) certificates of insurance for errors and omissions coverage with respect to the Additional Services in such amounts that are acceptable to the LSED Project Representative and LSED legal counsel, and (ii) an Amendment to the Trahan Contract (on terms acceptable to the LSED Project Representative and LSED legal counsel), pursuant to which Trahan would be responsible for its errors, omissions, and deficiencies that relate to or arise from existing conditions that pertain to Phase I of the Project. The Resolution had the Staff Analysis Support and Recommendation of The Tobler Company, SMG, and the LSED Project Representatives. The source of funds for this Resolution was the Project Soft Costs Budget, and sufficient funds existed to support the Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution 19-54 passed.

Commissioner Landry notes that the difference in the percentage that Trahan Architects is being paid to manage the Project between the previous resolution that allowed a 10% management fee, there is a reduction to 2.5% of his management fee after negotiation with Trey Trahan, who agreed to the reduction. This speaks volume for his team and the sentiment that the team is forming to confect not just a project, but a massive change that will impact this community – very strong evidence for which we are grateful.

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized and approved an appropriation from the TPC Louisiana Golf Facility Capital Reserve Fund/Reserve for Repair and Replacement in the amount of \$55,568.00 to make repairs to a well, one (1) HVAC air handler, one (1) HVAC condenser, and replace a Network map in the TPC Clubhouse, as more fully described on the TPC Louisiana Capital Reserve Request. The source of funds for the Resolution was the

TPC Louisiana Golf Facility Capital Reserve Fund for Repair and Replacement, and sufficient funds existed to support this Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: *In Memoriam*, Kathleen B. Blanco. The Motion carried, and Resolution **19-55** passed.

On motion of Commissioner Morrison, seconded by Commissioner Baptiste, the LSED authorized and approved a Contract for Legal/Consulting Services Between the LSED and Roedel, Parsons, Koch, Blache, Balhoff & McCollister, A Law Corporation, for the July 1, 2019 through June 30, 2020 term. The fees and expenses paid for these consulting services were to governed by the State of Louisiana, Hourly Fee Schedule as set by the Attorney General's Office. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Henry N. Baptiste, Hilary H. Landry, Renee A. Lapeyrolerie, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioner Kathleen B. Blanco. The Motion carried, and Resolution **19-56** passed.

[This concludes the Legal Report.]

VII. BOARD REPORTS

None.

VIII. OTHER BUSINESS

Bruce Richards of Metairie, Louisiana addresses the Commission with respect to the end of season for the Baby Cakes and its five-year lease and seeks clarification as to how long the least would last, what is the status, will there be a penalty against the team for early departure, etc.

LSED's legal counsel responds that the lease runs through 2021, allowing the team to occupy the facility through that date. Mrs. Bridgewater also notes that the LSED has received no formal notification of the team's intention to vacate the facility prior to that date.

Chairman France notes that though the team has been asked for a departure date, nothing has been received in writing. The LSED manages the facility, and the Commission is focused on having teams there to bring entertainment to the New Orleans area. Talks have been had with other potential suitors, such as rugby, soccer, and baseball; however, the LSED can do nothing until word is received and the team vacates the facility.

IX. ADJOURNMENT

On motion by Commissioner Robin, seconded by Commissioner Baptiste, the LSED August 21, 2019 monthly meeting adjourned at 2:06 p.m.