

LOUISIANA STADIUM AND EXPOSITION DISTRICT

BOARD OF COMMISSIONERS MINUTES

FROM THE MEETING OF JUNE 24, 2021

PRESENT: Commissioners Kyle M. France, Hilary H. Landry, Casey J. Robin, and Wells T. Watson

ABSENT: Commissioners Henry N. Baptiste and J.P. Morrell

ROLL CALL and WELCOME

Chairman Kyle France called the June 24, 2021 meeting to order at approximately 1:00 p.m. Present: Commissioners Kyle M. France, Hilary H. Landry, Casey J. Robin, and Wells T. Watson. Absent: Commissioners Henry N. Baptiste and J.P. Morrell.

Chairman Kyle M. France reads aloud the Certification under Act 302 of the 2020 Regular Session of the Louisiana Legislature related to open meetings, pursuant to which the LSED is authorized to conduct the June meeting via telephone conference.

I. APPROVAL OF MINUTES OF MAY 27, 2021 MEETING

Taken out of order, following the Financial Report, Chairman France asked for a motion for approval of the Minutes of May 27, 2021 Board Meeting. Commissioner Watson moved for approval of same, seconded by Commissioner Landry. All were in favor, and the Minutes of the June 24, 2021 Board meeting were adopted.

II. ASM REPORT

Doug Thornton report focuses on an overview of what is happening in the market and around the country, and a look-ahead for the next six months, seeing an increase in live entertainment products, starting with the Monster Truck Show. Orders continue for concert bookings in the Fall and also for the 2022 calendar year, with higher spending around the country, and hopefully seeing the same in New Orleans.

Higher costs have been reported nationally, with competition for talent, full and part-time workers, wage increase, product pricing, and commodity increase. Inflation should decrease by year-end or early 2022 as the economy stabilizes, people return to work, and capacity levels build back up. Everyone is experiencing a back-log of orders due to shortage in the work force. With higher volume and event activity in the Fall and Spring, we're adjusting rates and charges to offset some of those costs, which will be passed through event organizers, labor rates, charges, rents, etc.

Progress is being made for recruiting part-time workers, in addition to the part-time force that's been at the facilities for many years. New Orleans being a destination market, there's a lot of competition with respect to hotels, restaurants, and casinos. Our full-time staff will return on July 1. While we may not hire back at 100% capacity right away, we're having to build back some of that to take on challenges of the conversions and event load.

From a business outlook, we're optimistic, and hopefully will see trends continue with event bookings for the next 15-18 months, with touring artists, singers, and other performances, such as the Feld Monster Truck Show, Disney On Ice, Cirque du Soleil, and others that have come through in the past.

Turning to the legislative session, Mr. Thornton believes that the LSED had a very productive session thanks to the Governor's leadership and support from the administration. The LSED received an allocation of funding from the State through its settlement in the Harrah's lawsuit of approximately \$17.0M

from taxes paid in protest during the dispute. Funds will begin to be available beginning July 1 for FY 2022, which will assist in offsetting operating shortfalls due to the hotel tax not performing at levels anticipated or forecast or if events don't perform as anticipated. Unused funds for operating purposes will be transferred to capital improvements as part of House Bill 137. In addition to the one-time payment, there will be a long-term payment of about \$1.3M paid over 30 years. The LSED's portion is estimated to be roughly \$780,000 going into its operating account, and the balance remitted to the Exhibition Hall Authority, who receives a portion of Harrah's taxes.

The LSED also received a supplemental budget appropriation of \$4.1M to assist in payment to the Office of Risk Management insurance premium for FY ending 2021. For the start of FY 2022, higher than anticipated tax collections were noted for the month of May, about \$400,000 better than budgeted, which helps contribute to a more positive result for FY ending 2021.

The LSED was also awarded \$27M in capital outlay, \$2.0M of which is in Priority 2, the highest level of authorization, meaning having access to those funds during the fiscal year once the Bond Commission authorizes release of those dollars. The balance of the \$25.0M goes to Priority 5, trailing money. Access to those funds would not be needed for the Master Plan Project until late 2023 or 2024. It is anticipated that the \$25.0M would be moved up to Priority 2 in the next legislative session, which would allow for a cash line of credit.

Mr. Thornton feels that the convention industry will have a slow come-back than the live entertainment business. New Orleans is a "leisure market," with big festivals. Jazz Fest will return in the Fall and then the following Spring, which generates tax dollars from hotel spending.

[This concludes the ASM report]

Evan Holmes presents the Services Report, also noting that the budget concerns for FY 2021 were resolved by the Harrah's settlement and the \$4.0M supplemental assistance from the State and concurs that tourism and self-generated revenues should rebound and increase over time. He acknowledges the fine work accomplished by ASM's Project Representative, Legends Hospitality, and the Saints to keep Dome renovations on schedule.

With respect to the \$70.0M Bond Anticipation Note presented to the market, Mr. Holmes feels there was a significant interest by community investors, acknowledging the collaborative efforts of Bond Counsel and UBS.

[This concludes the Services Report.]

Zane Collings presents the Facility Operations Report, with seven shows booked beginning in July and through the next several months, which include 3 Doors Down, the Monster Truck Show, Harlem Globetrotters, Dave Chappelle, Joe Rogan, Lil Baby, Eric Clapton, The Millennium Tour. Focus is being placed on filling positions and developing ways to attract part-time talent, maintaining current workers, and re-engaging what's necessary for the Saints and everything else on campus. Mr. Collings team is also focusing on ways to increase revenue to assist in offsetting costs Mr. Thornton referred to.

Farrow Bouton in Event and Guest Services and his team are planning for the NFL football season. NCAA and Populous meetings were hosted in conjunction with the Greater New Orleans Sports Foundation in anticipation of the Final Four in April, along with an annual training/town-hall meeting, planning for post-construction cleanup and assignment of maintenance with Crescent City for all venues, the Shrine On Airline, and the three downtown campuses, and Otis Elevator at the Shrine. The Pelicans basketball court is being replaced this year, with shipment of the old one for refurbishing and sending to its G-League team.

[This concludes the Facility Operations Report.]

Mark Waguespack presents the Sales & Marketing Report through slide-shows of presale/on-sale information, some by email, that netted approximately \$200,000 in ticket sales, with Chappelle producing \$90,000 in sales, resulting in about \$500,000 in ticket sales from email marketing alone, which did not include Monster Jam, Lil Baby, and The Millennium Tour.

Another give-away was in coordination with Father's Day and Eric Church, resulting in over 2,600 entries. The goal was to capture the emails, upload them, and create a targeted list of individuals that were known to have an interest in Eric Church. Another was a turf event in Champions Square. We've redesigned our presentation materials, which goes out to a thousand industry contacts, past clients, and DMC's and New Orleans & Company members. This produces close to a 40% open rate, well above the 17% industry average.

[Conclusion of Sales & Marketing Report.]

Zane Collings takes a moment to recognize the Mike Schilling's assistance in transitioning from one General Manager to another.

IV. FINANCE REPORT

David Weidler presents the Finance Report, noting that June financials will be completed by the end of July, and auditors should arrive in July, with finalization of the audit in November.

Responding to a query from Mr. Thornton as to the hotel taxes, collections were about \$400,000 higher. Currently, Mr. Weidler has no idea as to the anticipated collections, given there have been no events, other than tourists at present. FY 2021 should end about the same as last year.

[This concludes the Finance Report.]

V. CONSTRUCTION REPORT

Eileen Long presents a brief summary of the construction projects, beginning with the Alario Center kitchen replacement project being substantially complete, with a few warranties and close-out documents remaining.

The Westwego Sports Complex capital outlay budget for Phase 1 is about \$20.0M in Priority 1, and there's \$10.0M for Phase 1 in Priority 5. Our hope to move dollars for Phase 2 of the Project to Priority 5 did not happen, so Phases 1 and 2 construction drawings are being separated in order to bid out possibly by the end of July or early August. Phase 1 construction should commence in early October. Without access to the additional \$10.0M, there will not be enough fields to host regional or national tournaments. You'll be able to play on the fields, and there will be entry, restroom, and concession buildings, batting cages, and a smaller parking area. There's hope that if this is a 12-month job, there will be enough Phase 2 monies pushed up in June 2022 to continue that phase following Phase 1. Indicates to Commissioners area in green for Phase 1.

At the TPC of Louisiana, large bunkers were upgraded last year and drainage. There will be a small renovation to the practice tee so players can continue to warm up during tournaments or the Zurich Classic.

Ms. Long goes through photos and slides with respect to Phase 1 of the Superdome Master Plan, depicting ramp demolition and a wrap-up on the north and southwest generator locations. Phase 2 work is taking place in the north end zone suits, with installation of carpets, millwork, terrazzo flooring. ADA areas are being added at the 200 and 500 level, southwest corner field side, along with north end zone suite renovations and Gate A lobby enhancements. Phase 3a pricing is due July 1, and Phase 3a work commences July 5, with completion perhaps the middle of March 2022, which includes renovations to the existing commissary and food service areas in the southeast quad, food and beverage warehouse, central kitchen, a few offices for food/beverage and enhanced access on the loading dock.

Engineering sessions are taking place with respect to Phases 3b through 5 to get the project back to its original budget, a direct result of post-COVID material escalation costs and material delays.

Commissioner Landry notes that she has been questioned on DBE participation percentages and refers to a prior document circulated showing a breakdown of both design and construction team participation, required to be produced quarterly, and emphasizes that the LSED encourages such participation. Currently, the design team is about three percent, the construction team fluctuating between 18 and 30%.

[This concludes the Construction Report.]

VI. LEGAL REPORT

Prior to presentation of the report and proposed resolutions presented by Legal Counsel, Chairman France presents the following proposed resolution:

On motion of Commissioner France, seconded by Commissioner Landry, the LSED authorized and approved the negotiation and execution of a Memorandum of Understanding on or before June 30, 2021, between the LSED, the Louisiana Department of Revenue, and the Ernest N. Morial New Orleans Exhibition Authority, which would set forth the parties' understanding with respect to stabilization and collection of taxes levied and collected by the State on certain hotel rooms that are provided on a complimentary basis, for the purpose of complying with the intent of the Legislative Directive in House Bill 137 of the 2021 Regular Session (now known as Act 408).

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-50** passed.

Shawn M. Bridgewater begins her LSED Legal Report, presenting the following 11 Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Robin, seconded by Commissioner Watson, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$195,647.47 to purchase equipment and make repairs necessary to maintain and operate the Mercedes Benz Superdome, the Smoothie King Center, and Champions Square for the 2021 Fiscal Year. SMG has received competitive proposals for the equipment and the repairs related thereto. 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, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-51** passed.

On motion of Commissioner Watson, seconded by Commissioner Robin, the LSED authorized, approved, and ratified execution of Change Order No. 002 to the Contract between the LSED and ANC Sports Enterprises, LLC with respect to Phase 2 LED Fascia Displays and Control Systems for the 2019 Superdome Capital Improvements Project. Change Order No. 002 provided for a reduction in the amount of \$104,176.00 to the LED Contract amount, which consisted of the following: (i) a decrease in the amount of \$43,238.00 for removal of the existing Daktronics Scoring System, and (ii) a decrease in the amount of \$60,938.00 for removal of the new RFP requested equipment with OES. Change Order No. 002 to the LED Contract has been recommended by Legends Hospitality (Master Plan Project Manager) and Trahan architects as the Project Architect and has been approved by the Project Team, consisting of the ASM Project Representative, the LSED Project Representative, and the New Orleans Saints Project Representative. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-52** passed.

On motion of Commissioner Landry, seconded by Commissioner Watson, the LSED authorized, approved, and ratified execution of a Cooperative Endeavor Agreement by and between the Parish of Jefferson and the LSED for additional parking in connection with the Uncle Sam Jam event that would take place on the weekend of July 4th. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-53** passed.

On motion of Commissioner Robin, seconded by Commissioner Watson, the LSED authorized the negotiation and execution of a Location Agreement by and between the LSED and Rugby Factory, LLC with respect to use of video footage that was taken by Rugby Factory of a NOLA Gold rugby game at the Stadium on Airline Drive. Once in final form and following approval of LSED counsel, Chairman Kyle M. France was authorized to execute the Location Agreement on behalf of the LSED. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-54** passed.

On motion of Commissioner Watson, seconded by Commissioner Landry, the LSED ratified and confirmed execution of an extension to the Contract for Professional Services Between the LSED and Chaffe McCall, L.L.P. as special counsel with respect to the litigation by and among the LSED, the State of Louisiana, GAF Materials, LLC, GAF Corporation, and Brazos Industries, LLC with respect to the roof coating warranty and installation at the Mercedes-Benz Superdome. Pursuant to the Resolution, the contract will be renewed for a term of one year, unless resolution of this matter occurs prior to one year, in which event the Contract will expire upon the completion of the settlement of this matter. The Contract fees and expenses are governed by the State of Louisiana, Hourly Fee Schedule, as set by the Louisiana Attorney General's Office. Consideration of this Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-55** passed.

On motion of Commissioner Robin, seconded by Commissioner Watson, the LSED consented to and ratified and confirmed the Assignment of the Contract for Professional Services by and between the LSED and Brian D. Grubb d/b/a Law Offices of BDG, LLC as special counsel to the LSED. In accordance with the terms and conditions of his current legal services Contract with the LSED, Brian Grubb provided the LSED with written notice requesting the assignment of the Contract to the law firm of Riess LeMieux, 4257002-1

LLC. Pursuant to said Assignment, Brian D. Grubb and Riess LeMieux, LLC will continue to be bound by all of the terms and conditions of the Contract, and Riess LeMieux, LLC will assume all obligations of the Law Offices of BDG, LLC thereunder. Pursuant to the Resolution, Chairman France was authorized to execute any and all documents necessary to effect the Assignment of the Contract. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-56** passed.

On motion of Commissioner Watson, seconded by Commissioner Robin, the LSED authorized and approved execution of a Contract for Professional Services Between the LSED and Chaffe McCall, L.L.P. to provide services as general legal counsel for the LSED for the July 1, 2021 through June 30, 2022 fiscal year. The Contract fees and expenses are governed by the State of Louisiana, Hourly Fee Schedule, as set by the Louisiana Attorney General's Office. Pursuant to the Resolution, Chairman France was authorized to sign the Contract for Professional Services on behalf of the LSED. Consideration of this Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-57** passed.

On motion of Commissioner Watson, seconded by Commissioner Robin, the LSED authorized and approved execution of a Contract for Professional Services between the LSED and Laporte, A.P.A.C. to provide general accounting services for the LSED for the period from July 1, 2021 through June 30, 2022 for a not to exceed amount as set forth therein. Pursuant to the Resolution, Chairman France was authorized to sign the Contract for Professional Services on behalf of the LSED. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-58** passed.

On motion of Commissioner Robin, seconded by Commissioner Watson, the LSED authorized and approved execution of an Engagement Letter of Laporte, A.P.A.C. to compile and finalize the Annual Fiscal Report for the LSED as required by the State of Louisiana, Division of Administration Office of Statewide Reporting and Accounting Policy, for the fiscal year ending on June 30, 2021, and to issue an Accountant's Compilation Report for a not to exceed fee as set forth therein. Pursuant to the Resolution, Chairman France was authorized to sign the Engagement Letter on behalf of the LSED. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-59** passed.

On motion of Commissioner Robin, seconded by Commissioner Landry, the LSED authorized and approved execution of an Engagement Letter of Laporte, A.P.A.C. to provide the Annual Basic Financial Statements for the LSED for the fiscal year ending June 30, 2021, and to issue the Accountant's Compilation Report with respect to the financial statements for a not to exceed fee as set forth therein. Pursuant to the Resolution, Chairman France is authorized to sign the Engagement Letter on behalf of the LSED. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-60** passed.

On motion of Commissioner Robin, seconded by Commissioner Watson, the LSED authorized, designated, and approved The Advocate as the LSED's official newspaper of record for the Fiscal Year 2021-2022. Approval of the Resolution was recommended.

Voting in favor were Commissioners France, Landry, Robin, and Watson. Voting against: None. Abstaining: None. Absent: Commissioners Baptiste and Morrell. Motion **21-61** passed.

[This concludes the Legal Report.]

Commissioner Landry takes a moment to thank everyone for all of the emails and calls from individuals with ASM and the LSED following her father's death.

Doug Thornton takes a moment to congratulate Mike Hoss on being named "The Voice of the Saints."

VII. BOARD REPORTS

None.

VIII. OTHER BUSINESS

None.

IX. ADJOURNMENT

Chairman France asks for a motion to adjourn. On motion of Commissioner Landry, the June 24, 2021 LSED Board meeting adjourned at 1:55 p.m.