

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING JANUARY 28, 2021

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

ABSENT: Commissioner Henry N. Baptiste

ROLL CALL and WELCOME

Commissioner Landry called the January 28, 2021 meeting to order at approximately 1:10 p.m. Present: Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, J.P. Morrell, Casey J. Robin, and Wells T. Watson. Absent: Commissioners Henry N. Baptiste.

Commissioner Landry 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 January meeting via telephone conference.

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

I. APPROVAL OF MINUTES OF DECEMBER 17, 2020 MEETING

Commissioner Landry asked for a motion for approval of the Minutes of the (December 17, 2020) Board Meeting. Commissioner Morrison moved for approval of same, seconded by Commissioner Robin. All were in favor, and the Minutes of the December 17, 2020 Board meeting were adopted.

II. ASM REPORT

Doug Thornton begins the ASM report by providing updates on the current budget outlook, projected events, and the Consolidated Federal Stimulus Act. Mr. Thornton notes that there are five months remaining before the start of fiscal year 2022, which will start in July. Mr. Thornton reiterates that hotel tax collections are down 80 percent compared to normalized levels, and the self-generated revenues are down 92 percent. The only current self-generated revenues at the moment are parking contracts, which in itself have diminished due to people working from home. There is also the rents that are paid from wireless companies who rent space for their DAS communication systems. We have been able to close the gap in the budget by using some of the borrowed capital and bond anticipation notes. There will still be a shortfall of around \$10 to \$12 million for the end of the fiscal year. A big chunk of the shortfall was made up from, insurance premiums that we are required to pay, ORM, at about \$41.3 million. Another big chunk is the master lease being paid for Champions Square that is about \$2.5 million. The Saints have agreed to defer those payments on Champions Square and we believe there may be some flexibility on the ORM payment. An application will be assembled for supplemental appropriation to pay the premium due to the Office of Risk Management. This would bring the deficit projections down to a more manageable level. There are options of short-term borrowing and possible cash flow

advance that are being discussed to help us bridge our cash flow needs between now and the end of the year. Doug states that there is still a severe reduction in personnel. Thirty (30) percent of personnel has been cut, which is about 46 people and everyone is working on a reduced salary. Some are still working under a furlough environment, and many are working reduced hours. Now that football season is over, we are looking at new ways to further cut expenses mainly on the utility front. We are shooting for about half a million in utility savings between now and the end of the fiscal year. Doug emphasizes that they are doing everything they can to mitigate costs.

There have been some good signs in the recent weeks with respect to booking requests for the fall of 2021 and into the spring of 2022, with respect to concert holds. With the concert holds and the adoption of the vaccine, we are hopeful to go back to 100 percent event capacity by the end of September in order to host events at full capacity for fiscal year 2022. French Quarter Fest, Jazz Fest, Boudin Fest, are all taking place in October as well as Buku Fest. We hope that this will generate tourism dollars, which will help us with hotel tax revenue.

Mr. Thornton states that it is unlikely the LSED will be able to pursue any type of business interruption claim through ORM there's the issue of the pandemic exclusion and also that this will not be considered a catastrophic event, such as a windstorm damage or flood event similar to Hurricane Katrina, which will typically trigger a business interruption claim. Mr. Thornton notes that such a claim may be problematic we have been able to host some football events with low level attendance. The virus has not completely shut us down, therefore the claim would fall short. Mr. Thornton also states that the LSED will not be eligible for funding via the Consolidated Federal Stimulus Act that was just passed because it eliminates quasi-governmental agencies from applying, and then as an operator we would be disqualified because we are operating in more than 10 states and we are a multinational company with more than 500 employees. The big issue is that the LSED and ASM does not derive 70 percent of its earned revenue from ticket sales or production fees. The artists are the ones who receive the ticket sales and not the facility. Mr. Thornton notes that they will continue to look into this and the requirements are still being discussed by SBA, who is administering the grants. Mr. Thornton closes by noting there is a possibility that we could receive a second round of Cares Act funding if the federal government appropriates it.

[This ends the ASM report]

Alan Freeman gives a brief recap of event activity. Ten (10) Saints games were played at the Superdome during the course of the football season and the total attendance for all ten (10) games was 32,798, which represents less than half of what we typically would have for one game. Mr. Freeman notes that the staff managed all the restrictions from the NFL, State and City very well. In addition to the Saints games, the Superdome hosted the R&L Carriers New Orleans Bowl on December 23rd. The final attendance for that game was 1,192. On January 1st, we hosted the annual Allstate Sugar Bowl and the final attendance for that game was 3,242. The Superdome received a lot of great exposure due to the media platform that was built to broadcast during half-times and pre-game shows. The next event at the superdome will likely be the preseason games for next football season.

The NBA season has begun at the Smoothie King Center and the average attendance at the Pelicans game has been about 1100. The City of New Orleans has advised that an additional 700 may attend the games. No touring shows at the Smoothie King Center will happen for a while, but we do have 10 more Pelican games coming up in the next 30 days.

Mr. Freeman closes by discussing that since Mardi Gras this year is cancelled, Nola.com has organized some of the tourist attractions in town to participate in a program called Mardi Gras For All Y'all, in which Mr. Thornton was a part of the promotional video. It is a three (3) night, 4 ½ hour online event that will bring the New Orleans signature celebration of Mardi Gras to the world. Our participation with this event resulted in an advertising package with Nola.com that we will be able to utilize in the future when we begin to ramp up activities.

[This concludes the Facility Operations Report.]

Evan Holmes presents the Services Report by providing an update on the current renovations at the Superdome. Mr. Homes notes that we are coming to the close of Phase 1 renovations at the Superdome on time despite Covid. Mr. Holmes expects to bring the Phase 2 contract before the LSED Board of Commissioners next month. They are closely monitoring the budget and are in direct conversation with the State and the Saints, and hope to move forward with Phase 2 next month.

[This concludes the Services Report.]

IV. FINANCE REPORT

David Weidler briefly presents the finance report by stating that he is working with Mike Schilling in the engineering department to see where cuts can be made to get us through the next few months to help with cash flow. Managing the cash flow has proven to be difficult right now with all the cuts and will update further down the road when we know exactly what departments will face future cuts.

[This concludes the Finance Report.]

V. CONSTRUCTION REPORT

Eileen Long presents a brief summary of the construction projects.

Alario Center Kitchen Replacement Project: This project is about five weeks ahead of original schedule completion date of May 13th. They are projecting to be done by April 7th. The pre-engineered building frame, roof, and about 70 percent of the wall panels are installed, as well as concrete stairs, sidewalks and loading areas. Mechanical, electrical, and plumbing has been signed off and they are going to start installing drywall at the end of the week.

TPC-Louisiana Bunker Renovation project: All 11 bunkers have been completed and they are completing the fine shaping of the bunkers. They have installed new drainage and added gravel back-fill and are working on setting the remaining sod. There is very little left to do and the project should be completed by February 3rd.

Westwego Sports Complex: The architect Duplantis Design Group is in design development for Phase 2. Due to the recent classification of wetlands on site by the Army Corps of Engineers, the team of DDG, Jefferson Parish, and ASM agreed that we needed to shift the sports complex to the east, which would allow phase 1, 2 and possibly future phase 3 to progress without having to mitigate the wetland areas. Out of the 148 total acres owned by the survey, 39 acres are considered jurisdictional wetlands. Phase 1 is approximately 50 acres, phase 2 is

approximately 20 acres, which leaves 30 acres remaining. Phase 1 is about \$17 million dollars in construction and phase 2 is about \$9 million dollars in construction. The reclassification of the wetlands on site shifts the design schedule back by about 45 days. The new projected completion date is May 1st instead of March 15th, and we should have drawings out to bid for construction by July 1, 2021

[This concludes the Construction Report.]

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following 4 Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Morrison, seconded by Commissioner Wells, the LSED authorized and approved an appropriation from the LSED Capital Reserve Account in the amount of \$221,461.40 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, including the specific items described on the Capital Reserve Request attached to the Resolution. SMG has received competitive proposals for the equipment and the repairs related thereto. SMG (acting on behalf of the LSED) and/or Chairman Kyle M. France are authorized to sign the respective Purchase Requisitions and related documents for the specific equipment to be purchased and the repairs to be made by Crystal Clear Imaging LLC, A.J. Labourdette Inc., A-1 Elevator, Titan Construction, and Advanced Industrial Products, Inc. Copies of each of the Purchase Requisition forms and related documents are attached to the Resolution. The funding source is the LSED Capital Reserve Account, and there are sufficient funds to support this Resolution. Approval was Recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste. Motion **21-1 passed**.

On motion of Commissioner Morrison, seconded by Commissioner France, the LSED authorized, ratified, and approved Guaranteed Maximum Price Adjustment No. 12 (“GMP Adjustment No. 12”) to the Guaranteed Maximum Price Amendment for the Construction Manager at Risk by and between the LSED and Broadmoor, LLC, with respect to Phase 1a of the 2020 Superdome Capital Improvements Project (“Master Plan Project”). GMP Adjustment No. 12 (copy of which is attached to the Resolution) provides for the following:

- (i) an increase to the Master Plan Project Guaranteed Maximum Price in the amount of \$2,992.00 for the installation of the 400 level rear freight elevator lobby ceilings at the Project Site;
- (ii) an increase to the Master Plan Project Guaranteed Maximum Price in the amount of \$9,768.00 for added cost associated with the premium time incurred from working overtime to complete the IPEX work in the Northwest, Northeast, and Southeast quadrants of the Project Site by 11/12/2020 and;
- (iii) a decrease and credit to the Master Plan Project Guaranteed Maximum Price in the amount of \$133,303.00 for a reduction in the Project scope of work that is more fully described on GMP Adjustment No. 12 attached to the Resolution.

This Resolution has been recommended by Legends Hospitality (Master Plan Project Manager) and Trahan Architects (Project Architect), and has been approved by 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 funding for GMP Adjustment No. 12 is the Master Plan Project Budget, and there are sufficient funds to support the Resolution. The execution of GMP Adjustment No. 12 by LSED Project Representative, Commissioner Hilary Landry's is hereby authorized, ratified and approved. Approval was Recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste. Motion **21-2 passed**.

On motion of Commissioner Robin, seconded by Commissioner Watson, the LSED authorized and approved Change Order No. 003 to the Contract between the LSED and CM Combs Construction, LLC with respect to the Alario Center Kitchen Replacement Project No. ALR-2017-KIT-AFC825KR1 (the "Project Contract"). Change Order No. 003 reflects an increase of \$8,346.36 to the Project Contract amount that consists of the following: (i) an increase of \$5,825.10 to the Project Contract amount to furnish and install (1) pair of steel doors and hardware at the Project Site, and (ii) an increase of \$2,521.26 to the Project Contract amount to furnish and install a new sprinkler riser at the Project site.

This Resolution has the Staff Analysis Support and Recommendation of ASM Global and has been approved by the LSED Construction Committee. The source of funding for Change Order No. 003 is the Alario Center Capital Outlay, and there are sufficient funds to support the Resolution. Chairman Kyle M. France is hereby authorized to execute Change Order No. 003 (a copy of which is attached to the Resolution). Approval was Recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste. Motion **21-3 passed**.

On motion of Commissioner France, seconded by Commissioner Morrison, the LSED authorized and approved Change Order 001 to the Contract between the LSED and Duinink, Inc., with respect to the TPC Large Bunker Renovation Project, Project No. TPC-2020 Bunker Reno-AFC 1.0, dated September 18, 2020, (the "Project Contract"). Change Order 001 provides for (i) a no cost reconciliation of the unit prices that are provided in the Project Contract, and (ii) an increase of nineteen days to the Project Contract Time so that the new date of the Substantial Completion will be February 5, 2021.

This Resolution has the Staff Analysis Recommendation and support of ASM Global (copy attached to the Resolution) and has been approved by the LSED Construction Committee. Chairman Kyle M. France is hereby authorized to execute Change Order No. 001. Approval was Recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, Casey J. Robin, and Wells T. Watson. Voting against: None Abstaining: None Absent: Henry N. Baptiste. Motion **21-4 passed.**

[This concludes the Legal Report.]

VII. BOARD REPORTS

VIII. OTHER BUSINESS

IX. ADJOURNMENT

The LSED January 28, 2021 monthly meeting adjourned at 2:03 p.m.