

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING OF JUNE 14, 2019

PRESENT: Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin

ABSENT: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie

I. ROLL CALL and WELCOME

Chairman Kyle France welcomed everyone to the June 14, 2019 meeting, calling it to order at approximately 1:14 p.m., and Commissioner Robin led everyone in attendance in the Pledge of Allegiance. Present were: Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Absent were: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. There was a full quorum.

Commissioner Landry asked for a moment of silence and prayers for the Chairman and his family following the death of his father.

II. APPROVAL OF MINUTES OF MAY 1, 2019 MEETING

Chairman France asked for a motion for approval of the Minutes of the May 1, 2019 Board Meeting. Commissioner Landry moved for approval of same, seconded by Commissioner Robin. All were in favor, and the Minutes of the May 1, 2019 Board meeting were adopted.

III. SMG REPORT

Doug Thornton begins the SMG report, noting the close of the Fiscal Year on June 30 with a significant fund balance, following which there will be a request for approval at the July meeting for those dollars to go into the Capital Reserve Account. He also notes an agenda item to set aside \$1.6M of this fund balance for contribution toward the Master Plan. Both the Dome and Smoothie King Center contributed to this boost in the financials. Mr. Thornton states that David Weidler will present the 2020 FY budget, which is a necessity so as not to dip into the reserves or having to ask the State for any additional funding. Factors such as the hotel tax and playoffs would affect the budget, including shutting the Dome down in January or February for Master Plan renovations.

Mr. Thornton notes that renovations for the SKC will also be addressed, commenting on his meeting with David Griffin, the Executive V.P. for Basketball Operations, and the improvements that Mr. Griffin would like to see in order to stay competitive.

Mr. Thornton refers the Board to an article in Sporting News and its ranking of NFL facilities, with Lambeau Field being No. 1 and the Dome ranking near No. 12.

[This ends the General Matters report.]

Evan Holmes presents the Services Report, concurring that the resolutions before the Board today and those in the coming months will be due diligence resolutions to allow for progression to the guaranteed maximum price with the CMAR contractor, one being the plan of finance with PFM and the financial advisor team.

Turning to the legislative side and the end of the session, Mr. Holmes notes that there were no issues affecting the LSED's budget, as well as Capital Outlay Bill HB 2. Funding was made available for the Westwego Sports Complex Project.

Mr. Holmes notes the understanding reached with respect to the PGA extension and keeping the PGA now that Zurich has extended its deal.

Various discussions have taken place concerning the Shrine on Airline, possible alternate tenants, and how to operate and manage the facility.

[This concludes the Services Report.]

Alan Freeman begins his Facility Operations Report with events hosted since the May meeting, being two commencements at the Dome for Loyola and Tulane. Champions Square hosted the New Orleans & Company Tourism Pep Rally on May 7, the Bryan Adams concert on May 9, and Anderson Paak on June 8. The Dome is running ahead of budget on events/attendance. The SKC is a little behind with respect to ticketed events, but this is somewhat deceiving. Cirque du Soleil held five performances (but had none this year), WrestleMania had four, and two Pelicans playoff games. Concert-wise, SKC should finish ahead of budget by June 30.

Champions Square is better than budget on the total events and event attendance.

Mr. Freeman reviews upcoming events at the Dome, which include Ochsner's meeting June 19-20, Essence Festival July 5-7, and the Rolling Stones on July 14. Recently confirmed events include BIG3 Basketball on August 25, Charlie Wilson on September 1, and Jonas Brothers on November 12.

Mr. Freeman agrees that the SKC is an aging building. The roof is undergoing recoating, along with renovations to the Courtside Club and restrooms. In celebration of the SKC's 20th anniversary, Mr. Freeman highlights various forms of branding that will be seen throughout the building.

[This concludes the Facility Operations Report.]

Farrow Bouton, Director of Events/Guest Services & public Safety provides a brief summary of what is taking place in terms of staff training for the upcoming season

In Jennifer Cooke's absence, Mr. Freeman presents the Sales & Marketing Report, highlighting promotions, one being the Mother's Day Michael Bubl  show, generating 1,700 entries, along with e-mails sent out on a regular basis for upcoming events. Discussion occurs concerning cost of the Stones tickets and number of tickets sold.

[This concludes the Sales & Marketing Report.]

IV. FINANCE REPORT

David Weidler begins his Finance Report, commenting on a robust hotel/motel tax, approval of the one-penny tax, and numbers for the slots and player tax. LSED and ESCO expenses were slightly up, along with the Saints obligations because of the playoffs or the amount of monies given to them.

In looking at the 2020 budget, Mr. Weidler has no idea how the Harrah's agreement will affect the hotel tax for the next year. Building revenues are down \$7 million, and concerts were not budgeted in the current fiscal year. The upcoming Stones concert was not budgeted.

Three bids were secured for a new gate arm system, which was installed by SKIDATA in the last quarter of 2018. The system is capable of handling both credit and debit cards.

The Capital budget for use of excess funds for the current year will be discussed to ensure that everyone is in agreement with items projected for use of these additional funds.

Brief discussion concerning Pelicans license plates.

[This ends the Finance Report.]

V. CONSTRUCTION REPORT

Pat Tobler of The Tobler Company presents the Construction Report, with highlights of various projects. The Dome fan replacement for electrical controls for all major fan rooms on the first level is underway. Gutter tub work is complete. SKC roof coating has commenced, including warranty work at its front. Alario kitchen project contractor has been terminated; bathrooms are about 50% complete, with Phase II to commence. Shrine on Airline projects include concrete retrofitting, drainage work in both fields, including dug-outs, and structure painting.

Dome Master Plan is underway, with the CMAR contractor presenting 50% of the SDS estimate. It's expected to bring the GMP amendment to the Board by the September meeting.

[This concludes the Construction Report.]

VI. LEGAL REPORT

Shawn M. Bridgewater introduced the LSED Legal Report and presented the following twelve (12) Resolutions, which were approved by the Board of Commissioners as noted below:

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized and approved the designation of Commissioner Hilary Landry as the LSED Project Representative in connection with the 2019 Superdome Capital Improvements Project.

In recognition of the time-sensitive nature of the Project and so as not to materially interfere with or delay the Project, pursuant to the resolution, the authority vested in Chairman France pursuant to LSED Resolution 19-20 dated May 1, 2019 is expanded to provide that Commissioner Landry shall monitor and administer the LSED's obligations under the agreements with Trahan Architects for architectural services and Broadmoor, LLC for pre-construction services with respect to the Project. The Resolution further authorizes Commissioner Landry, in her capacity as Project Representative, upon the advice of counsel and in consultation with the LSED's consultants and professionals, to approve and do all things necessary and proper to carry out "non-material" changes to the pre-construction scope of work performed by Broadmoor and/or the scope of work or design performed by Trahan Architects. For purposes of the Resolution and Commissioner Landry's authority thereunder, "non-material" is defined as any change, adjustment, alteration, clarification, or revision to the plans, specifications, design, or scope of work being performed by Broadmoor or Trahan that does not affect the delivery of the overall project or other components of the Project and/or does not result in an increase to the contract sum of either Broadmoor or Trahan in excess of \$100,000. Commissioner Landry is to provide monthly updates to the LSED regarding any such non-material changes to the Project that have occurred in the prior month. In addition, pursuant to the Resolution, any actions taken by Chairman France, Commissioner Landry, and LSED's counsel, in their respective capacities, on behalf of the LSED in furtherance of the Project prior to the date of the resolution are ratified, confirmed, approved, and adopted. Approval of the Resolution was recommended

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-24** passed.

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved the LSED Budget for the 2020 Fiscal Year to include the Summary; Consolidated Cash Flow Statement; Facility Statement of Income for the Mercedes-Benz

Superdome; Facility Statement of Income for the Smoothie King Center; and the Administrative Services Budget. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-25** passed.

On motion of Commissioner Landry, seconded by Commissioner Robin, the LSED authorized and approved an Amendment to the Construction Manager at Risk contract between the LSED and Broadmoor, LLC to increase Broadmoor's fee for preconstruction services by the sum of \$96,000.00 to allow Broadmoor to develop a Pilot Program that includes the creation of a Request for Qualifications to qualify, test, identify, and select one or more consultants to integrate the existing data and scans of the Superdome for the purpose of developing a BIM/Existing Condition Model of the Superdome. Upon completion of the Pilot Program, additional fee proposals to perform the necessary data conversion for the various construction phases of the 2019 Superdome Capital Improvements Project will be presented for LSED approval. This Resolution had the Staff Analysis Support and Recommendation of The Tobler Company, SMG, and the LSED Project Representative. The source of funding the Amendment is the LSED Capital Reserve, and there are sufficient funds to support the Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-26** passed.

Discussion following approval of above Resolution concerning fee increase relative to need for digital imaging/BIM modeling to allow the CMAR contractor a more in-depth understanding of existing conditions in order to limit any request for change based upon unforeseen conditions. Following completion of the Pilot Program and having knowledge of which vendors can or cannot do the work, a much larger project will be presented to incorporate all of Phase I and part of Phase II into the BIM system. This was never a part of the Trahan or Broadmoor Contract.

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved Trahan Architects to provide additional services under its Contract for architectural services for the 2019 Superdome Capital Improvements Project. The additional services shall consist of the engagement of Forte & Tablada to conduct research, prepare a topographical survey (and any related drawings), and evaluate all existing conditions with respect to the real property whereon the Mercedes-Benz Superdome is located. The fee for the additional services that are to be provided is the sum of \$26,580.00, plus an additional ten (10%) percent, in accordance with the terms of the Trahan Contract. The Resolution had the Staff Analysis Support and Recommendation of The Tobler Company, SMG, and the LSED Project

Representative. The source of funds for the Resolution is the LSED Capital Reserve, and there are sufficient funds to support the Resolution. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-27** passed.

Following approval of above Resolution, it is noted that additional expenses such as above will continue to pop up in the Trahan Contract. Specialty services are covered, in most cases, in the “soft” costs. Forte & Tablada had provided on-ground ties, survey ties, so that all of the photographs and images could be tied together.

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized the negotiation, preparation, and execution of a Project Development Agreement by and among the LSED, the New Orleans Louisiana Saints, LLC, and SMG to set the terms and conditions by which the design, construction, and certain improvements with respect to the 2019 Superdome Capital Improvements Project will be implemented and paid for. Pursuant to the Resolution, Chairman France was authorized to execute the Agreement once in final form and approved by LSED legal counsel. Once finalized and executed, the Agreement will be ratified at a subsequent LSED meeting. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-28** passed.

Discussion concerning Project Development Agreements, instruments used in the past for governing the flow and distribution of funds between teams, the LSED, and SMG, which sets forth the mechanism by which the Saints will contribute their funding, what approval rights they have with respect to change orders and when they get approved and paid through pay requests. The instrument governs how to go about delivering the project over several years.

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved (i) ratification of a Letter of Understanding dated April 12, 2019 among and between the New Orleans Louisiana Saints, the LSED, and SMG regarding the parties’ respective obligations related to the funding of the architectural design services for the 2019 Superdome Capital Improvements Project and (ii) recognized the LSED Capital Reserve as the source of funds for the architectural design services that are contemplated by the Letter of Understanding. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-29** passed.

[The following Resolution is presented by LSED Bond Counsel, who read a summary of its relevant terms, which establish the factual basis for those terms contained therein, including the creation of the LSED as a political subdivision of the State and its Board's desire to pursue the plan of finance. Pertinent sections read are:

Section 1 – Application to the State Bond Commission for approval of not-to-exceed \$560 million long-term bonds to fund the Master Plan improvements and refund of any outstanding 2013 bonds.

Section 2 – Application to the State Bond Commission for approval of not-to-exceed \$350 million bond application notes, or BANs, to provide construction financing for the Project.

Sections 3 and 4 – LSED to pledge its four (4%) percent hotel occupancy tax and other available revenues as security for bonds and the BANs, the principal to be paid from proceeds of long-term bonds when actually issued.

Section 5 – Bonds and BANs are obligations of the LSED and not the State or any other entity or political subdivision of the State.

Sections 6 and 7 – Make certain statements required by the State Bond Commission in connection with the applications to be filed.

Section 8 – Confirm the employment of Foley & Judell and Auzenne & Associates as co-bond counsel.

Section 9 – Confirm continued employment of PFM Financial Advisors and CLB Porter as co-municipal advisors.

Section 10 – Confirm employment of Hancock Whitney Bank as trustee.

Section 11 – Make certain statements required by federal tax law that allows the LED to reimburse itself from bond proceeds for expenditures made for the Master Plan prior to actual issuance of bonds.

Section 12 – Chairman is authorized to do any and all things necessary and incidental to carry out all of the provisions of the Resolution, including a request to the State Bond Commission to negotiate alternatives to the current structure of Series 2013-C Bonds, in lieu of the refunding authorized in this Resolution.

Mr. Akers takes a moment to introduce all present to individuals with CLB Porter, PFM Financial Advisors, and Hancock Whitney.

Passage of this Resolution commences the four-year process for the Plan of Finance. The parameters approved are merely parameters and should not be interpreted to imply that the LSED

will borrow those amounts or that the cost of the master Plan has increased over and above the amounts previously disclosed. Prior to the LSED issuing any debt, the Board will be required to adopt additional resolutions to specifically authorize those obligations.

Evan Holmes notes that this is a necessary step that the Board needs to take to get an agenda item in place with the State Bond Commission, which are subject to the Bond Commission, and a step to develop boundaries of the deal to be delivered to the Bond Commission, their staff, and members for review and analysis.

Voting in favor of the above Resolution were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-30** passed.

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized, designated, and approved The Advocate as the LSED's official newspaper of record for the Fiscal Year 2019-2020. Approval of the resolution is recommended

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-31** passed.

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized, designated, and approved the Contract for Professional Services between the LSED and Chaffe McCall, L.L.P. for a one-year term commencing on July 1, 2019 through June 30, 2020. The fees and expenses paid for the professional services are to be governed by the State of Louisiana, Hourly Fee Schedule as set by the Attorney General's Office. Your consideration of the Resolution is recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-32** passed.

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED the Contract for Professional Services between the LSED and Laporte, A.P.A.C. to perform LSED general accounting services on an hourly basis as described therein, for the LSED Fiscal Year ending June 30, 2020. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-33** passed.

On motion of Commission Morrison, seconded by Commissioner Robin, the LSED authorized and approved the 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 for the fiscal year ending on June 30, 2019 and to issue the required Accountant's Compilation Report. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-34** passed.

On motion of Commissioner Robin, seconded by Commissioner Morrison, the LSED authorized and approved the 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, 2019, and to issue the required Accountant's Compilation Report. Approval of the Resolution was recommended.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-35** passed.

Commissioner Landry makes a motion to add an additional Resolution to the Agenda:

On motion of Commissioner Morrison, seconded by Commissioner Robin, the LSED authorized and approved (i) the negotiation and execution of a Letter of Authorization ("LOA") by and between SMG, a Pennsylvania partnership ("Manager"), and The Tobler Company, LLC, a Louisiana limited liability company ("TTC"), to allow TTC to perform supplementary project management services relating to the 2019 Superdome Capital Improvements Project, for a not to exceed amount of \$1.6 million, on terms and conditions that are acceptable to Chairman France, Commissioner Landry, and LSED legal counsel, and (ii) once the terms and conditions of the LOA are finalized and approved by LSED counsel, the execution of a consent to the LOA by Chairman France and Commissioner Hilary H. Landry. The source of funding for the supplementary project management services is the LSED Capital Reserve, and there are sufficient funds to support this Resolution. Chairman France and Commissioner Landry were authorized to sign a consent to the Letter of Authorization once same is in final form and approved by LSED legal counsel.

Voting in favor were Commissioners Kyle M. France, Hilary H. Landry, Gregory A. Morrison, and Casey J. Robin. Voting against: None. Abstaining: None. Absent: Commissioners Henry N. Baptiste, Kathleen B. Blanco, and Renee A. Lapeyrolerie. Motion **19-36** passed.

Legal Counsel asked that the record reflect that the above Motion did pass unanimously by the Board.

[This concludes the Legal Report.]

VII. BOARD REPORTS

None.

VIII. OTHER BUSINESS

None.

IX. ADJOURNMENT

On motion by Commissioner Robin, seconded by Commissioner Morrison, the LSED June 14, 2019 monthly meeting adjourned at 2:08 p.m.