

LOUISIANA STADIUM AND EXPOSITION DISTRICT
BOARD OF COMMISSIONERS MINUTES
FROM THE MEETING OF APRIL 28, 2016

PRESENT: Kyle France, Henry Baptiste, Kathleen Blanco, Hilary Landry, Renee Lapeyrolerie, Gregory Morrison, and Casey Robin

ABSENT: None

I. ROLL CALL and WELCOME

Chairman Kyle France called the meeting to order and led those in attendance in the Pledge of Allegiance. Present were Commissioners France, Baptiste, Blanco, Landry, Lapeyrolerie, Morrison, and Robin. There was a quorum for the meeting.

Chairman France asked if there was a motion for approval of the Minutes of the March 24, 2016 Board Meeting. Commissioner Morrison moved for approval of same, seconded by Commissioner Landry, all in favor, and the Minutes of the March Board Meeting were adopted.

Chairman France moved into the report of the SMG by Doug Thornton.

II. SMG REPORT

Doug Thornton indicated that as we approach the close of the fiscal year (June 30), hotel tax collections continue to be above last year's level. The operating and capital budgets for 2017 will be addressed and presented at the May meeting. David Weidler and Steve Romig prepared and submitted the projected budget to the State in November, 2015. This budget was based on information available at the time regarding concerts and other events, revenues, etc. Mr. Weidler remarked that the total budget remains the same; adjustments are made to best reflect operations during that period.

With respect to the \$3.0 Million reduction of the LSED's budget that resulted during the Special Session, we have learned that the State will not require a Cooperative Endeavor Agreement. David Weidler has submitted a BA-7 to the Commissioner of Administration that reflects the \$3.0 Million reduction; David Weidler stated that the LSED will pay the money to the Treasurer's Office on or about June 30.

Mr. Thornton discussed the sales tax collections that are being conducted as a result of the sales tax increase that was effective April 1. He indicated that adjustments are being made for the sales tax increase on concessions, parking, and merchandise. The tax increase should not have a negative impact on this fiscal year.

Mr. Thornton discussed the newly established Equity Plan ("Equity Plan") that has been developed for disadvantaged businesses. The Plan was developed through the efforts of Evan Holmes and Commissioner Lapeyrolerie. The goal is to have a wide range source of vendors with respect to discretionary purchases, the selection of third-party professionals, and awarding of construction or repair contracts. The Plan will not impact Capital Outlay projects due to State bidding requirements on Capital Outlay projects.

Mr. Thornton indicates that Pat Tobler will give an update on construction, and Farrow Bouton, Director of Event Services, will provide a presentation on his department.

Evan Holmes presented a live demonstration of the newly designed web page with respect to the Equity Plan and discussed the current legislative session and HB 2 (Capital Outlay Bill). Mr. Holmes indicated that the LSED has no new dollars allocated from Capital Outlay. Existing Capital Outlay funds from previous years are being utilized for projects at the Alario Center, TPC Golf Course, and the Superdome. With respect to the LSED budget, the Senate hearings are set to begin the first week of May, and Mr. Holmes indicated that they do not anticipate any issues.

With respect to the Eat Fit NOLA concept, Mr. Holmes stated that they've had discussions with Ochsner, Molly Kimball, and Commissioner Landry regarding the addition of alternative healthy food selections at the Superdome, for the Saints season, and the Smoothie King Center.

Internal meetings have been had with respect to the commencement of Superdome tours. The discussions have involved security and other considerations with respect to the implementation of the tours. Discussions have also taken place with the Department of Education with respect to tours for school and civic groups.

With respect to the Zurich Classic, Mr. Holmes stated that they have received very positive feedback regarding the Golf Course, particularly the tournament staging area. Mr. Holmes indicated that a CBS executive remarked that he had never seen better improvements made to infrastructure at a facility within a one year time frame.

Mr. Holmes stated that New Orleans is a finalist city for the SEC Baseball Championships, Zephyr Field being the host venue for a five-year commitment. Mr. Rojas addressed the Commissioners on some of the recent and future events taking place at Zephyr Field.

Mr. Holmes gave a detailed overview of the Equity Plan that is being established and explained how the re-designed website will be utilized. The list of disadvantage businesses and service providers created by the City of New Orleans will be utilized; each of the businesses has been pre-certified, eliminating the need to implement a certification/screening process. All eligible purchases/projects will be uploaded on the website for information and reference. In connection with the administration of the Equity Plan, there will be an equity liaison officer who will handle the administrative aspects of the Equity Plan and act as a conduit for e-mails and other inquiries.

Mr. Alan Freeman, General Manager, highlights event activity for the last thirty (30) days with respect to the Pelicans, the Winter Jam, the Duran Duran concert and the Harlem Globetrotters at the Smoothie King Center, and the private expo at the Superdome. Attendance at the last few Pelicans games was down. Since the Pelicans did not qualify for the NBA playoffs, there were several open event dates at the Smoothie King Center that were difficult to fill within a short time frame. Upcoming events at the Smoothie King Center in May are the Rihanna concert and Tulane and Loyola's commencement ceremonies. WWE Raw will be returning to the Smoothie King Center in June, as will R. Kelly. The Ringling Brothers Circus and Guns N'Roses will perform in July. Drake will be performing at the Smoothie King Center in September and Alabama Shakes will perform at Champions Square in September as well. The Saints pre-season begins in August.

Mr. Freeman discusses the ranking of the Smoothie King Center as an event venue—which he indicates is 67th Worldwide and 40th in the United States. Mr. Freeman then discusses the bid packages that have been received from the NCAA—one for the men’s basketball tournaments in 2019, 2020, and 2021 and the other for women’s volleyball for the same years. A bid will be made for the 2022 Men’s NCAA Final Four and for the 2019 NFL Super Bowl.

Mr. Freeman goes through slides of event activities and attendance at the Superdome (not including Saints games) for the last thirty (30) days, and the Smoothie King Center. Discussion is had between Mr. Freeman and Commissioner France concerning suite holders and club areas that are “blacked out” during certain events. Mr. Freeman concludes with a discussion of the Prom of Champions that has been hosted at Champions Square for the last several years.

Farrow Bouton, Director of Public Safety, Event Services and Guest Services at SMG, introduces a few members of his team and gives an overview of the services that his Department provides. Mr. Bouton’s department focuses on client and guest experiences, fulfilling their vision through a variety of logistics, handled through the Event Services Department, Guest Services Department, and Public Safety Event Operations. Mr. Bouton and his departments pride themselves on excellent customer service, constantly focusing on ways to improve and manage their performance. Mr. Bouton concludes with a discussion of a survey known as the Voice of the Fan Survey and presents the results of this survey with respect to various facilities across the country, including the LSED facilities. A discussion is had amongst Messrs. Bouton, Thornton, Freeman and several of the Commissioners regarding the various facilities surveyed and the differences amongst the facilities (including the LSED facilities) that impact the results of the survey.

III. FINANCE REPORT

David Weidler then provided the financial report:

The last two months remain equal to 2015, the hotel tax continues to be robust with collections close to \$50 Million—the highest ever attained for the LSED. Mr. Weidler discussed the comparison of the hotel tax collections to the budgeted amounts that were originally submitted to the State; a supplemental budget will be submitted to the Legislature. Other taxes discussed include the license plate and the player tax (which is effectively a pass-through). Mr. Weidler indicates that the LSED expenses are tracking as budgeted, and the Superdome and Smoothie King Center are performing better than budget. Mr. Weidler indicates that a list of capital projects will be presented at the May meeting along with the budget.

IV. CONSTRUCTION REPORT

The Construction Report was presented by Pat Tobler of The Tobler Company, L.L.C.:

Mr. Tobler discusses the two big projects that are underway at the Superdome, the LED boards and suite renovations, both of which are moving along well with the suite project being ahead of schedule. The other project, the Phase II sound system upgrade is beginning; this work is being done in conjunction with the suite work. The deadline for completion is August 12th which should be easily achievable. Other smaller projects and plans that are underway can be found in the written report.

V. LEGAL REPORT

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

On motion of Commissioner Lapeyrolerie, seconded by Commissioner Morrison, the LSED authorized and approved the retention of the Louisiana Legislative Auditor to perform a Financial and Compliance Audit of the LSED for the fiscal year ending June 30, 2016, and Chairman Kyle M. France was authorized to sign the April 14, 2016 Engagement Letter and Engagement Addendum on behalf of the LSED. Voting in favor: Kyle France, Henry Baptiste, Kathleen Blanco, Hilary Landry, Renee Lapeyrolerie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Blanco, seconded by Commissioner Baptiste, the LSED authorized and approved the signatures of Chairman France and/or Pat Tobler on a Change Order pursuant to the Contract between the LSED and Durr Heavy Construction, LLC for the TPC Period 3 Capital Outlay Improvements – TPC-2015-TSA-AFC1.15M (“Project”): Change Order No. 009 reflected an additional cost in the amount of \$13,027.54 to install 2” of Asphalt at the Tournament Service Area at the TPC Louisiana Golf Course. This Resolution had the Staff Analysis support of The Tobler Company. The source of funding was Capital Outlay, and sufficient funds existed to support this Resolution. The Change Order will be recorded in the Public Records of Jefferson Parish. Voting in favor: Kyle France, Henry Baptiste, Kathleen Blanco, Hilary Landry, Renee Lapeyrolerie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

On motion of Commissioner Morrison, seconded by Commissioner Landry, the LSED authorized and approved the execution of a Certificate of Substantial Completion (“Certificate”) by Chairman France and/or Pat Tobler and Durr Heavy Construction, LLC with respect to the Contract between the LSED and Durr Heavy Construction, LLC for the TPC Period 3 Improvements – TPC-2015-TSA-AFC1.15M. The Certificate provided that the work performed under the Contract was, 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. This Resolution had the Staff Analysis support of The Tobler Company. The Certificate of Substantial Completion will be recorded in the Public Records of Jefferson Parish. Voting in favor: Kyle France, Henry Baptiste, Kathleen Blanco, Hilary Landry, Renee Lapeyrolerie, Greg Morrison, and Casey Robin. Voting Against: None. Abstaining: None. The motion passed.

VI. BOARD REPORTS

None.

VII. OTHER BUSINESS

No Executive Session was needed.

VIII. ADJOURNMENT

On motion by Commissioner Morrison to adjourn, seconded by Commissioner Blanco, the public meeting of the LSED was adjourned.