
PROGRAM
OBJECTIVES

**PROGRAM OBJECTIVES
CAESARS SUPERDOME**

The Caesars Superdome has established the following objectives for the fiscal year:

1. **Objectives:** Increased contract and event parking revenue of existing Operating Budget through better controls, aggressive sales, increased rates, and greater number of events.

Performance Indicators: Dollar amounts of Parking Revenue.

2021-2022 Prior Year	2022-2023 Continuation	2022-2023 Existing	2023-2024 Continuation
<u>Actual</u> \$1,990	<u>Budget</u> \$1,800	<u>Operating Budget</u> \$1,800	<u>Budget</u> \$1800

2. **Objectives:** Through the Smoothie King Center, to increase revenue generated from events through effective marketing strategies, aggressive concert booking and collection of associated revenue.

Performance Indicators: Dollar amounts of Event Income.

2021-2022 Prior Year	2022-2023 Continuation	2022-2023 Existing	2023-2024 Continuation
<u>Actual</u> \$4,045	<u>Budget</u> \$1,500	<u>Operating Budget</u> \$1,500	<u>Budget</u> \$5,000

3. **Objectives:** Aggressive Sales Company to attract additional Corporate and Convention activities to increase event income.

Performance Indicators: Dollar amounts of Corporate and Convention Income.

2021-2022 Prior Year	2022-2023 Continuation	2022-2023 Existing	2023-2024 Continuation
<u>Actual</u> \$368	<u>Budget</u> \$600	<u>Operating Budget</u> \$200	<u>Budget</u> \$600

4. **Objectives:** Maintain administrative cost, including salaries and wages, through continued consolidation of staff and more effective management of resources.

Performance Indicators: Dollar amount of Administrative Cost.

2021-2022 Prior Year	2022-2023 Continuation	2022-2023 Existing	2023-2024 Continuation
<u>Actual</u> \$8,930	<u>Budget</u> \$6,900	<u>Operating Budget</u> \$6,900	<u>Budget</u> \$9,500

**PROGRAM
ACTIVITIES**

PROGRAM ACTIVITIES

SMG, as managers of the Mercedes-Benz Superdome and Smoothie King Center, are engaged in the following activities:

1. Operation and Maintenance of the Facility
2. Capital Improvements
3. Negotiation of Rental Agreements and Other Similar Contracts
4. Concession and Catering Operation
5. Management of All Sub-Contractors
6. Planning, Budgeting and Financial Accounting
7. Management of Human Resources and Event Personnel

**PROGRAM
DESCRIPTION**

PROGRAM DESCRIPTION

The mission of the LSED is to provide for the operation of the Mercedes-Benz Superdome and Smoothie King Center through a) self-generated operating revenues, b) collection of the 4% hotel occupancy tax in Jefferson and Orleans Parishes and c) other revenue, such as slot and non-resident player tax.

The goals of the LSED at the Mercedes-Benz Superdome and Smoothie King Center are:

1. Sustain self-supporting operating revenues to reduce reliance on General Fund appropriations.
2. Provide economic benefits to the City of New Orleans and State of Louisiana.

The source of Mercedes-Benz Superdome funding is: 1) fees and self-generated revenues derived from event rentals, admissions, concessions, parking, advertising and 2) surplus from the 4% hotel/motel and other tax collections.

The source of Smoothie King Center funding is: 1) fees and self-generated revenues derived from event rentals, admissions, concessions, parking, advertising and Premium Seating.

CONTACTS

**LOUISIANA STADIUM AND EXPOSITION DISTRICT
OPERATION PLAN
For the
MERCEDES-BENZ SUPERDOME
FISCAL YEAR 2023-2024**

DEPARTMENT/AGENCY NAME

Louisiana Stadium and Exposition District (LSED),
Agency No. Schedule #01-124

CONTACT PERSONS

Mr. Kyle France
Chairman, LSED
Post Office Box 4327
New Orleans, LA 70178

Telephone: (504) 733-0472
Fax: (504) 733-0477

Mr. Douglas Thornton
Senior Vice President, SMG
Sugar Bowl Drive
New Orleans, LA 70112

Telephone: (504) 587-3827
Fax: (504) 587-3584

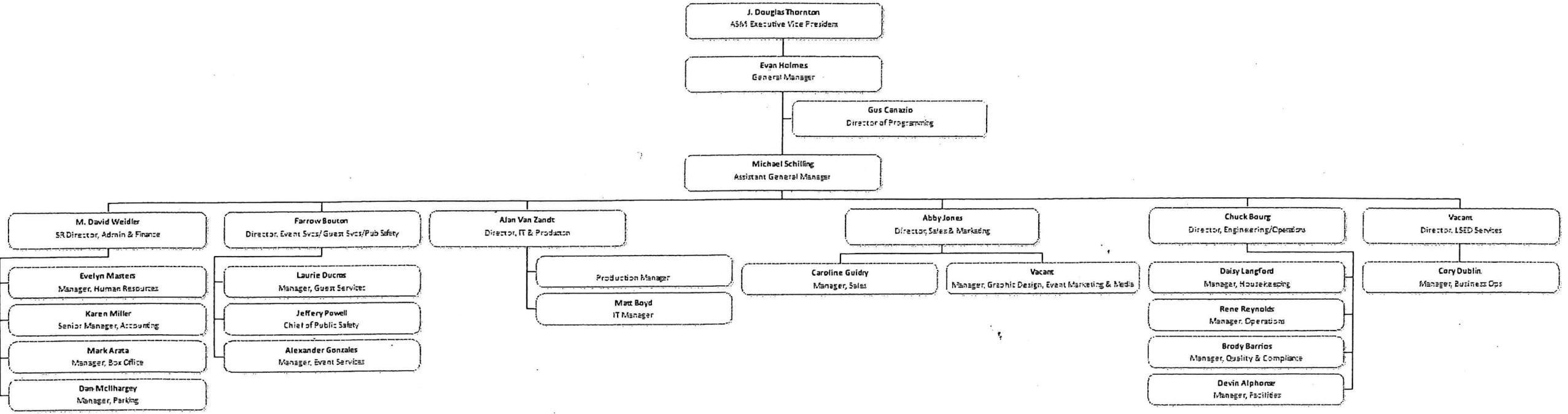
Mr. David Weidler
Senior Director of Finance & Administration, SMG
Sugar Bowl Drive
New Orleans, LA 70112

Telephone: (504) 587-3850
Fax: (504) 587-3584

MERCEDES-BENZ
SUPERDOME /
SMOOTHIE KING
CENTER
ORGANIZATION
CHART

ASM New Orleans
Caesars Superdome, Smoothie King Center, Champions Square

Executive Organizational Chart



MERCEDES-BENZ
SUPERDOME /
SMOOTHIE KING
CENTER
HISTORICAL
PERFORMANCE

CAESARS SUPERDOME HISTORICAL PERFORMANCE

The operation of the CAESARS Superdome is funded by the following sources: a) fee and self-generated revenues from event rentals, admissions, concessions, parking, office rentals, advertising and non-event revenues, b) a surplus of the four percent (4%) hotel-motel tax collections in Orleans and Jefferson Parishes dedicated to the Louisiana Stadium and Exposition District (LSED), and c) \$.01 Hold Tax Collection in Orleans's Parish.

As an agency of the State, the Louisiana Stadium and Exposition District has the responsibility of collecting the tax revenues from the Parishes. In the past five years (Fiscal 2018 – 2023) those collections have averaged \$45,103,092 (COVID greatly reduced the tax collected in 2021 over 2019 by 70%). Over the same period, Superdome and Arena self-generated revenues have averaged \$26,019,000. Reduced to 0 for 2021. In 2023, other revenues such as slot and non-resident player tax collections and the 1 cent hotel tax totaled \$11,313,682

Funds from those two sources are distributed according to Act 640 as amended by Act 1191. The LSED must first satisfy its obligation regarding the bonded indebtedness for the construction of the Superdome and other facilities. The Superdome bonds were refinanced in 1995 to incorporate the \$205,000,000 sports package approved by the legislature in 1995. That package included improvements to the Superdome; construction of the New Orleans Arena adjacent to the Superdome; construction of the Jefferson Parish Baseball Stadium (Zephyr Field) in Metairie; construction of the John Alario Center at Bayou Segnette; an expansion of the Pontchartrain Center in Kenner; and improvements to three area recreation facilities: Mell Ott Park, King's Grant Park, and the N.O.R.D. Swimming Pool. The LSED debt was refinanced in 2013 - \$361,345,000. After servicing the debt and interest on the bonds, a portion of the remaining surplus funds are used to fund capital improvements to the Superdome.

Self-generated revenues at the Superdome and Arena fall into two categories: event and non-event. Event revenues include rentals for events in the main arena, ballrooms, and other facilities, in terms of flat rent and/or percentages of ticket sales; the Superdome's share (averaging \$11,384,000) of food and beverage sales including concession stands, vending, box suite catering and privately catered functions; parking revenues; in-house event services such as booth cleaning and electrical services. Total revenues have averaged \$26,019,000 in the past five years. Non-event revenues include monthly parking contracts and daily parking, office space rental and box suite rentals.

Prior to privatizing the operation of the Superdome in 1977, the state suffered annual operating deficits of approximately \$5 million. Through aggressive marketing, innovative operations and prudent cost-control measures, SMG turned the Superdome into a story of success. The facility was self-supported on revenues and expenses prior to the signing of the Saints Agreement in 2001 and the Hornets move to New Orleans in 2002. Since 2003, subsidies have been necessary due to team obligations in the form of loans and general appropriation from the State. From 2013-2023, the facility did not require any subsidizing due to increased tax revenue and is not anticipating any subsidizing in 2024. From Fiscal 2019 to Fiscal 2023, total expenses were \$25.4 million. During the same period, revenue decreased by \$3.2 million due to pandemic.

In 2011, the CAESARS Superdome had \$85 million in renovation. The renovations allowed the saints to generate additional incremental revenue along with revenues from the CAESARS naming rights which eliminated the inducement payments to the Saints. In March 2020, the Pandemic resulted in cancelled events and lowered tax revenue. This was offset by cost mitigation and staff furloughs

The New Orleans Arena began a \$50 million upgrade in May of 2013 and completed in August of 2014.

The Superdome began a \$450,000,000 renovation project that is anticipated to take 4 years. There are 2 bond anticipation notes of \$120,000 to fund the first phase of the master plan. The financial projection for 2021 reflects an overall breakeven. The Pandemic effect on revenue compared to 2019 reflects a reduction in revenue of \$55,344. The Superdome refinanced its Debt in June 2023 \$527,000,000.

The Superdome's adjusted gross income and net event revenue are somewhat cyclical with mega-evens such as the Super Bowl and Final Four. The combination of the NOKIA Sugar Bowl's Bowl Alliance National

Championship and Super Bowl XXXI in February 2002 produced a major impact on the Superdome's bottom line in Fiscal 2001-2002. The Superdome hosted the NCAA Final Four & the BCS Championship Game in 2012 as well as the Super Bowl in 2013. In 2018, the Superdome hosted WrestleMania. In 2025 the Superdome will be hosting the Super bowl, in 2020 Women's Final Four, and in 2022 Men's Final Four.

SMG, then known as HMC Management Corp., was the first company to privately manage a public assembly facility in Louisiana. The Superdome is still regarded nationally because of the success story here. SMG, which is owned by ASM Global Corporation, has its headquarters in Philadelphia, PA. SMG also manages the Baton Rouge River Center, the Bossier City CenturyLink Center, the Shreveport Convention Center, the Pontchartrain Center in Kenner, and the Jefferson Performing Arts Center in Metairie, LA.

Listed below is the five-year historical financial data, Revenues and Expenses, for the Caesars Superdome and Smoothie King Center.

ACTUAL

<u>Revenue</u>	<u>2018 – 2019</u>	<u>2019 – 2020</u>	<u>2020 – 2021</u>	<u>2021 – 2022</u>	<u>2022 – 2023</u>
Event Income	\$850	(\$220)	\$1,699	(\$1,869)	(\$2,603)
Concessions	14,692	13,003	1,030	16,595	11,602
Parking	4424	3,725	754	3,799	3,669
Box Suites	7,462	6,841	2,253	6,396	7,942
Other	6,638	5,646	1,532	6,493	7,741
TOTALS	34,066	\$28,995	\$7,268	\$31,414	\$28,355

<u>Expenses</u>	<u>2018 – 2019</u>	<u>2019 – 2020</u>	<u>2020 – 2021</u>	<u>2021 – 2022</u>	<u>2022 – 2023</u>
Salaries/Wages	\$9,635	\$9,418	\$8,200	\$10,123	\$10,956
Utilities	4,963	4,608	5,126	6,798	7,674
Taxes/Benefits	3,874	3,524	3,184	4,018	4,024
Other	5,207	4,221	6,612	11,154	3,777
TOTALS	\$23,679	\$21,771	\$23,122	\$32,093	\$26,431

Net Revenue	\$10,114	\$10,387	\$7224	(\$679)	\$1,924
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Team Obligations

Saints	\$23,240	\$21,538	\$6,897	\$19,027	\$21,285
Pelicans	\$10,706	\$9,404	\$8,151	\$11,069	\$14,032

NOTE:

-The Superdome was closed from 02/01/11-06/30/11 due to major renovations and the Arena was closed from 4/15/13-10/15/13 due to major renovations. Superdome was mostly closed during Pandemic as was Arena 2020-2021.