



JOINT LEGISLATIVE COMMITTEE ON THE BUDGET
STATE CAPITOL
P.O. BOX 44294, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804
(225) 342-2062

SENATOR BODI WHITE
CHAIRMAN

REVISED
NOTICE OF MEETING
July 22, 2021
9:30 A.M.
House Committee Room 5
A G E N D A

Meeting Date Changed

I. CALL TO ORDER

II. ROLL CALL

III. BUSINESS

1. Review and approval of the sale of the naming rights of the Louisiana Superdome in accordance with R.S. 51:293.1(B).
2. In accordance with the provisions of R.S. 24:653(E), interpretation of the legislative intent for certain funding allocations contained in the 2021/2022 appropriation bills of the 2021 Regular Legislative Session of the Legislature.

IV. CONSIDERATION OF ANY OTHER BUSINESS THAT MAY COME BEFORE THE COMMITTEE

V. ADJOURNMENT

Persons who do not feel comfortable giving testimony in person may submit a prepared statement in accordance with Senate Rule 13.79, in lieu of appearing before the committee. Statements may be emailed to gasconr@legis.la.gov and must be received by the committee secretary at least three hours prior to the meeting to be included in the record for this committee meeting.

Audio/visual presentations, such as PowerPoint, must be received by the committee secretary at gasconr@legis.la.gov at least twenty-four hours PRIOR to the scheduled start of the committee meeting for review and prior approval. Thumb drives will NOT be accepted.

Persons desiring to participate in the meeting should utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

THIS NOTICE CONTAINS A TENTATIVE AGENDA AND MAY BE REVISED PRIOR TO THE MEETING.

BODI WHITE, CHAIRMAN

Superdome Naming Rights

Fact Sheet

(Prepared by ASM Global on behalf of the LSED)

The New Orleans Saints have notified the Louisiana Stadium Exposition District (LSED) that they have finalized discussions with a prospective naming rights sponsor for the Superdome. Under the terms of the Superdome Use Agreement, the Saints are permitted to market and sell naming rights subject to certain conditions.

The following outline provides background on the anticipated naming rights sponsorship, details regarding the transition of the name change, fulfillment obligations of the Saints and benefits of the transaction:

I. Background

- Louisiana Statute [[La. R.S. 51:293.1B](#)] authorizes the LSED “to sell or transfer the right to designate and use an alternative name to refer to the Louisiana Superdome
- Statute also provides that any sale or change in the naming and title of the facility once a sponsor is identified “shall be approved by the Joint Legislative Committee on the Budget before it becomes effective”
- The purpose of the LSED and JLCB approval authority is to ensure the naming rights sponsor is not considered an offensive or distasteful brand, and the placement of all logos and branding does not compromise the integrity of the architectural design of the facility
- Through the 2009 amended Superdome Use Agreement, the LSED and State granted the New Orleans Saints the authority to sell name and title sponsorship rights, which was considered a key factor in eliminating the State’s economic exposure to future financial incentives that may be required under the lease
- Mercedes-Benz was approved by the State as the Saints Superdome naming rights sponsor in October 2011 for a term of 10-years, which is due to expire July 31, 2021
- 26 (including the Superdome) of the 30 NFL stadiums have naming rights sponsors
- It is customary (and industry standard) for professional sports teams to be granted the rights to market and sell naming rights, and retain 100% of the proceeds

II. Summary of Terms and Conditions

a) Term

The new naming rights partner will make a long-term commitment to the Saints and the Superdome. For context, the Mercedes-Benz naming rights agreement carried a ten (10) year term

- Twenty (20) year agreement through 2041 Saints season
- Commencing in August 2021

b) New Orleans Saints Obligations

The Saints organization is responsible for 100% of all costs associated with fulfillment of the name and title sponsor obligations, with no cost to the LSED or State.

- Fulfillment obligations include all transition costs from Mercedes-Benz, including fixed panel signage, logos, branding, letterhead, cups, napkins, uniforms, etc.
- All costs associated with sponsor logos and brand placement on the Superdome roof
- Saints to fund all ongoing maintenance, repairs, upgrades and other related improvements to fixed panel signage, roof logos and other branding elements both interior and exterior
- The Saints will utilize its team-related signage inventory 'assets' (i.e. use of the Saints logos and marks, tickets, access to data, etc.) to fulfill sponsor requirements

c) Timing of Transition

The transition to the new naming rights sponsorship is required to be implemented prior to first Saints preseason game on Aug 23, 2021.

- All signage and logo placements are in the same locations as the existing Mercedes-Benz sponsorship branding and signage
- Saints must provide ASM and LSED with a complete inventory of all signage and logo placements prior to installation for review and approval

d) Funding Allocation

Naming rights provide for a continuation of the now proven lease arrangement between the Saints and the State that has eliminated all inducement payments since executed in 2009.

- The Saints are permitted to retain 100% of net proceeds from the sponsorship under the terms of their Stadium Use Agreement
- Under the terms of this Stadium Use Agreement, the naming rights model has resulted in no lease generated general fund requests since its implementation
- The State receives an economic 'credit' equal to 50% of net proceeds after the Saints receive the first \$1.0 million
- The economic credit is applied against a minimum annual revenue benchmark commitment from the State, of which the Saints have never made a claim, including the COVID-19 impacted year
- In the event of a Saints claim, the State retains audit rights to ensure the accurate allocation of proceeds for both the naming rights and other associated revenues

III. Benefits

- There is no cost to the State or LSED for any transition costs from Mercedes-Benz
- Provides the Saints with an opportunity to produce self-generated revenues without reliance on the State for economic subsidies
- The name 'Superdome' will remain in the title to honor the legacy and history of the building
- Naming rights partner has committed to market their association with the City, State, Saints and Superdome, creating opportunities for international exposure and promotion of tourism
- Allows the Saints to remain competitive as an NFL franchise in the New Orleans market, which is one of the smallest in the league

APPENDIX
Applicable Legislation

RS 51:293.1

§293.1. Transfer of right to designate and use a name for stadium facility; conditions

A. The Louisiana Stadium and Exposition District is authorized to sell or transfer the right to designate and use an alternative name to refer to the Louisiana Superdome, including the rights to those trademarks, service marks, and trade names associated with the Louisiana Superdome as provided in R.S. 51:293.

B. Any agreement which transfers the right to designate and use a name to refer to the stadium facility designated as the Louisiana Superdome constructed by the Louisiana Stadium and Exposition District shall provide that all royalty and other payments in consideration for such right be paid to the entity which holds a National Football League franchise and leases the stadium facility. In the event the entity which holds a National Football League franchise provides notice to the league, or to the Louisiana Stadium and Exposition District of its intent to relocate the franchise, or enters into any agreement with any other entity to relocate the franchise from the city of New Orleans, or terminates its lease of the stadium facility, all subsequent monies payable from royalties and other payments under such agreement shall revert to the Louisiana Stadium and Exposition District. Any such agreement shall provide that it shall be approved by the Joint Legislative Committee on the Budget before it becomes effective.

Acts 2001, No. 1215, §1, eff. July 2, 2001.



INFORMATION DOCUMENT



CONFIDENTIAL
REVIEW DOCUMENT FOR MEMBERS OF THE JOINT LEGISLATIVE COMMITTEE ON THE BUDGET

Naming Rights Deal Specific

What is the history that allows the Superdome to be renamed? Louisiana Statute [La. R.S. 51:293.1B] authorizes the LSED “to sell or transfer the right to designate and use an alternative name to refer to the Louisiana Superdome.” Statute also provides that any sale or change in the naming and title of the facility once a sponsor is identified “shall be approved by the Joint Legislative Committee on the Budget before it becomes effective.” The purpose of the LSED and JLCB approval authority is to review the agreement and the placement of all logos and branding does not compromise the integrity of the architectural design of the facility. Enclosed is a visual rendering of the Caesars logos and branding on the Superdome. The new name will be the Caesars Superdome.

How much is Caesars paying annually and how does that compare to the MB agreement? While financial details of the twenty-year agreement between the New Orleans Saints and Caesars Entertainment will remain undisclosed, the deal represents approximately \$138M (NPV). While the team wishes to be fully transparent, and respects the Members questions about the financial terms, the team ask that the financial terms remain confidential and not put in the public domain. The reason for keeping that information confidential is that this shared information within the National Football League (NFL) can put the team at a competitive disadvantage. None of the 32 NFL teams share financial information publicly and certainly not among other teams. In addition, the team and Caesars have a signed confidentiality agreement not to disclose the financial terms. The New Orleans Saints have pledged that all proceeds from this partnership be directed back into the Caesars Superdome towards the ongoing and continued renovations. In addition, the Saints organization is responsible for 100% of all cost associated with fulfillment of the name and title sponsor obligations, with no cost to the LSED or State. The Saints are to fund all ongoing maintenance, repairs, upgrades and other related improvements to fixed panel signage, roof logos and other branding elements both interior and exterior.

How does this agreement compare – value, term, etc. – to other naming rights agreements across the NFL? The length of the fair market value agreement (twenty years) between the New Orleans Saints and Caesars Entertainment is a strong and emphatic commitment made by each organization for the long-term. The residual positive benefits of this long-term agreement is one that the entire state will enjoy in terms of revenue and national and international awareness. Recent naming rights agreements across the NFL have been for relatively similar tenures and terms, with both the Saints and Caesars pleased with the alignments of their respective brands.

What is the process for procuring a naming rights partner? The Saints engaged in an extensive worldwide search to find the perfect corporate partner and it was commonly known in the industry that the Mercedes-Benz partnership was contractually ending in July 2021. Caesars shares the same commitment to the region that the Saints do and that is to create commerce and economic impact for the city of New Orleans and the state of Louisiana.

The deal is good for the Saints, the Superdome and New Orleans, but how does it benefit the State as a whole? Caesars is an international brand with a major presence in Louisiana. The Caesars Superdome represents the state of Louisiana’s most prominent sporting and multi-purpose event facility, which is also recognized around the world. Caesars will promote this prominent facility in their marketing efforts and serve as a ‘brand ambassador’ for events hosted in New Orleans. The most recent Super Bowl held in New Orleans (XLVII in February of 2013) infused over \$480 million in spending in New Orleans and approximately \$262.8 million in direct spending by visitors. With future Super Bowls, the College Football Playoff, NCAA Final Fours, Essence Festivals and other premier spectator events, both local and state economies will greatly benefit from the infusion of spending. The partnership does not simply stop at putting the name on the building, but instead, it will promote further long-term business opportunities and events at the building and in the city of New Orleans that will in turn produce tourism tax benefits and economic impact to the city and state.

Saints Lease Specific

The State owns the Superdome, why doesn't it get a share of the revenue? The New Orleans Saints and State of Louisiana entered into a unanimously approved amended agreement in 2009 to grant the team the authority to sell naming and title sponsorship rights. It is customary and industry standard for professional sports teams to be granted the rights to market and sell naming rights, and retain 100% of the proceeds. As previously noted, the New Orleans Saints have pledged that all proceeds from this partnership be directed back into the building towards ongoing and continued renovations. The benefits are many and this naming rights partner has committed to market their association with the City, State, Saints and Superdome, creating opportunities for international exposure and promotion of tourism and economic development. And, it allows the Saints to remain a competitive as an NFL franchise in the New Orleans market, which is one of the smallest in the league.

Caesars Superdome Renderings

Are there renderings to be shared? Yes, please see attached documents.

Will the roof be cleaned prior to the new branding? Annually, the Superdome roof is cleaned to better illustrate the white dome that is synonymous with the city's skyline. A new logo, featuring Caesars Entertainment's iconic logo will be displayed prominently not only on the roof of the Superdome, but throughout the stadium's footprint and multiple marquees, as well as various facility specific items and publications. Please see the attached renderings for visual clarification.


Miscellaneous

Why couldn't the State, LSED or ASM sell the naming rights for 30 years prior to the 2009 agreement? Naming rights agreements came into prominence in the 2000's as major companies sought to align their brands with sports teams and facilities in an effort to enhance the visibility of their brands. The New Orleans Saints and the State agreed that the Saints were in a more advantageous position within the world business community to sell naming rights, which would mutually benefit both the state and the club, as has happened over the past ten years and will continue for the next 20 years with Caesars Entertainment. It should be noted that the team has a larger inventory of assets than the venue (i.e. nationally televised viewership, rights to use logos and marks, tickets, suites, VIP experiences, etc.) which in turn makes naming rights more attractive to a company.

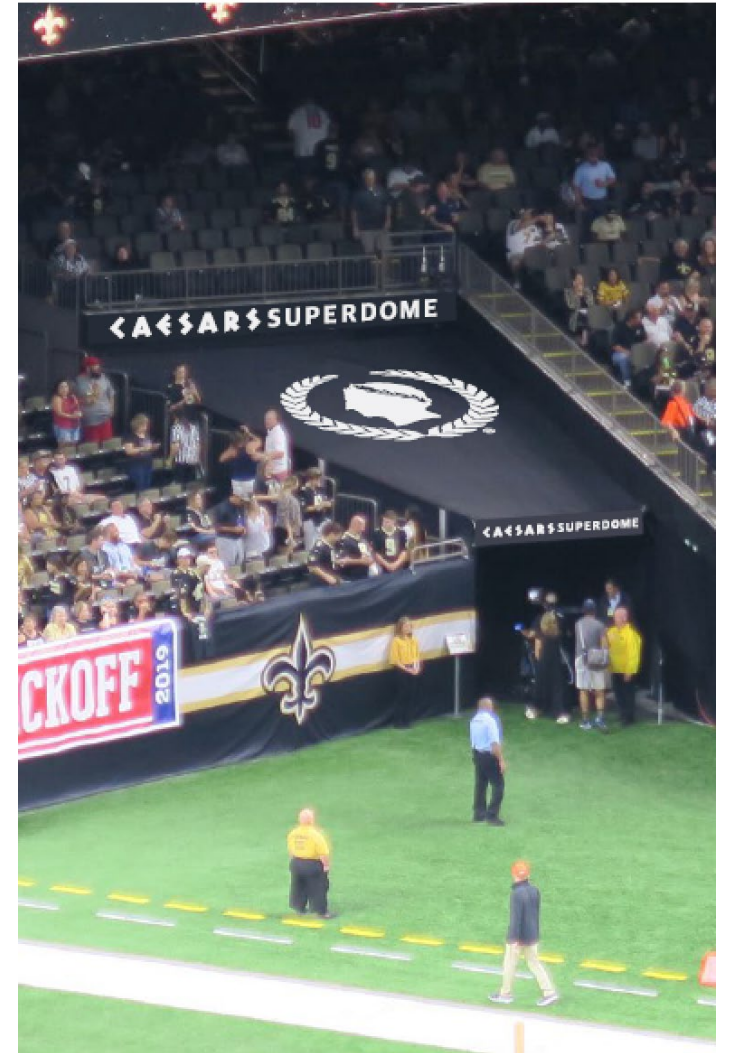
Does a gaming, naming rights partner, put the Superdome at risk of hosting amateur athletics events, i.e. college football, Final Four, LHSAA? No, it does not. Many other venues and stadiums with gaming sponsors host championships, including the most recent NCAA College Football Championship, which was held at Hard Rock Stadium in South Florida in 2021. The Caesars Superdome will continue to provide the residents of the state with the most enjoyable spectator experiences throughout the region. The Saints and the Caesars Superdome look forward each season to watching the next generation of Louisiana football players compete for their respective state championships in the Caesars Superdome.

Why did Mercedes-Benz not renew in New Orleans? The company shifted corporate headquarters to the city that now holds the naming rights. The Saints greatly appreciate the partnership they share with Mercedes-Benz. It should be noted that Mercedes-Benz recently committed to a long-term level of corporate sponsorship with the team and the entities continue to work closely together in its partnership.

Will the Mayor allow the Saints 100% capacity in the fall? The Saints are looking forward to 100% capacity this season in the Caesars Superdome. The team plans to play their games this season in front of a full stadium and are actively working with city and state officials to continue to promote a safe and healthy lifestyle relative to Covid-19 and are encouraging vaccinations for our citizens. We also understand the recent concern of city leaders relative to the new Delta virus, but continue to work towards having a full stadium while also continuing to encourage our citizens to get vaccinated.



Superdome Naming Rights Renderings



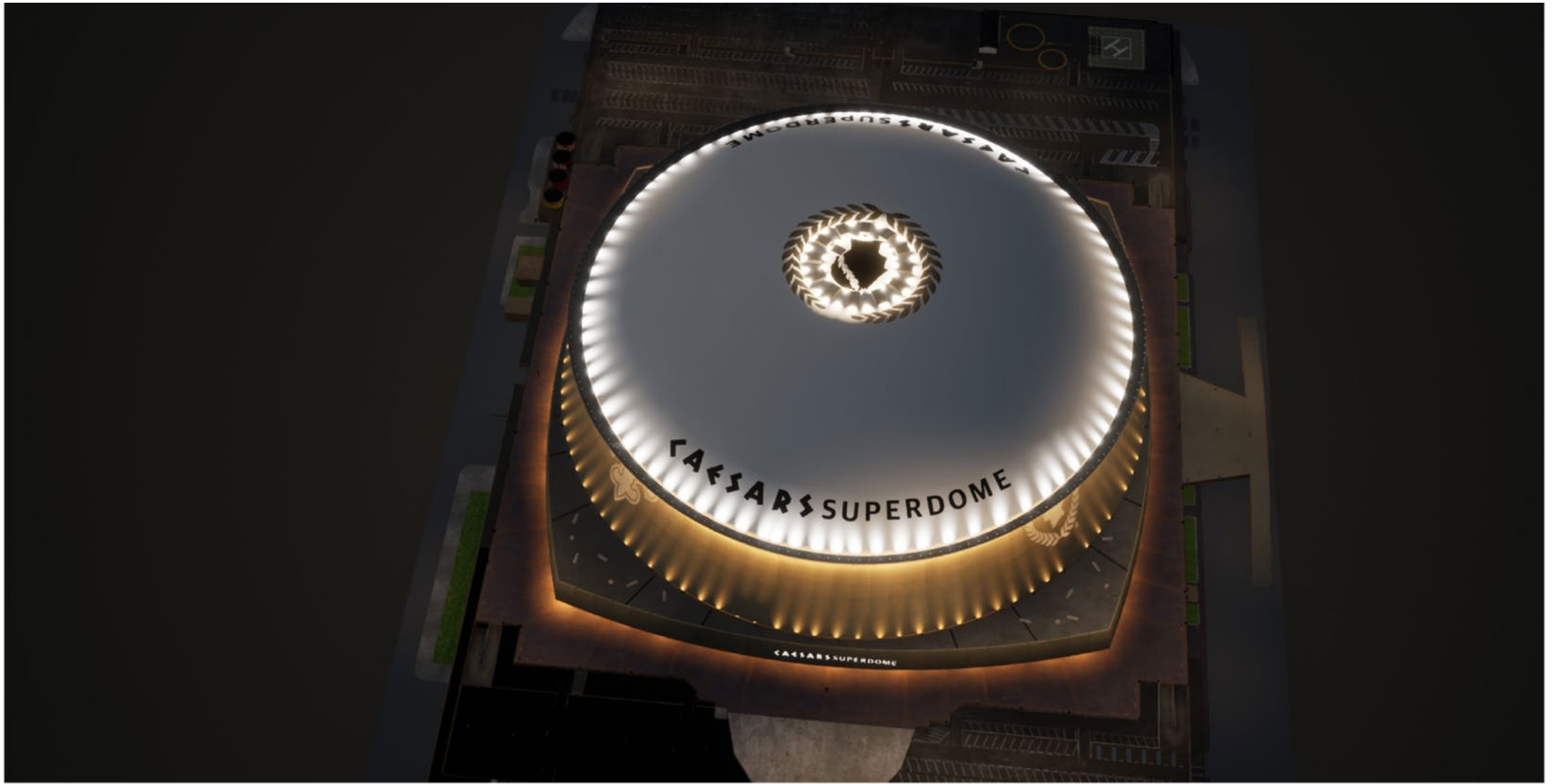
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