

Idaho Falls Auditorium District

Board of Directors — Business Meeting
Eagle Rock Room, Fairfield Inn & Suites
30 April 2012
8:00 a.m.

Minutes

In Attendance: IFAD Board Members: Bob Everhart, and Kris Meek and Cindy Ozaki. Board Member Robb Chiles participated by telephone and Board Member Jeff Sayer was excused. Also in attendance: Mark Fuller (legal counsel), Kevin DeKold (Architectural Firm, CRSA), and Rebecca Casper (consultant).

I. Call to Order.

Conducted by Chairman Ozaki, the meeting was called to order at 8:11 a.m.

II. Adoption of the Agenda.

Action: Mr. Everhart moved to amend and adopt the agenda.

Action: Mr. Chiles seconded the motion.

Result: All members present voted in the affirmative.

III. Approval of the Minutes from Previous Meeting.

Action: Mr. Chiles made a motion to accept the minutes from the public meeting on March 16th.

Action: Mr. Everhart seconded the motion.

Result: All members present voted in the affirmative.

IV. CRSA Contract Review.

Background: The IFAD Contract with the principal architectural firm, CRSA was reviewed and discussed. The overall cost of the design increased from the original proposal. Mr. DeKold explained that while this was potentially more expensive in the short run, in the long run, the District would avoid paying for unwanted design elements. This new contract would allow for one base design at \$24M with design options taking it up or down as much as \$4M (from \$20M to \$28M) to be offered based on the projected available funding stream. Mr. DeKold and the IFAD Board Members nicknamed this approach the "a la carte" option.

Action: Mr. Meek moved to accept the CRSA contract as drafted and amended.

Action: Mr. Everhart seconded the motion.

Result: All members participating voted in the affirmative. And Ms. Ozaki signed the contract. Mr. Fuller determined to send copies of the signed contract to all Board members.

V. Review of RFQ for Operator.

Background. Three RFQs were returned from Global Spectrum, Centennial Management, and VenuWorks (teamed with Global Entertainment for the Hockey portion). Mr. Everhart expressed surprised that only three proposals were received. Ms. Ozaki wondered if the short time frame may have been a factor. Mr. DeKold said that the world of operators is quite small and it is possible that the interest of the larger organizations might have scared off the smaller operators. He also pointed out that three proposals received were of a very high quality. Mr. Meek expressed disappointment that the documents received did not more specifically address the finer points of financing mentioned in the RFQ—even though the Board members were aware of this possibility going into the RFQ process. The Board concluded that the three respondents were all highly qualified to be considered as potential operators. Ms. Ozaki agreed to contact all respondents and set up a time for them to make in-person presentations on May 22nd and 24th. The Board also concluded that these presentations would be made in open work meetings with the respondents being given a 2-hour block. Members agreed to send Ms. Ozaki their ideas for how the presentations should be evaluated.

VI. Updates and Reports:

A. Update: Draft Job Description for IFAD Executive Director.

Report. Ms. Casper presented a sample job description to board members for review. The content was gleaned from a variety of sources. The Board members determined to wait and discuss this further when input from the Pocatello and/or Boise Auditorium Districts could be obtained and integrated into the description.

B. Update: Distribution of MOU from the State Tax Commission for study and discussion at a later meeting.

Report. Mr. Fuller distributed these documents to all board members. Ms. Ozaki reported that all collections from all hotels have been made on time and in full. (Since sorting out any issues, all has been flowing smoothly.) Mr. Meek reported that the Board's previous idea to seek a change in the statute to allow the IFAD to file a tax lien was not a viable option, according to an informal conversation Mr. Meek had with a long-serving state legislator who is also an experienced bankruptcy attorney. The issue most likely would be a non-starter in the legislature because it would open up a can of worms where every taxing district in the state would seek the same authority and create a logistical quagmire. A further recommendation was that the IFAD continue to seek to work through the ISTC simply because of the strength the ISTC gives the District in the event of a hotel bankruptcy. He said a constructive trust would be unsuccessful. When asked, Mr. Fuller said he would defer to this legislator's reputation as one of the best bankruptcy attorneys in the state. Mr. Everhart's summed up the Board's difficulty with paying the full asking price of the ISTC for the installation of a new IT system to record the data. Mr. Fuller determined to do more research about the

costs involved and report back at a future meeting.

C. Update: Logo/Website.

Report. The three latest proposals from Web Impact were reviewed. The Board was not enthused by the designs offered and determined to change course and seek design of the IFAD logo first—before finalizing the webpage design. The goal was to have logo proposals ready to vote upon at the next business meeting.

D. Update: Accounting Firms.

Report. In the wake of April 15th, little follow-up had been taken on preparing a final contact with the IFAD. Assuming that the tax season stress has now subsided, Mr. Fuller agreed to push this issue along and obtain final contracts.

VII. Architecture Update.

Report and Discussion. Mr. DeKold reviewed the schedule for the upcoming workshop with the Architectural team, engineers, and SRL personnel. The workshop on the 14th will be educational and exploratory in nature and no decisions will be made. He invited the IFAD Board to offer a summary for those present about what has happened with the IFAD since its formation. After the introduction, the first workshop would be offered, followed by a physical tour of the site. This would be followed by a presentation from CRSA about what they are intending—concept to date. This would be followed by a lunch break and another discussion about the facility itself. It might be possible for the last hour of the meeting could be set aside to discuss the Construction Manager/CMGC issues. There are ways to achieve the manager effect—consultants or a CMMP (Construction Manager, Multiple Prime) in Idaho. Board members noted that there is the potential for great savings by having a manager involved early on. They also pointed out that the management structure employed might potentially relate to the financing as well. Ms. Ozaki and Mr. Fuller were planning to speak with bond counsel and financial advisors prior to making any decisions. The options must be reviewed.

VIII. Approval of IFAD Payables.

Report: Three categories of invoices were presented for payment: 1) The bonds for each of the Board members that were obtained with the Hartwell Corporation must be renewed in June. This total comes to around \$600.

2) Invoices for meeting space at the Fairfield Inn and the Hampton Inn were also received and found to be in order, and 3) a preliminary expense invoice from CRSA was also submitted in the amount \$28,537.24.

Action: Mr. Everhart made a motion to approve the all of the accounts payable as represented by the invoices received.

Action: Mr. Meek seconded the motion.

Result: All members present voted in the affirmative.

IX. Calendar and Announcements.

A. Other Announcements. Mr. Everhart raised concerns about Mr. Sayer's

participation with the board. Ms. Ozaki determined to discuss this with Mr. Sayer.

- B.** May 3rd Meeting with SRL has been postponed to May 14th
- C.** May 14th Board Workshop—8am-5pm.
- D.** May 22nd/24th Interview Meetings
- E.** May 29th Business Meeting 8am-10am.
- F.** Public Meetings Schedule—evening schedule, 5th and the 13th
- G.** June 11 & 25 for Business Meetings

X. Public Comment.

There was no public comment.

XI. Adjournment. At 10:20 a.m.

Action: Mr. Everhart made a motion to adjourn.

Action: Mr. Meek seconded the motion.

Result: All members present voted in the affirmative to adjourn.