



Board of Directors – Regular Business Meeting
425 N. Capital Ave., Idaho Falls, ID 83402
Wednesday, September 23, 2015, 7:30 a.m.

Minutes:

In Attendance: Board Members Terri Gazdik, Ryan Meikle, Cindy Ozaki, and Allan Woolley. IFAD Legal Counsel Mark Fuller, Executive Director Dave Lane, Administrative Coordinator Jennie Weitzel, and Laura Lewis, Lewis-Young Financial. Absent: Bob Everhart

I. Call to Order:

Conducted by Chairman Ozaki, the meeting was called to order at 7:35am.

II. Adoption of the Agenda:

Action: Mr. Meikle moved to adopt the Agenda.

Action: Mr. Woolley seconded the motion.

Result: All present voted in the affirmative.

III. Approval of 8/26/15 Business Meeting Minutes:

Action: Ms. Gazdik moved to approve the 8/26/15 Minutes as presented.

Action: Mr. Meikle seconded the motion.

Result: All present voted in the affirmative.

IV. Approval of IFAD Payables:

Action: Mr. Woolley motioned to approve the payables.

Action: Ms. Gazdik seconded the motion.

Result: All present voted in the affirmative.

V. Annexation and Donation Fees Discussion and 2015 Budget Amendment: Mr. Fuller informed the board that, with the approval of the annexation and donation agreement, the board is required to pay a donation fee, to reimburse the donor for previous site survey and rock testing expenditures, and surface and drainage fees included in the agreement that was already approved by the board. Mr. Fuller suggested that the board approve the payments and amend the 2015 budget to include them.

Action: Mr. Meikle motioned to pay the fees and amend the budget as suggested by Mr. Fuller and required by previously-approved agreements.

Action: Ms. Gazdik seconded the motion.

Result: All present voted in the affirmative.



VI. Board Vacancy Discussion: Chairman Ozaki read aloud the resignation letter submitted by Mr. Bob Everhart. It states he has moved outside the District Boundary and can no longer serve on the board.

Action: Ms. Gazdik motioned to accept the resignation of Bob Everhart.

Action: Mr. Woolley seconded the motion.

Result: All present voted in the affirmative.

Discussion: The board discussed the qualities and skill set of possible future board members. Mr. Fuller explained that the open seat will be an appointment and the incumbent will sit for the next election (2017) to fulfill the four years remaining in the term. Mr. Fuller recommended that board members send the names of suggested candidates to Chairman Ozaki. Time frames were discussed and the board decided to change the meeting dates in October from the 14th to the 7th and from the 28th to the 21st to accommodate timely action. Ms. Weitzel will change the calendar and post the proper notice to reflect the change.

VII. Feasibility Study: Mr. Woolley expressed interest in updating the five year old ERA feasibility study. He feels the board needs more supporting documentation that he feels is missing from the study. Ms. Gazdik was under the impression IFAD would contact the authors of the previous study to see if that can be updated to include cash flow projection. Mr. Lane researched consultants on-line and is willing to research options upon board direction.

Ms. Lewis, Lewis-Young Financial, informed the board that the District's primary concern is for hotel revenue and the Operator's primary concern is the event center performance and sizing. Ms. Lewis suggested that the operator may be willing to contribute to a feasibility study on the event center as they will benefit from its findings. However, for project financing, the District should focus on the projected hotel revenue and industry economy for a study. She noted that such a study should be completed later if the District wishes to pursue a lease back option and sooner if the District opts for selling bonds, noting that bond interest rates are generally lower than lease rates. Mr. Fuller reminded the board that District funds are to be used solely for constructing the building and not to influence the electorate.

Discussion on seating and sizing of event center ensued. The board noted that the previous ERA study helped drive the schematics and took into account the region and possible future events. Mr. Woolley asked that the record reflect that his fiduciary duty involves ensuring that the facility is sized correctly. Discussion on the size and schematic design ensued. Chairman Ozaki and Mr. Fuller reiterated that the previous study suggested the area could handle a larger facility and the Board already scaled back to a conservative number of fixed seats. The building size was set to accommodate the taller Cirque de Soleil type acts and lowering that would limit events. The construction cost estimate of the project was based on the event center's size. If a new study should reflect that a larger facility would be needed, cost estimates would likely increase. Some board members feel that the current schematic design is unable to be changed at this point. Ms. Lewis noted that whether or not the facility is sized right is the concern of the operator, not the District. She noted that the use of the facility would drive revenue but regardless, the District's main concern was the projected hotel revenue.

It was noted that the Marriot and Home2Suites most likely conducted their own feasibility studies prior to construction and Mr. Lane indicated he will see if he can determine who provided the studies. In addition, Mr. Woolley suggested that Mr. Lane ask Mr. Isom for a STAR report.

Mr. Meikle suggested that board members consider the following question when developing expected outcomes from a new/revised study as specifically as they would want seen in a study and report back at the next board meeting – “To what extent will existence of the Events Center, combined with tourism and other hotel factors, translate into IFAD revenue?” – This discussion will be renewed at the next board meeting.

Mr. Woolley asked Ms. Gazdik to forward Ms. Lewis a 12 month trailing and have Ms. Lewis reply with a snap shot of where IFAD stands. Ms. Lewis discussed briefly the difference between tax-exempt status and taxable status vis-à-vis private use and private payment. Ms. Lewis will forward a list of consultant contacts and also questions and concerns that the board may want to address.

VIII. Reports and Updates:

A. Financial Report: Ms. Gazdik distributed financial documents as of July 31 and reported that District revenue is 17.5% ahead of last year. Fiscal calendar and District audit dates discussed.

B. Executive Director Report: Mr. Lane reported that the Annexation is done and both the ordinance and the revised plat have been recorded.

The International Brotherhood of Electrical Workers (IBEW) local Pocatello representative and District representative from Montana met with Mr. Lane and reiterated their interest in the project. Mr. Lane reminded them that IFAD will not bid the project directly. The IBEW representatives explained to Mr. Lane that the IBEW has financing options, and will look to their financing arm and get back to Mr. Lane with what they may be able to do.

Mr. Lane attended the Out of the Box luncheon on September 1st. He also attended the YTT meeting on September 15th and noted their lodging sales from July 2014 to July 2015 are up 22%. Mr. Lane learned from attending the YTT meeting that the Idaho Falls Lodging Association is gaining traction noting that the organization has a formal membership and dues structure. The next YTT meeting is at the Museum of Idaho on October 13th and includes admission to the museum. In addition, Mr. Lane attended the Chamber’s 2020 Vision for Business luncheon on September 15th and the After Hours event at Teton Toyota on September 17th.

Mr. Lane indicated he and legal counsel are seeking board direction relating to the development agreement. He noted 6-8 questions that need addressed. He suggested an executive session at the next meeting. Mr. Fuller will not be able to attend the October 7th meeting and suggested that the executive session be scheduled for the Oct. 21st meeting to deliberate regarding Development Agreement required for acquisition of real property not

owned by a public entity, Idaho Code Section 67-2345(1)(c). Mr. Lane will forward the questions for board review prior to the executive session.

C. Administrative Report: Ms. Weitzel updated the board indicating that most hotels are up to date, Shady Rest Campground is outstanding, Pinecrest Inn has fulfilled its past due commitment, and letters to hoteliers reminding them of 20th due date have been mailed. Ms. Weitzel distributed the draft annexation press release and will make suggested revisions. Discussion of a separate donation agreement press release ensued. Ms. Weitzel and Mr. Lane will contact Mr. Isom to determine if Ball Ventures may be interested in a joint donation press release.

D. Other Reports: None given.

IX. Calendar and Announcements.

A. Upcoming IFAD Meetings/Events: The October IFAD meeting dates have changed from the 14th to the 7th and from the 28th to the 21st.

B. Announcements and Questions: None given.

X. Public Comment: Time was made available for public comment, none given.

XI. Adjournment:

Action: Ms. Gazdik moved to adjourn the meeting.

Action: Mr. Meikle seconded the motion.

Result: The vote was unanimous in the affirmative. Meeting was adjourned at 9:20 am.