

**Board of Directors Business Meeting**

**Tuesday, December 10, 2019, 7:00 a.m.**

**Location: Idaho Falls Auditorium District Office**

**467 Constitution Way, Idaho Falls, Idaho 83402**

**Attendees: Terri Gazdik, John LoBuono, Bob Nitschke, Steve Vucovich, Rob Spear, Salem Thomas, Mark Fuller, Chris Nations, David Cress, Trenton Saxton, Kevin DeKold, Chad Hammond**

1. **Action Item** - Call to Order at 7:01 a.m.
2. **Action Item** - Accept the Consent Agenda – Spear suggested removing a discussion item concerning the Centennial Management contract. Motion to approve the agenda with the change to remove that item. Seconded. Motion passed. Motion to approve the consent agenda as amended. Seconded. Motion passed.
	1. Meeting Minutes – 11/12/19, 11/26/19 – Approved.
	2. Review of the Payables/Financials – Gazdik reviewed the financials for the month of October. Total revenue for that month is $2.2 million. Spear pointed out a couple of expense items that seemed to be excessive.
3. **Discussion Item** - Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board) – None.
4. **Action Item –** Approve Board Meeting dates for 2020 – After reviewing the meeting dates, there was a motion to approve the calendar of regular meetings for 2020. Seconded. Motion passed.
5. **Discussion Item** – CRSA presentation of the new exterior building design for the Event Center – Kevin DeKold showed both the previous exterior design for the event center and a proposed new design. DeKold said the new design goals were to reduce the amount of brick to 50% and eliminate the curving river design. The new design retained brick at the entries and removed the curving river design. Along with standard brick patterns, soldier brick designs were incorporated into the columns. Bateman Hall has not yet priced the new brick concept.

Nitschke shared that he thinks the lettering on the new design is too big. Saxton said that in the rendering, the letter size is 6’ feet. Spear commented that Mountain America wants its logo on the building. Chad Hammond confirmed that Mountain America Credit Union wants their logo on the three visible sides of the building. Gazdik asked about the entryway and if it was going to stay the same as the previous rendering. DeKold said that the areas that had been concrete will now contain more brick, but the metal structure at the entrance will be the same. Gazdik asked what has been changed structurally. DeKold confirmed that nothing in the structure had been changed, just the aesthetics. He said the windows seen on the exterior are about 18 inches above the second-floor level. The ceiling of the first level is just below the soldier lines. He said the support behind the lettering will be made of Exterior Insulated Foam System (EIFS) which is a much cheaper option than what they have used in other buildings.

Gazdik asked what it would take to turn the hand drawn, black and white model display into a colored rendering. She wants to get a visual on how it will look altogether. Saxton said he could get a colored visual to the Board next week. A full building rendering will be available after the first of the year. Gazdik explained that she would like to see a rendering of the front of the building. It is difficult to picture what it will be like and determine what colors will look best.

1. **Discussion Item –** Nations Group update on new construction cost estimates and progress made on identifying Value Engineering items – Chris Nations said they have been focused on the construction cost estimates and on the Furniture, Fixture and Electric (FFE), defining the budget and the schedule that would allow the Board to get to financing. They have been using a 30% cost estimate completed in June 2019 as the base. Nations indicated there have been some value engineering (VE) exercises done before the 30% estimate but that there have not been any completed since that time. Nations Group reviewed the estimates to ensure the VE items were reflected in those items. Bateman Hall and Hogan recently provided a cost estimate based on 90% or bid document drawings that is $3M higher than the 30% estimate

Nations said they have compared the costs of the Event Center, by category, with six other arenas to determine any outliers. Upon further review of the 90% documents, the biggest increase was $1.6 million in dry wall cost. Nations found $500,000 in potential VE items and is exploring another $1.5 million savings other value engineering areas. At this time Nations thinks it is important to issue the bid packages to determine actual costs. Overall, the $407 per square foot is reasonable in his opinion.

It is important to identify the Gross Maximum Price (GMP) during January and February. Gazdik asked if it is typical to go out to bid a second time if the first bid shows the Board is not prepared to accept the bids. Nations said that it does happen fairly often, but the gap year in which you try to raise the money necessary to cover any increased costs just covers the increased construction costs. Nations said he would encourage going out to bid on the 16th of December 2019 because it lets the Board know for sure what the cost estimate will be. Nations said contractors hold their bid estimations for 45 days after the GMP. Fuller asked if doing a 6-month hold is possible or if all holds for re-bidding is always a full year. Nations said it is generally a year. He suggested getting an underwriter to help Laura Lewis. Spear shared the spreadsheet containing all the calculations for the financing estimate. He said the only way to get an accurate estimate on what the building will cost will be to get the bids. DeKold reminded the Board that now is the best bidding time. Waiting to go out to bid in the summertime will likely make all estimated prices increase. Nations said that the $17 million in cash the Board has committed and will commit to the project will look promising to investors.

1. **Report and Updates**
2. **Discussion Item** - Executive Director Report
	1. Fundraising Campaign and status of prospects – There are still seven outstanding proposals and until the Board gets closure on these outstanding proposals there is no way to know whether there will be enough funding to move forward. If none of those proposals come through, then it is easy to decide to wait on construction because the Board simply will not have the resources necessary to build. Spear talked yesterday with a group that could support the financing as well. Spear mentioned that he is exploring New Market Tax credits and that the project is close to a qualifying census tract. LoBuono asked Spear if he had become more involved in the fundraising process. Spear said that he has been more aggressive in the last month and has reached out to a number of local entities and is getting traction with a few people. Spear said he would welcome any of the Board members to join him when making presentations.
	2. Pioneer Road Construction progress report and Event Center Phase I progress report – Both HK and Knife River feel like they are making good progress. The weather has yet to really impact the project, but that winter shut down is about a week away. LoBuono asked their time frame and Spear responded that their only hard deadline is March. Fortunately, the rock quantity has been less than expected. However, the unsuitable soils costs have risen. It is still undecided on how to place the light poles for the parking lot. CRSA is exploring doweling directly into the rock versus blasting and removing.
	3. State Tax Commission – Spear talked with Leah Parsons. Nick Landry, Elisa Magnuson and Salem Thomas were also part of the meeting. Parsons shared what the reporting and collecting processes will be. Every hotelier will have a permit and that the Board will be able to identify each entity and the taxes remitted. Gazdik asked if the two-month lag on reporting from the State Tax Commission is a one-time thing or if it will be continuous. Spear said that it will be continual.

Fuller pointed out that there will be some confusion about where the entities are supposed to send their payments during January and February. Spear said it will have to be watched closely. He is optimistic about this switch because the state will be able to track and collect taxes on entities like Expedia and Airbnb’s that the Board currently can’t identify. Spear said he would contact James West in order to make sure he understands how third-party marketplace facilitators remit the tax.

Spear said that an editor from Idaho Falls Magazine came and asked if they could publish an article about IFAD and the Event Center in February. Spear told them that he would have to talk with the Board before he could tell the editor yes or no. Fuller asked if the article could be in a later edition of the magazine. Spear said that it was possible, but if there is good news to share in February then he would like to be able to publish that article in February. The Board agreed to help with the preparation of the article to share facts about the construction.

Nitschke asked a question about a lobbist that was mentioned in Spear’s weekly executive director report. Spear explained that the Greater Boise Auditorium District (GBAD) is working on educating legislators on the Transient Room Tax (TRT). The lobbyist asked if IFAD would participate in these meetings as necessary. The Board agreed it would be worthwhile to participate in any meetings that help educate legislators about the TRT.

Nitschke asked if Centennial Management (CM) is expected to deliver pro formas. Spear explained that they are planning to review the budget that IFAD drafted and get it back to the Board. Nitschke also would like to see a pro forma if the minor league baseball team does not continue. Specifically, Nitschke would like to see a pro forma explaining how having the Chukars franchise taken away would affect CM’s relationship with managing the Event Center. Spear said even if the Chukars franchise was taken away, there would still be a baseball team in the Idaho Falls area that would likely be managed by CM.

1. **Discussion Item** - Legal Report
	1. Transient Room Tax Update – There are two entities still not up to date on their payment. There is one entity that Fuller would have taken legal action against but does not advise it because of the transfer of collection to the state tax commission in 2020.

Calendar and Announcements

1. Upcoming IFAD Meeting – **Next Meeting on January 14, 2020 Discussion Item** - Announcements and Minor Questions – Spear suggested that it may be necessary to have a meeting before the next scheduled meeting on January 14.
2. **Discussion Item** - Agenda Items for January 14th meeting
3. **Action Item** - Adjournment from Public Session – Motion to adjourn. Seconded. Motion passes.

**Action Items**

Saxton create visual rendering of entrance

Centennial Management send pro formas with and without support of Chukars

CRSA provide full rendering of event center