

**Board of Directors Special Meeting**

**Friday, April 30, 2021, 7:00 a.m.**

**Location: Idaho Falls Auditorium District Office/Zoom Videoconference**

[https://zoom.us/j/8694715148](https://zoom.us/j/8694715148%22%20%5Ct%20%22_blank)

**467 Constitution Way, Idaho Falls, Idaho 83405**

**Attendees: Terri Gazdik, Bob Nitschke, Steve Vucovich, Mike Carpenter, Rob Spear, Mark Fuller, Chad Hammond, Kevin Greene, Dana Briggs**

**Agenda**

1. Call to Order 7:00 am.
2. **Discussion Item** - Public Comment. There were no public comments from the public.
3. **Action Item** – Naming Rights Approval. Spear provided an update of the current GMP that included all costs (A&E fees, Builder’s Risk, FF&E, City Fees, Idaho Power, Inspections and Owner’s contingency). Spear also updated the Board on secured fundraising and the goals for future fundraising. Spear said it was important for future fundraising dollars to come in over the next 3-4 years. Spear then compared the total resources potentially available to the overall cost of the project. Spear then presented the $400K sponsorship opportunity offered to Bingham Healthcare. Included in the term sheet is the naming for a section of seating (270 seats) in the lower bowl. Spear said the proposal also included branding the ticket office area with Bingham Memorial logos. Spear said Kevin Greene also offered Bingham Healthcare right of first refusal to purchase the naming rights to the ice re-surfacer “Zamboni” for the Mountain America Center, and right of first refusal to be designated as the exclusive medical provider to the NA3HL hockey team. Spear pointed out that Bingham Healthcare placed a provision in the term sheet that the sponsorship was contingent on the project starting in 2021 and completed within two years. Nitschke asked how this might impact the potential Blue Cross proposal. Spear said Blue Cross has exclusivity only for the conference space. Spear then read the section from the Blue Cross of Idaho term sheet that states, “Blue Cross of Idaho will receive Health Insurance exclusivity with the Idaho Falls Auditorium District and the Operator at the center for the Conference space only as it relates to promoting other health insurance companies and their products or services. These businesses include Regence BlueShield of Idaho, Select Health, Pacific Source Health Plans, United Healthcare, Humana, and Aetna (excludes brokers).” Fuller asked if there are any other healthcare providers who IFAD is negotiating with where this agreement could jeopardize these negotiations. Spear said the agreement does not offer healthcare exclusivity to Bingham so future negotiations with other healthcare providers is not prohibited in any way. Nitschke stated this sponsorship eliminates the possibility to offer exclusivity in the healthcare sector. Spear agreed and said that the threshold for offering any type of exclusivity should be only when the sponsorship is in excess of $1M.

Carpenter asked if the Zamboni could be branded with multiple brands. Spear said this sponsorship rests with the hockey team and does not impact the current $400K proposal.

Gazdik asked for a motion to approve the Bingham sponsorship agreement for Bingham Healthcare. Nitschke moved to approve. Vucovich seconded. Motion passed.

**Action Item** – Naming Rights Approval. Gazdik introduced the topic and said the contract before the Board has been reviewed by Fuller and his changes have been incorporated into the document. Gazdik mentioned that Centennial Management was involved in the discussions as it relates to providing meat snacks at the arena. Spear said that Kevin Greene was included in the discussion with Golden Valley Natural (GVN) and that the language in the contract has been approved by Greene. Spear mentioned the language in the contract states that GVN will give the concessions company a margin of no less than 40% on Hero products. Spear reminded the Board that the management contract provides IFAD 35% of the gross sales from concessions. Greene asked if the Board would consider waiving the 35% calculation on these meat snacks. Spear suggested this be discussed at another time. Spear then reviewed the specifics of the contract.

* The arena located within the MAC will be known as “HERO Arena at the Mountain America Center”.
* GVN will receive 10% of digital rotation time allocated to IFAD on the Exterior Digital Rotation Signage (the main exterior sign, facing I-15), which shall be maintained in good repair by IFAD.
* GVN will have exclusive branding opportunities at the main entrance of the Arena to display the name “Hero Arena.” This does not include the space above the main doors that will have the Mountain America logo. It does include the following main entrance locations: both sides of the exterior pillars; the second set of doors and the transom above the second set of doors. The first set of doors and transom will remain free of any advertisement or promotion by any sponsor.
* GVN will have exclusive branding opportunities for the Northeast and Southwest entrances to display the name “Hero Arena”. This includes the space above the Northeast and Southwest doors, the first and secondary doors, the transoms above both doors and both sides of the exterior pillars at these entryways if applicable.
* GVN and the HERO brand will have its logo permanently placed on the interior electronic ribbon board.
* For sporting events, this includes no less than 12 minutes of screen time shared between pregame, period breaks/halftime, and end of game for each event held.
* GVN and the Hero brand will appear on the ribbon for any sporting or non-sporting events where 100 or more spectators will be present. The amount of time will be determined by Event Center Management so as to be tasteful for the type of event and also provide screen time for the GVN and Hero Brand.
* GVN and the Hero brand will be prominently displayed on the two 12’ x 22’ electronic announcement boards within the arena. This includes no less than 12 minutes of screen time shared between pregame, period breaks/halftime, and end of game for each event held. If MAC procures additional electronic signage for the arena, GVN will have the same 12-minute minimum exposure on new or additional signage.
* GVN will consult with IFAD on size and final placement on all GVN signage.
* On ice: of the four logo spaces off of center ice, GVN and the Hero Brand will receive the top right space just off of center ice.
* Basketball Court: GVN will have the first right to display its logos on the court. Font size must be readable from all seats in the Arena. Location to be mutually agreed upon by the parties with the intent of one logo top left from center-court and one logo bottom right from center court as is common for professional courts.
* Volleyball Court: GVN has the first right to display its logos on volleyball courts, with prominent location to be mutually agreed upon by the parties.
* GVN will have the first right to display its logos on all additional sports courts not mentioned above.
* For the first 3 years of the Term, GVN will receive free use of the Arena and/or Convention Center for 2 events per year, on dates mutually agreed to by the parties (does not include food and beverage).
* GVN and its HERO name and logo must be included on all press releases and all social media and website pages for IFAD and the MAC.
* GVN and the Hero brand will have logo placement on the cover of all Event Center generated programs.
* An annual installment of $100,000 will be due each year. First instalment to be paid within 15 days of the signing of this agreement and future annual instalments to be paid beginning August 1, 2022, and each year thereafter for 19 years.

Fuller asked about the percent of time on the marquee rotational sign and if there is a chance that could be oversold. Spear said IFAD has 50% of the rotational signage and only 20% has been allocated. The only other entity to possibly receive rotational signage would be whoever the entity is that secures the naming rights for the mezzanine level.

Fuller asked about an update on other outstanding proposals. Carpenter then asked about companies that should be on the second fundraising list that was provided by Spear. Spear said the second list was vague and was focused on areas where naming rights still existed. Spear said within each of those areas there will be businesses that we can engage.

Gazdik then asked for a motion to approve the naming rights agreement for GVN and Hero. Carpenter made the motion and Vucovich seconded. Motion passed.

Spear then briefed the Board on outstanding fundraising proposals and emphasized the momentum being created has generated some renewed interest. Nitschke asked about the cost of the large marquee sign. Spear said he intends to ask Ball Ventures to fund the sign. If unsuccessful in those negotiations, the cost could be funded from construction contingency. Spear also addressed how long-term capital expenditures would be handled. Spear said in the Centennial Management pro forma, there is $60K budgeted for maintenance and repair and $80K budgeted for maintenance contracts and that should be adequate for the first five years of operations. After that, the Board would need to identify funding and that funding could come from a restructuring of future debt service.

Spear then briefed the Board on the Hero sponsorship announcement scheduled for 5-3-21 that would be held at the GVN site at 11 am.

Carpenter asked about when IFAD as going to be more aggressive with its marketing of the center. Spear said the District was advised to not over promise when construction on the event center might begin while donations and sponsorships were being solicited. But now IFAD needs to be more aggressive.

Gazdik suggested the Business Advisory Committee become involved and assist in seizing opportunities that will become present once construction starts. Greene offered some help from his interns.

Discussion ensued on the May 18, 2021 groundbreaking date and who would participate, and the logistics surround the event. Fuller said he would reach out to Idaho’s Congressional delegation.

Hammond asked if he could send out the Bingham Healthcare press release. Gazdik asked the Board if there were any concerns. Hearing none, Gazdik approved Hammond to send out the press release.

1. Calendar and Announcements
	1. Upcoming IFAD Meeting/Events – **Next Meeting on May 11, 2021 Discussion Item** - Announcements and Minor Questions
	2. **Discussion Item** - Agenda Items for May 11, 2021 meeting

Agenda items were identified in the April 27, 2021 Board meeting.

1. **Action Item** - Adjournment from Public Session

Meeting adjourned at 8:16 am