

**Board of Directors Business Meeting**

**Tuesday, May 25, 2021, 7:00 a.m.**

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

<https://zoom.us/j/8694715148>

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

**Attendees: Terri Gazdik, Bob Nitschke, Steve Vucovich, Mike Carpenter, Ron Warnecke, Rob Spear, Mark Fuller, Rebecca Casper, Kevin Bruder, Chris Hall, Paul Henderson, Blake Davis, Kevin Greene, Paul Henderson, Mike Clements**

**Agenda**

1. **Action Item** - Call to Order 7:01 AM
2. **Action Item** - Accept the Agenda. Nitschke moved to accept the agenda. Warnecke seconded.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes 5-11-21. Spear mentioned that some details on canal elevations and Event Center elevations were added. Also, clarification was made on groundbreaking program flow.
	2. Review of the Payables/Financials. Payables of $2,382.85 were approved. Vucovich moved to approve the consent agenda. Warnecke seconded. Motion passed.
4. **Discussion Item** –Public Comment (Any member of the public is welcome to take three minutes and share concerns or questions with the Board). There were no public comments.
5. **Discussion Item –** Kevin Bruder of Centennial Management will be presenting and discussing pre-opening services plans and next steps for the Mountain America Center. Gazdik introduced Kevin Bruder and stated he would be discussing preopening service plans and the next steps as we move forward on planning the opening of the event center.

Bruder stated there is a lot of work ahead of us and the good news is the management contract does outline the scope of those items. Bruder said the most time sensitive issue right now, is understanding and firming up, the overall timeline of the venue and when preopening services start. Right now, preopening services are due to start in August but Bruder said 12 months prior to opening is standard.

Bruder asked when the certificate of occupancy or a temporary certificate of occupancy will be issued. Spear indicated the facility is due to be complete on October 28, 2022 and 12 months out would be November of 2021.

Gazdik asked how this impacts the hockey team, especially if the pre-opening services don’t start until November of 2021. Bruder explained that Kevin Green has been pursuing the team franchise and we are vetting and finalizing that process. The hockey team would start the 2022 year on the road or utilize an alternate site until the MAC is opened. The opening in late October should not impact the hockey team but Bruder recommends pre-opening be moved to October 1, 2021. Bruder said the activity for an event center picks up in the fall and winter months, so starting pre-opening in October 2021 makes sense.

Gazdik asked if that gives us sufficient time to get performance lined up. Bruder responded that it does. Some concerts require a 13–14-month lead times, but as you cycle through the various conferences and conventions and their planning the lead time is sufficient. Bruder said in October 2022 you are coming right off of fair season, and so you're going to be having a lot of the state and county fair shows outside that are going to be ready to go inside. It will be important that we make sure artists and managers are aware of the facility and begin conversations. Most of the activity is going to be six months in advance for concerts. Bruder thinks the bread and butter of the MAC is going to be “evergreen” events (hunting and fishing shows, home shows, garden shows, auto shows). For these events we may need more that a six-month lead time. It will be important to identify the number of these events that will be offered. The MAC or IFAD Board may also consider sponsoring its own evergreen event if a promoter is not identified.

Carpenter stated that for the evergreen events, since the facility is opening in October that it may be wise to schedule those in the spring but doesn’t see any reason not to go after the flyfishing Expo and certainly the home garden shows. Carpenter also stated that it will be important to keep Bruder informed of any delays that may occur during construction. Bruder agreed and commented that they need to be informed of anything that will affect or could affect the pre-opening timeline. Bruder said they will pivot as needed.

Gazdik asked what a great opening act would be for the MAC? Bruder stated the biggest thing is trying to understand who's touring at the moment, and who is out there at the moment, because everything is so supply and demand. When you have an act, moving from point A to point C, and they are looking at point B in between, the promoter needs the date as much as the event center needs the date. Bruder used the Beach Boys as an example, if you call them, the price is much different than if they call you. Bruder thinks diversity is the key when looking at opening acts. You need to make sure that you're covering the gambit with pop, rock, country, potentially alternative and really test and survey the market. Bruder said a classic rock or classic pop type of act could be good, but coming out with a flurry of activity in various genres is important.

Carpenter asked about Centennial’s process for letting the entertainment world know that we exist. Bruder explained it's about constant dialogue and being present at various conferences and conventions. Things are starting up in a flurry and beginning in June, we just make our associates and booking agents aware of the MAC opening. Bruder said he is constantly reaching out and contacting people. It's just the constant grind and constant process of making sure people are aware of the building's opening and that there will be the expertise and service available when they come to Idaho Falls.

Fuller stated the management contract provides for a one-year preparation period during which Centennial Management is paid $10,000 per month. Fuller wanted clarification whether Bruder is recommending that pre-opening services begin October 1, 2021 and extend for 12 months, leaving a one-month commissioning period. Fuller wanted to know what is going to happen in the next four months because we don’t want to wish we would have started pre-opening services earlier. Bruder said there is work to be done now, such as the preparation of policies, procedures, and guidelines. Bruder said there is time to get that done within a 12-month period, but it is wise to get those things done early and then revise the closer we get to opening. The critical component is finding out for certain when the facility will be done. For the next 30 days, Bruder said he would review what needs to be done and identify the appropriate lead times. Bruder said he does not want to extend and open up the pre-opening services too soon, without more certainty and clarity. Fuller said he recommends to the Board that someone from Centennial Management report back to the Board monthly and communicate what is happening and what needs to be done so that IFAD and Centennial Management are prepared. Bruder agreed.

Gazdik said that it is important to not change the management agreement right now and that we need to wait until the next 30-60 days pass to see how construction is progressing.

Vucovich asked if there is pent up demand for entertainment venues that may cause some issues with attracting entertainment opportunities. Bruder said there is a lot of pent-up demand and cited the example of Garth Brooks selling 50,000 tickets in 30 minutes. Bruder indicated that Live Nation is saying 2022 is going to be a record year. Bruder said the MAC opening is on the tail end of that but that you also have a honeymoon period and a thriving marketplace. Idaho Falls is very similar to the Salt Lake market. The economy is healthy and coming out of the pandemic strong and there does appear to be demand.

Bruder said in his opinion, the biggest risk is how the rest of the country is working through COVID reopening and determining how many tours are comfortable performing again and how things might change from a financial aspect. The other piece that Centennial Management is keeping a close eye on is supply and demand. There are only so many sound and light sets on the road. So, unless artists have their own equipment, there are only so many artists that can go on the road with those sound and light sets.

Mayor Casper asked who should be contacted for potential 2023 potential bookings and scheduling. Bruder suggested that all inquiries go through himself, Spear or Greene and that we should start vetting any inquiries and determining what makes the most sense right now and start the scheduling and booking process.

Spear asked Bruder when Centennial would plan on hiring staff for the MAC. Bruder said he wants to begin vetting candidates, right at the start of the reopening phase. Bruder said he would start putting feelers out for a general manager and try and hire that position one year prior to opening. Bruder said the next position would be a marketing person. Bruder said those hires are part of the preopening budget.

Fuller asked about the status of the hockey team. Greene said he had conversations with two owners within the NA3HL recently and they are very excited to have Idaho Falls join the league in 2022. Greene said Idaho Falls would be the 9th team in the league and play in the Frontier division. The league is going to find out if there are any teams available for sale and then the Elmore Sports Group would negotiate a purchase of one of the existing franchises. If not, then Idaho Falls will simply go in as an expansion franchise. Greene said they have already received requests for 38 season tickets.

Carpenter asked what teams are in the league. Greene stated that there are teams in Butte, Bozeman, Helena and Great Falls, Montana; Cody, Gillette, and Sheridan Wyoming; and Rapid City, South Dakota.

1. **Action Item –** Elect IFAD Officers, Board Chair, Vice-Chair, Secretary and Treasurer. Gazdik explained that at the first Board meeting following an election, Board Officers must be elected. Gazdik asked if there were any Board members interested in the Board Chair position. Gazdik said as the incumbent, she would like to continue as Board Chair if the Board agrees. Carpenter made the motion to nominate Terri Gazdik as the Chair. Warnecke seconded. Gazdik accepted the nomination. Motion passed and Gazdik was elected chair and President of the District.

Gazdik asked if there were any nominations for Vice-Chair. Warnecke nominated Carpenter who respectfully declined the nomination. Gazdik then nominated Vucovich. Vucovich accepted the nomination. Gazdik then made the motion to elect Vucovich as Vice-Chair. Carpenter seconded. Motion passed and Vucovich was elected as Vice-Chair.

Gazdik then discussed the Secretary/Treasurer position and stated that Spear has held both over the past year asked if Spear would be interested in serving in those roles again. Spear said he would be willing to fill those roles. Gazdik then made the motion to nominate Spear for Secretary/Treasurer. Vucovich seconded. Motion passed.

There was some discussion of the officers for the proposed IFAD Foundation. Fuller stated those Board officers would be identified in the documents that form the Foundation and then subject to change after formation.

1. **Action Item** – Approve naming rights contract. Spear provided background information on the Blue Cross of Idaho naming rights agreement. Spear briefed the Board that section 2.6.2 has been eliminated because it was covered in 3.3.7. Spear then briefed the Board on the specifics of the sponsorship agreement:
	* 1. Payment Terms: Blue Cross of Idaho agrees to contribute $1,000,000 to the Idaho Falls Auditorium District (IFAD). An initial amount of $25,000 shall be paid upon execution of the Naming Rights Agreement and a second payment of $25,000 shall be paid on the Opening Date of the Event Center. Thereafter, payment shall be $50,000 per year on the anniversary of the Opening Date for nineteen (19) consecutive years. Shorter payment terms can be negotiated to fit the needs of Blue Cross of Idaho.
		2. Exclusivity: Blue Cross of Idaho will receive health insurance advertising exclusivity with the Idaho Falls Auditorium District and the Operator at the Event Center for the Blue Cross of Idaho Conference Center space only, as it relates to promoting other health insurance companies and their products or services. Other health insurance companies to be excluded include Regence BlueShield of Idaho, Select Health, Pacific Source Health Plans, United Healthcare, Humana, and Aetna (excludes brokers).
		3. Signage - Marquee Sign: Exterior Digital Rotation Signage – This is the main exterior sign, facing I-15, identifying the Mountain America Center. Blue Cross of Idaho will receive 10% of digital rotation time, allocated to the Idaho Falls Auditorium District, showcasing the Blue Cross of Idaho logo.
		4. Signage - Conference Center: Exterior Conference Center Entry Way– Blue Cross of Idaho will have the agreed upon signage/logo placed on the main exterior entry way into the Conference Center. Blue Cross of Idaho will have the agreed upon signage/ logo placed on the southwest side of the Conference Center facing I-15.
		5. Interior Signage – The main conference space inside the Conference Center will be branded with the Blue Cross of Idaho Logo.
		6. Logo on Ice – Blue Cross of Idaho will have shared logo placement on the ice.
		7. Main Donor Wall Recognition – As an Events Center builder, Blue Cross of Idaho will have its logo/name displayed on the main donor wall in the main lobby area of the Event Center.
		8. Facility Usage -Rent free use of Conference Center for one annual corporate event for the first three years of event center operations.
		9. Other Benefits
			1. Name Printed on Event Tickets – Blue Cross of Idaho will have its logo/name printed on all ticketed events controlled by the Operator.
			2. Use of facility name/photo likeness in promotions. Blue Cross of Idaho will be allowed to utilize photos of the Event Center/Arena for any promotions.
			3. Event Center generated programs. Blue Cross of Idaho will be recognized in all Operator generated programs.
			4. Ability to participate in giveaways and promotions – Blue Cross of Idaho will be allowed to utilize the Lobby to setup a booth of mutually agreeable size and location and interact with patrons at public events.
			5. Digital marketing assets. Blue Cross of Idaho name/logo will be included on all Event Center social media pages and website.
			6. Parking. Blue Cross of Idaho will receive 4 reserved/preferred VIP parking spaces

Gazdik asked if the completion date listed, October 1, 2022, in 2.6.1 created a problem. Spear said the clause provides a 12-month window of flexibility.

Nitschke had a question on page numbering and requested this be modified. Gazdik said this can easily be changed.

Vucovich moved to accept the Blue Cross contract. Nitschke seconded. Motion passed.

1. **Discussion Items** - Executive Director Report
	1. Fundraising/Financing Update. Spear said the Mezzanine naming right prospect has changed. Carpenter asked if the value of the Mezzanine could be increased. Spear said the current offering does build in a price escalator. Gazdik asked if there are many naming opportunities still available. Spear said naming rights are available for suites, loge boxes, and 43 person suites. Also, the parking lot, sections of seating, the concession area and medical room are still available. Spear then briefed the Board on a 23-person suite negotiation and the request by the donor to utilize the conference space as a benefit. It was decided consistency was important and that any additional benefits involving the conference space would need to be provided to all 23-person suite holders. After much discussion it was decided that Spear would work with the entity to find a fair solution and possibly providing this benefit to all 23-person suite holders.
	2. State Tax Commission Reports. Nothing to report.
	3. Construction Update – Spear said the canal easement issue appears to have been resolved with only 1 or 2 light pole bases having to be moved. Spear then asked Blake Davis to provide a construction update. Davis said the brick issue has been resolved and that there was not much else to report at this time.
	4. Action Items
		1. Continue to plan for pre-opening services.
		2. Provide Board update on establishment of IFAD Foundation
2. **Discussion Item** - Legal Report. Fuller did not have any updates.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on June 8, 2021**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for June 8, 2021 meeting

It was decided that the June 8 meeting would be face-to-face in the IFAD Office with a Zoom link provided.

* + - 1. FF&E Financing
			2. Nations Amendment

**Meeting adjourned at 8:32 AM**