

**Board of Directors Business Meeting**

**Tuesday, June 8, 2021, 7:00 a.m.**

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

<https://zoom.us/j/98188537907?pwd=UGoxODVhQ1dqZUt2S3ZQc1VqRnZ2dz09>

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

**Attendees: In person: Bob Nitschke, Steve Vucovich, Ron Warnecke, Rob Spear, Mark Fuller, Via Zoom: Mike Carpenter, Dana Briggs, Rebecca Casper, Blake Davis, Kevin Greene, Chad Hammond, Kathy Wheadon**

**Agenda**

1. **Action Item** – Vice Chair Steve Vucovich called the meeting to order at 7:01 AM.
2. Action Item – Accept Agenda – Carpenter moved to accept the agenda. Warnecke seconded. Motion Passed.
3. **Action Item** - Accept the Consent Agenda
	1. Meeting Minutes – 5-25-21 – Spear indicated changes from Fuller and Nitschke were incorporated.
	2. Review of the Payable/Financials. Spear said the $13,865.07 payment to Alliance Title was due to additional work performed and indicated that Laura Lewis absorbed 60% of the extra cost. Fuller said the additional work was related to a billboard that was on the site and an old lease that was cancelled. Fuller said these are not unusual expenses and that Alliance spent considerable time in this effort. Spear indicated the Nation’s Group payment was for services performed for March and April. The payable total was for $98,199.12. Spear reviewed the financial statements for April and noted this would be the last time that IFAD would show a large balance in the LGIP because of the transfer to the construction fund. Spear said the tax receipts for April were $167K which was 106% of April 2019. Spear said he had a recent conversation with a local hotelier who said the Average Daily Rates (ADR) continue to climb and summer bookings are strong. Spear said the hotelier explained that the current government per diem established by the General Services Administration (GSA) is around $97 per night because Idaho Falls is not identified as a seasonal location. This is in contrast to Sun Valley, Coeur d’Alene DA and downtown Boise who successfully propositioned the GSA to conduct an audit and change the designation of those sites to seasonal. The result is the GSA increased the per diem to around $134 per night. This hotelier would like to see Idaho Falls designated as seasonal. Warnecke moved to accept consent agenda. Nitschke 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. **Action Item –** Discuss and approve modifying the 43-person suites and dividing into two separate suites in order to meet demand. Spear presented the Board some background on the possibility of dividing the 43 person suites into two separate suites. Spear showed a drawing provided by Jon Williams of Perkins Will that shows how a permanent wall could be placed in between the suites to create one 16-person suite and one 23-person suite. Spear indicated that Williams thought this could be easily done for a reasonable cost because there are already 2 separate doors, 2 sinks and 2 refrigerators in the design. Spear asked Kevin Green to comment. Greene stated that he was supportive of splitting the suites and expected that there would still be two suites available to rent on a nightly basis. Spear said the next step, if the Board approves, is to determine what the cost would be to divide the suites. Vucovich suggested getting a cost for a collapsible wall along with a cost for a permanent wall. Spear said one negative with a collapsible wall is that this could create difficulty in selling the suite to a customer.

Carpenter asked about the cost of the 43-person suite. Spear explained that there is no cost assigned to the 43-person suites because those were always intended to be sold on a nightly basis. Spear explained the suite license cost is $100K and the annual costs that include hockey tickets are $35K for a 23-person suite and $25K for a 13-14-person suite. Spear said in discussions with Greene, if the splitting of the 43-person suite results in a 16-person suite, the annual cost for a 16-person suite should be $28K.

Carpenter asked if we need to keep a 43-person suite. Spear and Greene said that there will be some events where a 43-person suite would be beneficial. However, by splitting the suites, this allows more local companies to participate and will generate more revenues to the project. Greene cited the example at Melaleuca field where there is a 20-person suite available for nightly rent and that no one has ever questioned the size or declined renting because it wasn’t large enough.

Warnecke asked in lieu of a retractable wall if there could be a partition placed on just the upper level that could be opened up to adjoin the two suites. Spear stated this could be looked at but could impact the ability to sell the suite because people want their own suite.

Greene thought there could be a lockable door placed on the upper level between the suites which could provide more flexibility.

Nitschke asked where the 43-person suites came from and if there was a reason and demand for this size of suite. Spear said this was part of the original design completed by Perkins Will. Spear asked Wheadon to comment and Wheadon explained splitting the suite should be straight forward. Spear said he would work with contractors to get options and then bring back to the board.

Nitschke moved to pursue the design for splitting suites and bring back options to the Board. Carpenter seconded. Motion passed.

1. **Action Item –** Approve Nations Group contract amendment for Owner’s Representative services. Spear provided the Board the original contract and the amendment. The amendment will run from May 2021 through September of 2022. Spear explained the Nations contract was paused due to COVID and this is revising the dates for the new construction period. Spear also said the Owner’s Rep is a requirement of the investor. Fuller said he was pleased the Board had the Owner’s Rep in place during the finance closing process and stated that Nations has been very helpful throughout the process. Fuller said now is the time where Nations can really perform the work of an Owner’s Rep and should be providing monthly reports.

Vucovich stated that since the Owner’s Rep is required, it doesn’t make sense to find another Owner’s Rep at this time. Nitschke wanted confirmation that the Nations Group would be onsite. Spear said David Cress of the Nations Group is physically onsite for every OAC meeting.

Vucovich made the motion to approve the Nations amendment. Warnecke seconded. Motion passed.

**Report and Updates**

1. **Discussion Item** - Executive Director Report
	1. Fundraising/Financing Update. Spear said fundraising is proceeding well and he is anxious to close some of the outstanding proposals. Spear said negotiations with a potential malt beverage company continue but the parties are far apart. Spear said additional discussions will take place with another malt beverage provider. Spear told the Board he would present to the Board a new cash flow analysis that details the inflow of the sponsorship/donation dollars and that if all the pending gifts can be closed the long-term cash flow for the district is promising. This projected cash flow should cover FF&E costs. Vucovich asked about Bonham Wills (BW) performance. Spear said he was disappointed up to this point but is hopeful they will prove their worth and secure a malt beverage contract.

Nitschke also expressed concern with Bonham Wills and asked if we should continue with their services. Nitschke asked for Tom Wills to be on the agenda for the next meeting.

Warnecke asked if there was the ability to restructure the agreement with BW and provide more incentive. This was briefly discussed but the Board felt this shouldn’t be pursued at this time.

* 1. State Tax Commission Reports. Information was provided under financial reporting.
	2. Construction Update. Spear said there was an OAC meeting today, 6-8-21, and he would have more to report after the meeting. Wheadon said that from CRSA’s perspective, things were going smoothly. Davis said that all the footings should be completed this week and said they are preparing for the tilt panels to be poured.

Carpenter asked about the status of the brick order. Davis said he thought this was in good shape. Spear said there is a four-week delay and that this has not increased. Davis said things were switched with the pre-cast installation and that this should help the schedule moving forward.

Warnecke asked about the overall schedule and Davis said other than the brick order everything was proceeding as planned. Davis said they have not seen any recent major material issues. Warnecke also asked about the light pole easement issue. Davis and Wheadon said it was down to four poles, but they had nothing else to report. Spear said he would report back on this issue in his weekly Executive Director report.

Vucovich asked Hammond about a webcam being installed at the site in order to see progress and whether the webcam could be linked to the website. Spear said he would discuss at the OAC meeting. Hammond said he would contact SRL to see what they have available. Hammond said he would develop a marketing plan to be distributed soon. Carpenter said we must not lose sight of the progress and the marketing involved. Carpenter suggested this be an agenda item for future Board meetings. Davis said someone sent him a drone flyover of the site and that may be better than a webcam. Hammond said he also has drones that could be used. Spear mentioned that Mike Clements suggested profiling a subcontractor as construction progresses.

* 1. Action Items
		1. Pursue costs for splitting suites
		2. Report back to Board on construction progress
1. **Discussion Item** - Legal Report. Fuller had nothing to report.

 C**alendar and Announcements**

1. Upcoming IFAD Meeting – **Next Meeting on June 22, 2021**
2. **Discussion Item** - Announcements and Minor Questions
3. **Discussion Item** - Agenda Items for June 22, 2021, meeting
	1. Tom Wills of Bonham Wills
	2. FFE Plan
	3. Marketing of Project
	4. Executive Session to discuss Executive Director performance

Meeting adjourned 7:57 AM