

IEC HOTEL CORPORATION
BOARD OF DIRECTORS MEETING
MINUTES OF February 3, 2016 MEETING

The Board of Directors of the IEC Hotel Corporation met on Wednesday, February 3, 2016 at the Polk County Administration Building in room 120. The meeting was called to order at 1:31 PM by President, Gerard D. Neugent. Also present were:

Susan Voss, Allen McKinley, Cynthia Eisenhauer, Gerard D. Neugent, and Grant Friesth. Mike Galloway and Adam Kaduce were absent.

Also in attendance were: Mark Wandro and Sarah Boese, Polk County; Jim McCulloh, DSM; Tim Oswald, Piper Jaffray; Matt Anderson and Erin Olson Douglas, City of Des Moines; Wayne Reames, Belin McCormick Attorneys at Law; Kent Darr, The Business Record; Timothy Meinch, The Des Moines Register; Davis Sanders, RDG; Tom Hockensmith and John Mauro, Polk County Supervisors; Gene Myer, the Greater Des Moines Partnership; Eric Boehlert, Ahlers & Cooney.

Minutes from the December 9, 2015 meeting were approved.

Hotel Presentation on Design, Scope, Schedule and Budget

Jim McCulloh informed the Board that they are 50% complete with design/development and the construction documents will be done in the coming weeks. The initial hotel was proposed to be 283,000 square feet but after incorporating Hilton standards it is now 311,000 square feet. Demolition will be complete in March with construction beginning immediately. Substantial completion is schedule for the winter of 17/18. Because of the increase in square footage the budget is currently 10% over. The total cost for design, construction, furnishings/fixtures, and financing of the construction phase is \$101 million.

Financing

Mark Wandro clarified that the estimate of \$101 million is for construction only. The total cost of the project is approximately \$117 million. He informed the Board that in-lieu of EB-5 financing the Polk County Board of Supervisors have approved a \$27 million guarantee to Banker's Trust during construction and a loan not to exceed \$29 million for the acquisition.

Tim Oswald directed the Board's attention to the handouts *Polk County Discussion 2016-01-26 and Borrowings, Amounts, Source of Repayment* for an explanation of the financing.

Agreements

Wayne Reames discussed the many agreements that need to be executed in order to complete the construction, financing and acquisition of the hotel. He reported that the documents are 95% complete and anticipates that they will be ready for Board approval next month.

Other Business

None

The next meeting has not been scheduled yet.

Gerard D. Neugent adjourned the meeting at 1:59 PM.

Meeting adjourned 2:15 pm
Minutes submitted by S. Boese, Board of Supervisors Office
(audio recording on file in Board of Supervisors Office)