

**FREQUENTLY ASKED QUESTIONS REGARDING  
THE HAILEY ICE DONOR, HAILEY ICE LEASE AND GENERAL OPERATIONS**

**1. At the recent City Council Meeting, \$1.4 million was added to the overall cost of the ice rink. Where is that money coming from?**

Hailey Ice, Inc, has been in conversations with a magnanimous donor who is committed to completing the ice rink facility. The donor requested the improvements in order to make the facility better, and has promised to pay for them. The improvements create a venue for year-round activities and programs within the facility consisting of ice skating activities and summer sports camps.

**2. How can the costs of the facility still be changing at this late date?**

The donor came late in the process, after the plans were substantially complete. The additional elements and costs were added to the ice rink facility at the donor's request. The original ice rink plan was a basic facility, mindful that it was to be built with public funds. The donor requested improvements, and offered to pay for them, in order to make the facility first-rate and year-round.

**3. What happens if the donor does not fulfill the pledge?**

In December, 2009, the Mayor and City Council committed to seek funding for one half of the project costs if volunteers could secure donations for the other half. As promised, the City is seeking approval for \$3.5 million dollars, and with the many donations, volunteers would have raised more than the remaining one half needed for the project. If sufficient funds are not raised for the project, even after a successful bond election, fundraising will continue until enough funds are raised. The city will not borrow the funds as authorized by the voters until fundraising is fully successful.

**4. Who will oversee the costs of the project?**

Hailey Ice is a private nonprofit corporation, and will construct the ice rink facility with their funds. Hailey Ice intends to use Power Engineers, a local company, for project management. Every effort will be made to use local contractors in all facets of construction. Power Engineers has vast national and international experience in large and complicated projects. The local architectural firm hired for the design of the project, Ruscitto/Latham/Blanton (RLB), will be assisting in overseeing the construction to ensure that the project meets specifications. Ruscitto/Latham/ Blanton has extensive experience in large projects, such as River Run Lodge, Warms Springs Lodge, the Sun Valley Pavilion, Carol's Dollar Mountain Lodge, Golf Clubhouse, and many more. This project will benefit from the experience of these local companies.

The rest of the improvements will be built as a public works project and managed by the City Public Works Director. With the number of School District projects completed and planned with the new levy funds, more local contractors have public works licenses and will be able

to submit bids for this project. There will be many opportunities for local subcontractors to bid on the many components of the project, such as plumbing, electrical, HVAC, utilities and landscaping.

**5. Are the estimates accurate? What happens if costs increase? Where will that money come from? Will the entire facility still be built if costs increase?**

The construction estimates were completed by Ruscitto/Latham/Blanton. We will not spend money we don't have. The project is planned in phases. We will only proceed with each phase as we have the money. Once a bid is submitted, the costs are set. Extras are always a possibility with any construction project, but there will be a process to approve any extras which will require monies to be available before any extra is approved.

**6. How were the long-term costs estimated for operation and maintenance of the entire park? A Proposed Operating Budget posted on the city's website is for the park elements excluding the Ice Facility and is estimated at \$32,000 annually. Will that budget extend into the future?**

Good question. Hailey's Comprehensive Plan and Parks Master Plan emphasize parks and facilities that are designed and built for low maintenance and operations costs. The city has chosen durable materials that will not require annual maintenance. User and event fee revenues are estimated at \$32,000 annually. Facility fees are structured to cover maintenance and operation costs, making the arena and interpretive centers self-sustaining assets. Should the number of events increase, the arena could provide a recreational revenue stream for the city.

**7. What about the Ice Facility? Why are its operation costs not included in the city's estimates?**

The donor has also pledged to fund maintenance and operations of the ice rink facility for several years. Hailey Ice will lease the rink facility from the city, and a generous endowment will cover operating and management costs and year-round recreational programming. Management and operations of the rink will be overseen by a board made up of representatives from Hailey Ice, the city, and the donor. A long term lease has been drafted which requires the tenant, Hailey Ice, to pay for all utilities, insurance, operating and maintenance costs of the Ice Facility. That lease had its first public review at the City Council Meeting on May 10<sup>th</sup>, and is attached.