

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
BOARD RETREAT
October 21, 2022

A. CALL TO ORDER/DETERMINATION OF QUORUM

The meeting of the Lynnwood Public Facilities District was called to order at 9:00 A.m. by Board Chair Rosario Reyes. The meeting took place both in person and electronically. A conference call number was published in the agenda to enable public participation. Quorum was confirmed.

Board Members Present

Rosario Reyes, Chair
Taylor Nordby, Vice-Chair
Michelle Meyer, Treasurer (ex-officio)
Wally Webster II
Mike Miller

Staff/Others Present

Janet Pope, PFD Executive Director
Josh Cain, Director of Finance
Nancy Lambert, Business Administrator
Matt Hendricks, Lynnwood PFD Attorney
David Kleitsch, City of Lynnwood
Matt Do, JLL
Dan Fenton, JLL
Greg Whitney, JLL
Julieta Altamirano-Crosby
Erin Jepson, General Manager, OVG
Mary Kae Repp, Genesis Marketing
Chris Collier, Snohomish CO Housing Authority
Kevin Baker, Dir of Operations, LCC

B. APPROVAL OF AGENDA

Board Member Miller moved, seconded by Board Member Norby to approve the agenda as presented. Motion passed, unanimously.

C. ANNOUNCEMENTS & COMMUNICATIONS

ED Pope thanked everyone for coming together and for having so many in the same room. There are several issues with critical deadlines that needed approval for the day.

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D. SHARING FOR THE DAY

ED Pope proposed an activity for the meeting. She asked the Board members and staff to share who was a mentor for them or what life experience helped prepare them for being part of this Board. ED Pope started by sharing her experiences, the other staff and members generously shared their experiences.

E. BRANDING

ED Pope introduced Mary Kae Repp from Genesis Marketing. Ms. Repp read the position statements, slogan/taglines, vision, mission, and hashtags for the new branding for the PFD titled The District. The legal name will not change. Ms. Repp shared the new LPFD logo; the Heart sculpture was the inspiration for the colors and values. Next the LCC branding was presented. Changing the name to the Lynnwood Event Center is a way of expanding the view of what the venue will offer. Board Member Miller moved, seconded by Board Member Nordby to approve the branding as presented. Motion passed, unanimously.

F. HOUSING DEMAND IN SNOHOMISH COUNTY

ED Pope explained the huge need for appropriate housing in the city and that it is important for the LPFD project because including housing will help pay for the new development, in addition to meeting community needs. She introduced Chris Collier who reviewed the Snohomish County housing data. . Some of the data shown was how many houses were created each year from 2000 to 2022. By 2016 there was no longer a surplus and prices are much higher.

G. MASTER PLANNING

ED Pope reminded the members that the master plan is still being adjusted but the presentation will show the current planned design. She noted that the board does not need to vote but needs to approve the current status for the communication and planning with the community to continue. , She introduced Matt Do from JLL in charge of capital finance. Mr. Do explained the initial design work is done and they are looking more directly at everything through a financial perspective. The remainder of the year will be looking at cost, providing deeper assumptions, and strategizing. At this time five funding options are being looked at- joint venture, concession P3, ground lease, and disposition.

Dan Fenton reviewed the building orientation, flexibility of indoor/outdoor space, and a potential flat floor/tired automated floor in one event space. Still in review are creating view spaces, loading area needs, and height restrictions. The tipping point is now, determining what makes sense including the financing and being consistent with the city plan. Greg Whitney presented the rest of the property including the housing, parking and hotel amenities planned.

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Chair Reyes asked that members confirm that the Master Plan is headed on the right track and gave approval to continue. She also gave a huge thank you to the JLL staff for their incredible work.

H. SUSTAINABILITY AT THE LCC

ED Pope shared that the quarterly all staff meeting include a wonderful discussion on sustainability that should be shared with the board. She then introduced the LCC Director of Operations, Kevin Baker. He shared some of the ongoing projects to ensure sustainability by reducing waste, buying locally sourced food and wine, and using compostable/reusable service ware. They are looking at industry standards and accreditations. When looking at the future, their wish list includes offering more local foods, linen less tables, and growing food onsite.

I. CONSENT AGENDA

Moved to November board meeting.

J. KPI DASHBOARD

Moved to the November board meeting.

K. TENANT LEASE RENEWALS

ED Pope reported that many tenant leases are about to be up. Timing of negotiating leases and sharing some the Master Plane details is becoming more urgent. Francesca Howard of JLL discussed a recapture clause that could be put in all lease renewals that we could recapture any property with notice upon construction. Tenants with a large amount of employees may need up to six months notice. The board agreed with this strategy.

L. BUDGET ASSUMPTIONS

DF Cain shared assumptions assuming construction is estimated to begin 2024. Expiring leases in 2023 will stay in place through end of year. Plaza Capital Expenditures will be reduced as we wait for construction. Master Plan predevelopment cost will increase. Snohomish County Hotel Motel Tax Revenue will be 100% of the Interlocal Agreement Schedule. The revenue assumptions - 2023 (Budget) \$4,671,332 and the 2022 (EST YE) is \$3,852,665. The LPFD Expense Assumptions - \$40k asphalt and curb repairs, seal coat, restriping, and \$30k new leases space preparation. There will be additional marketing expenses/labor cost, security for LCC and property. Staffing increases are projected at 8%. Convention Plaza Revenue assumptions, \$991,593 2023 (Budget) and 2022 (est. YE). Member Webster suggested that the board should have a finance committee.

M. ED/BOARD EVALUATION

The Lynnwood PFD Board's minutes are intended to be a reasonable summary of the Board's deliberations and actions. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.

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ED Pope reminded the members that they will receive her self-evaluation in email inboxes soon and she will forward the Board evaluation as well. Member Webster expressed that this board should have a finance committee

N. CITY USE DAYS

ED Pope reported that the city decided on a new policy that would allow the public to apply for the LCC city use days. This requires an update to the LPFD policy approved in 2012. This third party application has already had some challenges in practice in the first round. The new policy better defines the use of full day and half day usage. However there remain challenges regarding who is responsible for a loss if the third party has to cancel or does not pay other associated fees such as food and beverage costs not covered under the City Use policy. The Board determined that ED Pope should inform the City that there needs to be some risk protection for the LPFD in the event of nonpayment or cancellation.

O. LOOKING AHEAD

The November meeting will present the draft version of the budget as well as the items deferred in today's retreat.

P. ADJOURNMENT 3:08pm

Rosario Reyes

11 / 09 / 2022

Rosario Reyes, Chair Board Member