

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
April 3, 2018

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:00 p.m. by Board Chair George Sherwin at the Lynnwood Convention Center.

B. Board Members Present

George Sherwin, Chair
Andy Olsen, Vice Chair
Lynn Melby, Secretary
Wally Webster II
Rosario Reyes
Sonja Springer, Treasurer

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Joe Bennett, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Finance Director
Tracy Thornton, LCC Sales Director
Christy Murray, City of Lynnwood
Council Member Shirley Sutton

C. MINUTES

Board Member Olsen moved, seconded by Board Member Melby, to approve the March 6, 2018 minutes as presented. Motion passed, unanimously.

Board Member Olsen moved, seconded by Board Member Reyes, to approve the March 15, 2018 minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Melby moved, seconded by Board Member Olsen, to approve the Accounts Payable Report in the amount of \$273,434.41. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for February 2018. Net income for the month of February was \$121,890 (before depreciation), the budgeted net income was \$195,919.

The Convention Center required a subsidy for the second consecutive month. The subsidy in February was \$79,014. The subsidy year to date is \$187,556. The adopted budget projected a two-month deficit of \$63,501. Rent and F&B revenue were both lower in February than in recent years. The number of "last minute" bookings in February was lower than projected. The amount of such bookings was below budget in both January and February. March will be better than budget by about \$50,000. About \$120,00 of the revenue shortfall to date can be attributed to the loss of church business and to one large event that moved from January to September.

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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Net income for the month of January was \$30,991, which is \$16,632 less than budget. Revenue was equal to budget. Expenses were high because of a commission payment stemming from the new Kona Kitchen lease.

2. CONVENTION CENTER REPORT

GM Blayne provided an overview of business for the month of February:

- The LCC required a subsidy of \$79,014 for the month of February.
- February guest feedback surveys scored an average of 5.0 without parking. Food and Beverage scored a 4.5. Audio Visual scored a 3.9.
- For the month of February, the Convention Center generated an estimated 1,710 room nights and approximately \$1,581,364 in direct and indirect economic impact.

3. ECONOMIC IMPACT CALCULATION

The Economic Impact is the effect of an event on the economy both locally and globally and is measured by direct spend by the attendees as well as the subsequent spending of employees and services/vendors due to the business provided (indirect impact). Convention Centers and other event venues are most often recognized for the economic impact they bring to an area. This impact is usually much greater than the operational net income or loss. The business conducted by a convention center has far reaching impacts beyond their walls.

Currently, the Lynnwood Convention Center's economic impact calculations are based on 2009 data, when the last stud was done. With large changes in the economy since then, an updated study was performed. The results of the study were discussed at length with the Board.

G. EXECUTIVE DIRECTOR'S REPORT

Kona Kitchen has applied for a permit from the County Health Department. The City of Lynnwood requires the County permit before they will process a tenant improvement permit. The interior of the restaurant has been partially demolished.

Board Member Sherwin and ED Dull met with the project architect, the project's civil engineer, and the PFD's project manager on Thursday, March 22. The tentative schedule is to submit for the demo and grading permit on April 3 and to issue an Invitation to Bid in May.

H. EXECUTIVE SESSION

None

I. ADJOURN

The meeting adjourned at 7:33 pm.

George Sherwin, Board Chair