

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
May 14, 2019

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 5:00 p.m. by Board Chair George Sherwin at the Lynnwood Convention Center.

B. Board Members Present

George Sherwin, Chair
Wally Webster II, Vice Chair
Taylor Nordby, Secretary
Lynn Melby (via phone)
Rosario Reyes
Sonja Springer, Treasurer

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracy Thornton, LCC Sales Manager
David Kleitsch, City of Lynnwood
Council Member Ian Cotton

Guests

Dana Carlisle, GeoEngineers
Cris Watkins, GeoEngineers
Greg Mummy, GSG Group
Rob D 'Anjou, Technical Director - Cascade Thermal
Darla Smith, Services Manager - Cascade Thermal
Allen Smith, Division Manager - Cascade Thermal
Karl Almgren, City Center Manager
Andrew Ballard, Marketing Solutions

C. AGENDA

Board Member Reyes moved, seconded by Board Member Webster, to approve the Agenda as presented. Motion passed, unanimously.

D. MINUTES

Board Member Reyes moved, seconded by Board Member Nordby, to approve the April 2 and April 16, 2019 minutes as presented. Motion passed, unanimously.

E. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

F. CONSENT AGENDA

Board Member Melby moved, seconded by Board Member Webster, to approve the Accounts Payable Report in the amount of \$556,559.46. Motion passed, unanimously.

G. BUSINESS ITEMS

1. DRY CLEANER REMEDIATION USING THERMAL TECHNIQUES

The PFD intends to begin the process of removing dry cleaning contamination in 2020. The first part of that process is to select a remediation technique. On April 2, Geoengineers introduced three cleanup options, one of which was thermal treatment. Allen Swift and Rob

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D'Anjou from Cascade Thermal made a presentation to the Board and explained how thermal treatments could apply to the PFD's dry cleaner contamination.

2. TASK FORCE REPORT

The Task Force concluded its work on May 8th. The Task Force met on six successive Wednesday evenings. Task Force members were appointed by both the PFD and the City of Lynnwood. Andrew Ballard, Marketing Solutions, was hired by the PFD to facilitate the meetings. He presented the results from the meetings and discussed the final report with the Board.

The Board agreed that a special meeting would be needed to further discuss the Task Force Report. The Board suggested that LMN conduct some conceptual work prior to the special meeting and that the meeting occur between June 18 and the Fourth of July weekend.

3. FIRST QUARTER PFD FINANCIAL STATEMENTS

FA Powell provided an overview of the first quarter financial statements:

- LCC had a net income of \$12,723, which is \$304 more than budget.
- LCC generated an estimated 7,706 hotel room nights and \$7.9 million in direct and indirect economic impact for the first quarter of 2019.
- Convention Plaza lease revenue is running 1% less than budget and CAM expenses are running 14% more than budget.
- Sales tax received in April for sales in February decreased 3.1% from STLY.

4. FIRST QUARTER CONVENTION CENTER

GM Blayne provided an overview of business for the first quarter of 2019:

- The LCC had a net income of \$12,723 for the first quarter compared to a budget of \$12,379.
- First quarter guest feedback surveys scored an average of 4.8 without parking. Food and Beverage Quality scored a 4.8. Audio Visual scored a 4.6.
- As of April 2019, the sales team has generated over \$1.35 million in future sales activity for the first quarter. During the same time period in 2018, the sales team generated over \$1.03 million in future sales activity. Future sales pace is strong.

5. LONG RANGE PLANNING

ED Dull presented a Gantt Chart of task force and site remediation timelines as requested in the prior meeting. The Board discussed the chart and planning for the future. In 2010, at the request of the PFD Board, CBRE prepared a hotel market study and appraisal of the market value of the underlying property. There was discussion with the Board about updating the study.

H. EXECUTIVE DIRECTOR'S REPORT

Uncertainty over 194th and over a "pedestrian corridor" are major issues that have contributed to the demise of hotel development initiatives in the past. The PFD worked with Zervas Architects in 2011 to analyze the impact of 194th on PFD property. The result: loss of 267

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parking stalls, loss of 19% of PFD property, and effective loss of the ability to lease the Chuck E. Cheese building.

The PFD objected to 194th in 2010 and 2011 when the Planning Commission adopted the City Center plan in 2011. The PFD Board and ED Dull testified at several Planning Commission hearings to no avail. The extension of 194th is now ranked 4th on the City's 2019 – 2024 Transportation Improvement Program. Funding has not been identified and no real work on the project has begun.

The City Center Plan continues to show a Pedestrian Promenade crossing 196th halfway between 37th and 40th and then running up the west side of PFD property to 194th. The minimum width of the Pedestrian Promenade is 16 feet.

I. COMMENTS FROM COUNCIL MEMBER COTTON

None

J. COMMENTS FROM DIRECTOR DAVID KLEITSCH

Karl Almgren updated the Board on different projects going on within the City Center.

K. OLD BUSINESS/NEW BUSINESS

None

L. EXECUTIVE SESSION

The Board went into Executive Session at 7:48 pm for 5 minutes as authorized by RCW42.30.110(1) (b) to discuss real estate matters. At 7:53 pm, the Board came out of Executive Session. No action was taken.

ADJOURN

Meeting adjourned at 7:53 pm.

George Sherwin, Chair Board Member