

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
January 6, 2015

A. CALL TO ORDER

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

B. Board Members Present

George Sherwin (via phone)
Bob Fuller, Board Chair pro tem
Andy Olsen, Secretary (excused absence)
Mike Echelbarger
Lynn Melby

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Angie Mykel, LCC General Manager
Tracey Morrison, LCC Director of Finance
Bruce Collier, LCC Director of Events and F & B
Sara Blayne, LCC Director of Sales & Marketing
David Kleitsch, City of Lynnwood
Councilmember Ian Cotton, City of Lynnwood

Guests

Jeff Graham, Jones Lang LaSalle
Stephanie Hardin, Jones Lang LaSalle
Janiene Lambert, City of Lynnwood

C. MINUTES

Board Member Echelbarger moved, seconded by Board Member Melby, to approve the December 9, 2014 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Sherwin moved, seconded by Board Member Echelbarger, to approve the Accounts Payable Report in the amount of \$66,118.00. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for November 2014.

Sales tax revenue received in late December reflects retail sales in the City of Lynnwood during the month of October 2014. Sales tax receipts generated within the City of Lynnwood were up 2.9% from a year ago. Year to date, sales tax revenue is now up 1.3% from a year ago.

The Convention Center had another very good month. Attendance for the month was 9,433. There were 1,224 hotel room nights generated by business in the facility during the month.

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All but one tenant paid rent for the month of December in a timely manner. Verdant has extended their lease through January 2015.

The PFD made its second annual debt payment in late November. With this payment, the PFD has paid off the 2004 Sales Tax Series A (taxable) bonds, which were issued to pay for the retail areas in the shopping center. All of the PFD's outstanding debt (2004 Series B and 2005 Revenue Bonds) was issued to pay for the cost of the Convention Center property and the original construction cost of the Convention Center.

Total project costs, at the end of the year, will be well under budget. Convention Center costs for upgrading digital signage and installing a server replacement are significantly less than budget. The Convention Center has decided against installing a truss system in the building in 2014. The budgets for the New Roof for Strip Mall and Demolition of Vet Building will also not be used in 2014.

2. CONVENTION CENTER REPORT

GM Mykel provided an overview of business for the month of November:

- Net income for November was \$52,360, which was \$25,488 better than budget.
- The average score for November customer comment cards was 4.8 out of 5 for all areas of service (excluding parking, food quality and food service). The average score for food quality was 4.7 out of 5 and 4.9 out of 5 for service quality.
- Convention Center events have generated an estimated \$24.2 million in direct and indirect economic impact and 15,339 hotel room nights YTD.
- YTD, our performance is strong. As we approach the end of 2014, we remain better than budget in Gross Income, COGS, and AGI. Indirect expenses remain under budget due to savings in wages and benefits.

G. EXECUTIVE DIRECTOR'S REPORT

The Snohomish County Lodging Tax Advisory Committee met on December 18th to review the PFD's bond refunding request. After some discussion, the Committee unanimously passed the following motion: "The LTAC recommends to the County Council that the Lynnwood PFD receive approval to refund bands for the purpose of reducing debt service."

The Washington State Joint Legislative Audit and Review Committee (JLARC) are working on a multi-year project to review all tax preferences provided in state law. The Committee is looking at the Leasehold Excise Tax for PFDs in 2015. Committee staff has asked for the total dollar amount of lease revenue for the years 2012, 2013 and 2014. JLARC's investigation into LET tax preference for PFDs could carry quite a bit of weight.

H. OLD BUSINESS/NEW BUSINESS

David Kleitsch, Economic Development Director for the City of Lynnwood, introduced Jeff Graham and Stephanie Harden from Jones Lang LaSalle to the Board. Jones Lang LaSalle are consultants the City has hired to help with the vision of Lynnwood's City Center. The City is hoping to mesh the PFD's project and the City's work in a collaborative way.

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I. EXECUTIVE SESSION

The Board went into Executive Session at 7:12pm for 30 minutes as authorized by RCW42.30.110(1) (c) to discuss real estate matters. At 7:42pm, the Board came out to extend for 15 minutes. At 7:57pm, the Board came out to extend for 10 minutes. The Board came out of Executive Session at 8:07pm. No action was taken.

J. ADJOURN

The meeting adjourned at 8:08pm.

George Sherwin, Chairman