

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
November 3, 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, Chair (via phone)
Bob Fuller, Vice Chair
Andy Olsen, Secretary
Mike Echelbarger
Lynn Melby
Sonja Springer (ex-Officio)

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Director of Finance
David Kleitsch, City of Lynnwood
Councilmember Ruth Ross, City of Lynnwood

Guests

Dick Beresford, Beresford Booth PLLC

C. MINUTES

Board Member Echelbarger moved, seconded by Board Member Melby, to approve the October 6, 2015 Board Meeting Minutes as corrected. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Echelbarger moved, seconded by Board Member Melby, to approve the Accounts Payable Report in the amount of \$500,179.27. Motion passed, unanimously.

F. EXECUTIVE SESSION

The Board went into Executive Session at 6:04 pm for 20 minutes as authorized by RCW 42.30.110(1)(b) to discuss real estate matters. The Board came out of Executive Session at 6:24 pm to extend the session for 10 minutes. The Board came out of Executive Session at 6:34 pm. No action was taken.

G. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for September 2015.

Sales tax revenue received in late October reflects retail sales in the City of Lynnwood during the month of August, 2015. Sales tax receipts generated within the City were up 7.6% from a year ago. Year to date, sales tax revenue is now up 7.9% from a year ago.

The Convention Center had a very good September. While the budget projected a subsidy of \$33,850, net income for September was \$31,518. Attendance for the month was

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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8,500. There were approximately 810 hotel room nights generated by business in the facility during the month.

One major tenant remains several months in arrears. Net income for the first nine months is \$376,642, which is \$25,882 better than budget. CAM expenses are less than budget, due to the timing of storm-water maintenance.

PFD office expenses for the first nine months were \$275,569, which is \$29,402 less than budget.

2. CONVENTION CENTER REPORT

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

- Net income for September was \$31,518, which was \$65,368 better than budget.
- September guest feedback surveys scored an average of 4.9 without Food and Beverage or Parking. Food and Beverage scored a 4.8. Guest surveys had a return rate of 24%. (7/29)
- For the month of September, the Convention Center generated an estimated 810 room nights and approximately \$1.2 million in direct and indirect economic impact.
- September 2015 saw fewer events over last year but more than budget. The increase over budget is due to a higher number of conventions and meetings. The higher revenue over last year and budget can be attributed to the continued trend of higher food and beverage sales and the associated administrative charge.

3. 2016 BUDGET

2016 Budget notebooks were distributed to the Board and staff during the October Board Meeting. ED Dull and GM Blayne presented to the Board an overview of 2016 Budget and went through the Capital Projects proposed in detail.

4. RENTAL RATE ADJUSTMENT

GM Blayne requested the Board to approve modifications to the current rate structure for the LCC. The recommended modifications to the current rate structure are market adjustments designed to maintain the competitive positioning of the LCC. The last time the LCC modified its rate structure was September 2013.

A motion was made by Board Member Echelbarger to approve the Convention Center rate adjustments as presented. Seconded by Board Member Melby. Motion passed, unanimously.

5. CONSTRUCTION PROJECT MANAGER AND PLANNING SERVICES CONTRACT

ED Dull and the Real Estate Committee recommend that the PFD retain a construction project manager to oversee future development of the PFD property and a planning consultant to assist in the negotiation of a development agreement with the City of Lynnwood. A motion was made by Board Member Echelbarger to authorize the Executive Director to execute a

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contact management agreement with DSA Construction Management LLC and to execute a consulting agreement with Brent Planning Solutions. Seconded by Board Member Olsen, motion passed unanimously.

6. 2016 BOARD MEETING CALENDAR

The Board reviewed proposed meeting dates. Motion made by Board Member Echelbarger, seconded by Board Member Melby, to approve the 2016 PFD Board Meeting dates as presented. Motion passed, unanimously.

H. EXECUTIVE DIRECTOR'S REPORT

The City has commented on the PFD's permit request to remodel the Silver Platters Building. Freiheit & Ho, the PFD's on-call architect, is revising the application accordingly. ED Dull expects a permit in November and Freiheit & Ho is working on bid documents.

The PFD has received an "Early Notice Letter" from the Department of Ecology dated September 30, 2015. The letter comes in response to information the PFD has sent to Ecology in the past and is not expected. The letter states that Ecology plans to add our site to the list of known or suspected contaminated sited. The letter also encourages the PFD to enroll in the Voluntary Cleanup Program.

I. OLD BUSINESS/NEW BUSINESS

None

J. ADJOURN

The meeting adjourned at 7:36 pm.

George Sherwin, Chairman