

SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT  
PUBLIC FACILITY DISTRICT MEETING MINUTES  
SNOHOMISH COUNTY ADMINISTRATION WEST,  
3rd Floor, WILLIS TUCKER ROOM 3A00

April 16, 2009

3:00 P.M.

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**Board:**

Debbie Emge, District #5  
Janice Greene, District #2  
Travis Snider, District #4  
Eric Nelson, District #3  
Boyd McPherson, District #1

**Interested Parties:**

Kim Bedier, Comcast Arena at Everett Events Ctr  
Dave Waggoner, Future of Flight  
Grant Dull, Lynnwood PFD  
Joe McIalwain, Edmonds PFD

**Staff:**

Roger Neumaier, Finance Department  
Carmen Foss, Department of Public Works  
Doug Ferguson, PFD Attorney

**Call to Order:** Travis Snider called the meeting to order at 3:03 PM.

**Public Comment**

No public comments.

**Approval Items**

Debbie Emge moved to accept the January 15, 2009 meeting minutes. Eric Nelson seconded the motion and it passed unanimously.

After review of the vouchers, Boyd McPherson moved to approve the vouchers for January, February and March, 2009 in the amount of \$420,070.33. Debbie Emge seconded the motion and it passed unanimously.

**Update on Second Allocation Contracts**

Roger reported that checks for 80% of the Second Allocation Contracts will be mailed out in May and checks for the remaining 20% will be sent out in November.

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**PFD Website Updates**

Carmen Foss has been working on updating the PFD Website and asked the Board and Projects to review her work and give her any feedback they have, is anything missing, is there anything else that could be added, etc.

- There are links to the PFD websites
- Grant requested that the documents that originally established the board and facilities be posted there. Carmen asked Grant to please contact her to work this out and to also provide any other feedback that he may have.
- Travis suggested that we take a new picture of the board at the next meeting to post on the website, please be prepared.

**Project Financial Updates**

EDMONDS PFD – Joe McIalwain

- Fall was tough, lower attendance was impacted by the weather as well as the economy
- Projecting 55-60% attendance in the fall we saw only 36%
- Spring is looking much better with attendance up to 61% over the last 15 shows
- Presentations are selling 50% or better with three sell-outs already in the books
- They did 36 presentations of their own last year, they are planning to reduce that to 20 presentations this year
- Booking presentations with bigger name artists that are more recognizable
- People seem to be staying closer to home for their entertainment which is currently boosting attendance
- Ticket sales have been strong and shows that haven't sold tickets have been cancelled
- Have 10 shows booked for next season – trying to get to 20
- The Center Stage Season Announcement and Sponsorship event is coming up on May 20<sup>th</sup> at 6PM
- Federal Appropriation pending in the amount of \$150,000 for upgrades to the back of house area.
- 2008 Arts Crush Auction – net revenue down 40% from the year before
- This year, other auctions are doing well – this sounds good for this year's Arts Crush Auction (November) – Kim Bedier suggested that the other projects send items to support this fund raising effort and that they should all be helping each other where they can
- Part of the Federal Appropriation will go toward fixing up a large class/event room that was unusable due to fire code issues that have been resolved, it should rent well
- Partnerships:
  - Zing go the Strings – a partnership with Townhall Seattle and Edmonds Arts Commission was very successful,
  - Puppet Theater with Scriber Lake Elementary,
  - Workshop with EdCC Theater Students went well
- Generating new connections: Joe and Beth, Marketing Manager are serving on new boards which is expanding their exposure

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- Jeff, Operations Manager, got a full scholarship to attend a series of classes at IAA Public Facilities Management School
  - Washington Cultural Congress – 3-day congress for arts organizations across the state
  - They have had to cut one staff member and all staff are taking 20 furlough days, with the exception of the Operations Manager – they expect to cover his furlough days with some of the Administrative funds in the appropriation
  - Fund raising is doing well so far this year – a couple of large gifts have helped

Travis asked, “With the reserves depleted, how are they doing with the 2009 budget?”

Joe distributed a budget handout and responded that -

Ticket sales are expected to meet budget projections,  
Rental revenues are on track to meet budget, and  
Contributions and sponsorships need to hit the mark, largely dependent on the sponsorship event – this is where they really need to work

Note about the budget, Contributions are listed under Other Revenue for Edmonds

#### EVERETT PFD – Kim Bedier

- December turned out to be one of their best months of the year. They struggled in the fall due to several factors but when the Boeing strike was over, things picked back up
- Reduced a position in the Conference side, it is a hard thing to do but it was necessary in these times. Other areas have part-time hours that can be cut before losing full-time positions
- Budget results through February look good, events and ticket sales are good but they are not selling until the last minute
- The Silvertips were knocked out of the playoffs early, this puts them \$20,000 behind budget otherwise the year seems to be on track
- Kim distributed copies of their up-to-date financials and their Annual Report for 2008 – these documents are available on their website
- Upcoming events include: Tony and Tina’s Wedding a dinner theater experience, Il Divo Dinner package, Elmo’s Green Thumb and the Lippizan Stallions
- Really strong on the family shows – ticket prices are right
- Each of the projects should submit something for the Arts Auction

Travis asked how they are planning to meet their 2009 budget?

- They budgeted similar to 2008 and they are cutting discretionary spending wherever they can
- Hope to do one of the first solar projects in Snohomish County, the goal is to run the marquee off of solar energy
- The Home Show is this weekend, home shows are doing better than ever because people are fixing up their homes rather than moving – expect to do really well

Roger commended both Joe and Kim on the caliber of their presentations.

Grant asked if the Conference Center is included in the financials for the Everett. Kim confirmed that it is.

#### FUTURE OF FLIGHT PFD – Dave Waggoner (Paine Field)

- 1<sup>st</sup> part of 2008 was great, then Boeing went on strike in September, room rentals & catering stopped followed by cancelled Christmas parties and reduced attendance due to snow made 2008 end worse than it started
- This year so far they are down 19% in number of tickets sold
- They increased the number of ½ price tickets for special groups (Boeing, military, AAA, etc) so the revenue from ticket sales is down 24%
- Room rentals are back up a little but not back to where they were last year, don't expect to get there quickly
- Proposal before the County Council to provide some hotel/motel money to the project, Council did pass an admissions tax for exhibits in the Future of Flight – the ordinance deals with the collection of funds, not the disbursement – another agreement will have to be made before any of that money will be available
- Expect to reap some benefits from the first flight of the 787, Boeing currently says that it will be towards the end of the 2<sup>nd</sup> quarter – FOF is hoping for the beginning of June
- In the middle of June they plan to begin repaving the runway
- Boeing is building the first 747-8, that will generate an uptick in interest
- Boeing has seen an increase in the number of deliveries – Air France delivered the 777<sup>th</sup> triple 7 a few days ago – that generates a lot of revenue for the facility
- They have received a new alternative fuel exhibit
- 7 weddings booked so far for this year – 3 or 4 more in the works
- Student exchange between here and the Aria Museum in England, this program increases the number of foreign visitors
  - 2 interns – Sweden
  - 5 interns – China
- The foundation has hired a Development manager Mary Brigamon
- Cut the strings with the Hilton – now have 8 approved caterers, one of the caterers is operating the café and that is doing well
- The Board has added a couple of people, that has helped them diversify
- With the reduced revenues, staff is doing a very good job of controlling costs which has included reducing positions
- Implemented an energy program that provides 20-30% of the heating and cooling for the building
- Working with the lodging industry to help create bed-nights
- Members of the Board and members of County Council have asked “How long can the airport continue to fund the Future of Flight?”

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It cannot continue – council is considering its actions now, funding will have to come from another source instead of aviation, this will not change the Future of Flight – just the funding responsibilities

Travis asked, what is included in the budget line item contributions?

- He will have to get Susan to verify what makes up that number

Travis asked, “if the airport cannot support Future of Flight – what do you see next year?”

- Not a 2009 problem, it is a 2010 problem but the fix needs to come this year

Travis asked, “if the level of service won’t drop and you can’t raise revenues, what gets pushed?”

- Don’t know the answer to that
- Fix the problem when you see it (2009) not when it becomes a problem (2010)
- Conservative forecast – doesn’t go out on a limb on any of the expected revenues
- In 2009 we need to do a lot of work to fix 2010

LYNNWOOD PFD – Grant Dull

- Corrections to the spreadsheet
  - 9,000 attendees – Dec only
  - Actual attendance for 2008 was 71,039, budget was 81,422
- Type of event is more important to a convention center than number of attendees – multi-day events are more profitable
- 2009 is doing well – people are staying closer to home and that means not traveling to meetings, meetings still need to happen so businesses are holding them closer to where the attendees are
- Changed management last year, the new manager’s changes are paying dividends
- When a new facility opens it is easy to be successful but when the newness wears off, it comes down to sales – they are doing well there
- Continue to budget conservatively

Roger –

- We are trying to stay on top of things but the changes are not just financial they are fundamental. This is not just an economic downturn, it is a major economic shift that will not be solved by a recovery – we are looking for a new base
- Hopeful that we are close to the bottom and there will begin to be a movement forward
- Our economy has an ace – Boeing – the relationship we have with Boeing is very important
- Hopeful that through this, each project will gain better management practices and improved relationships with their communities
- I am optimistic that in 2010 we will see a firm base and slower growth

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Dave – comments on Boeing

- Boeing is critical to our region & our state
- We are not giving them enough reason to stay here, we are not doing the things we need to do to keep Boeing

Roger –

- Losing Boeing would definitely change our local economy
- I am proud to be associated with these four projects

Travis –

- Thank you for the updates, I echo Roger's commendation to the projects and extend my thanks to staff
- Coming off of several growth years and I'm glad that we were conservative with our forecasts early on and checks are going out in May and November

**PFD Board Budget – Roger**

- \$1,381,297 – payments go out in May
- Budget assumes the same revenue as last year – may be optimistic but if it is – it won't put us at risk
- Tier II allocations are based on the prior year ending balance, after the reserve. If the downturn is a little bit less the allocations could be slightly less next year than shown on the report. Could be \$100,000 less in revenues this year than last, if that happens, it would impact the Tier II allocations

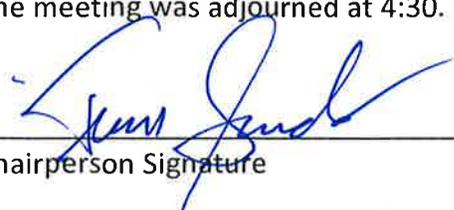
Travis – this year we are tracking the change in revenues. The first quarter of this year we are down 14% over last year

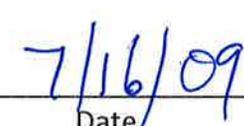
Roger -

- Last year's 1st quarter was good, growth is really change
- I don't expect to not have a Tire II, just that it would be smaller
- Every year, the actual amount left over on the far right is the amount that will be distributed by percentages to the projects

Doug asked if the projects included the Tier II money in their 2009 budgets. They responded that, yes, they did.

The meeting was adjourned at 4:30.

  
Chairperson Signature

  
Date