

PFD Snohomish County
Public Facility District Meeting Minutes
Willis Tucker Conference Room
November 16, 2001
3:00 P.M.

Attendance:

Board Members Present

Steve Juntwait, District #2
Liz Loomis, District #5
Boyd McPherson, District #1
Eric Olson, District #3
Travis Snider, District #4

Staff Present

Dan Clements, Finance Department
Sylvia DeZordo, Finance Department

Others Present

Andy Bro, Museum of Flight
Ralph Bufano, Museum of Flight
Bill Dolan, Paine Field Airport
Laura Domoto, Seneca Real Estate Group
Doug Ferguson, Anderson Hunter
Dirk Fieldcamp, The Boeing Company
Jim Haley, Herald
Mike Hassinger, Hassenger Company, Inc.
Bill Lewallen, Paine Field Airport
Geoff Nelson, County Council
Bob Ormsby, Museum of Flight
Barry Smith, Museum of Flight
Sara Spence, South County PFD
Mike Stanley, Seneca Real Estate Group
Louise Stanton-Masten, South Snohomish County PFD
Sara Thomsen
Dave Waggoner, Paine Field Airport

Call to Order

Travis Snider, President, called the meeting to order at 3:05 P.M.

Minutes

Liz Loomis approved the minutes, seconded by Steve Juntwait, and unanimously approved by the PFD Board.

New Business

Voucher Approval

Invoice dated October 31, 2001 was submitted by Anderson Hunter Law Firm in the amount of \$2,427.60 and was approved by the Board.

W9 Form and Reimbursements

Dan Clements explained that the PFD Board needed to complete a W9 form which was requested by the IRS prior to the Board being reimbursed \$50 for their attendance at each PFD Board meeting.

Project Updates

Museum of Flight

Barry Smith, representing the Museum of Flight, introduced David Waggoner, Director of Snohomish County Airport. David stated that Bob Drewel, County Executive, supports the Museum of Flight project.

David presented the Executive Summary stating that construction would begin in the Fall of 2002 and would open in mid 2004. Phase 1 would include a lobby, food service, meeting rooms, gift shop and administrative offices. The project would also include an Educational Program, Restoration Center, Aircraft Exhibits Area and a Boeing Tour Center.

Mike Stanley, representing the Seneca Real Estate Group, discussed the NFIC proposed transaction structure which would be a partnership with Snohomish County. Mike also discussed the financial model which would result in a positive cash flow for the Museum of Flight and the Boeing Tour Center.

Barry Smith offered reasons for funding the project including leverages on the sales tax rebate and long-term financial viability. The project would be of minimal risk for Snohomish County and a tremendous return through tourist spending.

Dirk Fieldcamp, Boeing Company, supports and would like to move forward on the project.

David Waggoner declared the project to be viable and also recognized the need to have County Council adopt an ordinance so the Museum of Flight could apply for dollars and meet the criteria as a regional center.

Doug Ferguson agreed that attorneys for all parties should be involved with the project and further discussion would be needed on meeting the criteria of a regional center.

Travis Snider stated the PFD Board does need to make a decision on the project. The Board also needs to be assured that the application could meet the December 1st deadline, meet the definition of a regional center, project viability and that the ordinance would be adopted by County Council.

Lynnwood Special Events Center

Mike Bailey, representing City of Lynnwood, stated that City Council would be reviewing the interlocal and making a commitment and recommendation next week. Mike also stated that the purchase agreement has been signed for the first piece of property, negotiations still continue on

the Cadillac property, and an advisory group/task force for the funding of the project would be part of the PFD proposal.

Travis asked the City of Everett to be invited to participate in the advisory group/task force.

Travis asked Dan and Doug to discuss the viability of the Lynnwood project. Dan stated that the PFD has been defined and that the project only needs to meet state requirements. The PFD Board should review the project and be assured that it would make good business sense to support the project. Doug stated that the Board could work through the interlocal agreement to define the project funding. Doug also stated that the City of Lynnwood is requesting specific payment amounts and the PFD Board has the issue of choosing projects by priorities. The interlocal could be put together in such a way that funding does not occur until construction begins.

Dan stated that Snohomish County could prepare an interlocal using the amortization schedule that has been provided to the PFD Board.

Boyd McPherson would like to see the PFD Board involved in monitoring activities. Boyd also stated that the PFD Board could give a flat some of money to the Lynnwood project and then have additional money for the third project.

Boyd and Sara Spense discussed the need for the additional properties in order for the project to expand into the second and third phases.

Mike Bailey discussed the anticipated structure for the financing the South Snohomish County PFD.

Travis discussed with the PFD Board the viability of the Lynnwood project; and, that the application is timely and a good business decision. Liz Loomis made a motion that the Lynnwood project is a viable project. The motion was seconded by Eric Nelson. Four PFD Board members agreed and one Board member was opposed.

Travis suggested that the Board approve funding for a fixed amount of \$8.76 million. Liz, Eric and Steve agreed with the fixed amount. Dan would place the amortization schedule in the interlocal agreement.

Liz amended the motion to include the amount of funding was contingent upon the signing of the interlocal agreement. The motion was seconded by Boyd McPherson and approved by the PFD Board.

Eric and Doug discussed the process of condemning the Cadillac property and providing fair value could be addressed in the interlocal agreement. It was also clarified by the Board that the flow of money would commence with the beginning of construction.

Correspondence

None

Old Business

Insurance Coverage

Dan Clements stated that the binder for the insurance coverage has been *completed and the PFD Board is now covered under insurance policy.*

Pending/Follow-up Items

No action taken on the following items:

By Laws
Cash Flow/Reserve Discussion
County Service Action.

Travis and Dan discussed the two assumptions under the Rebated Sales Tax Revenue Stream. Travis would prefer that the funds be available as they become available and approve projects as dollars are available. Steve Juntwait agreed. Boyd McPherson would like any surplus funds be steered in the direction of the Museum of Flight project if the ordinance is adopted by County Council.

Travis stated that the PFD Board needs to adhere to the statutory issues and that each project be treated fairly. Travis would like to continue discussion of the Museum of Flight project at the next PFD Board meeting. Eric suggested that the schedule give 100% of the remainder of the funds or up to the requested amount to the project. Doug has found the Museum of Flight to be viable and that the interlocal agreement could be established.

The Museum of Flight project was continued to November 30th to pursue approval of the Museum of Flight project.

Public Comments

None

Adjournment

Meeting adjourned at 4:50 P.M.

