

Snohomish County
Public Facility District Meeting Minutes
Tucker Conference Room
September 28, 2001
3:00 P.M.

Attendance:

Board Members Present

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

Staff Present

Dan Clements, Finance Department
Sylvia DeZordo, Finance Department
Wanda Johnson, Finance Department
Larry Springer, Housing and Economic Development
Dave Waggoner, Paine Field Airport

Others Present

Andy Bro, Museum of Flight
Ralph Bufano, Museum of Flight
Stephen Clifton, City of Edmonds
Diane Dollar, EDC of Snohomish County
Laura Domoto, Seneca Real Estate Group
Doug Ferguson, Anderson Hunter
Dirk Fieldcamp, The Boeing Company
Jim Haley, Herald
Deborah Knutson, EDC of Snohomish County
Milt Lebsack, Snohomish County Visitors Center
Heather McCartney, City of Mukilteo
Bob Ormsby, Museum of Flight
Rachael Park, Snohomish County Tourism Bureau
Barry Smith, Museum of Flight
Sara Spence, South County PFD
Mike Stanley, Seneca Real Estate Group
Dick Taylor, Museum of Flight
Sara Thomsen
Trina Torgelson, South County PFD
Soren Velize, Snohomish Tribune
Eva Wallace, Marsh USA, Inc.
Rich White, The Boeing Company

Call to Order

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

Approval of Minutes

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

Everett Arena

Doug Ferguson stated that the Interlocal Agreement has been reviewed by the Board and the City of Everett. All parties feel comfortable with the final draft.

Dan stated that the Snohomish County Council would hold a public hearing on the Interlocal Agreement on October 17, 2001 at 10:30 A.M. The Interlocal would be approved in Mid October.

Eric Olson stated that at the last PFD meeting it was discussed that the City of Everett project would be placed in first position permanently. Eric was concerned the additional projects may not receive any money.

Doug explained the first tax dollars would support the City of Everett's project. The County Council has envisioned that other projects within the regional center would be cut first rather than the City of Everett's project.

Dan reviewed the Rebated Sales Tax Revenue Stream spreadsheet which excludes Everett, Lynnwood and Edmonds. He stated that the spreadsheet assumes a 3% annual growth. If sales tax did drop, projects could still be funded. The Board appreciated Dan's explanation and felt comfortable with the 3% annual growth assumption.

Dan also distributed a copy of the document entitled "Impact of National Recession and Boeing Job Cut" from the Puget Sound Economic Forecaster and pointed out the distinct possibility of a recession.

Doug Ferguson distributed a confidential attorney-client opinion concerning risks of potential liabilities. Doug would like the Board to review for discussion at the October 19th meeting.

Museum of Flight Program Presentation

Barry Smith, Museum of Flight, introduced staff and gave a presentation to the PFD Board on their proposed project.

Dick Taylor began his presentation by stating that the proposed project at Paine Field would be a partnership in educating the students within Snohomish County.

Mike Stanley, Seneca Real Estate Group, explained the basic components of the project which include a restoration facility, extensive education center and exhibit space. The facility would be supported by a restaurant, lobby and restrooms. In addition, the tour center would have a small theater, viewing and exhibit areas.

A letter dated September 25, 2001 was submitted from John Quinlivan, General Manager of the 767 Program, stating Boeing's commitment to the Museum of Flight project at Paine Field.

Barry concluded the presentation by stating that the project would create 50 jobs within Snohomish County.

Travis Snyder thanked the Boeing Company and asked Barry if the proposed project could meet the deadline date of October 12, 2001. Barry could provide numbers and resources to the PFD Board at the October meeting.

Lynnwood Special Events Center

Sara Spence, South Snohomish County PFD, distributed a binder to each PFD Board member which included the Executive Summary and Project Description. The project would bring in \$9 million to South Snohomish County as well as full-time jobs to the community. Sara stated the project targets smaller regional events and would be complimentary to the Snohomish County PFD facility.

Don Hale, City of Everett, emphasized the need for Lynnwood and Everett to work together so that the PFD facilities do compliment each other.

Travis thanked Sara for providing the detailed project documentation to the PFD Board members.

Larry Springer, Snohomish County Housing and Economic Development, stated that of all the projects being presented the City of Lynnwood is the only project asking for annual money. This item would be placed on the October PFD meeting agenda for further discussion by the Board.

Edmonds Events Center

Stephen Clifton, City of Edmonds, stated that the findings of Draft Regional Center Market Demand and Feasibility Study indicate there is a market demand for a performing arts center and convention center. Long-term conventions would need hotel accommodations. Unfortunately, the consultants do not believe that a hotel development is supportable at this time.

Travis and Stephen discussed that the City of Edmonds would be in competition with Lynnwood with the proposed convention center. Stephen also stated that the Arts center would not be in competition with the City of Everett. Stephen could discuss the feasibility study at the next PFD meeting, but Edmonds felt it could not meet the October 12 deadline as a viable project.

Correspondence

None

Old Business

Director's Insurance

Eva Wallace stated that she would need a couple of more days to provide the insurance policy to Doug Ferguson and Travis Snyder for their review. Eva distributed the "Owner Controlled

Insurance Program” document to the PFD Board. She stated that there are two methods by which an owner can obtain insurance for their project and also obtain the limits they believe necessary for the project. Eva would provide insurance quotes to the Board on October 19th.

Project Rating Criteria

Dan recommended that the existing County Hotel/Motel Funding application be used as the primary business plan document. He also stated that the Board could ask applicants to discuss feasibility studies, number, size and type of events, comment upon the market area they anticipate drawing customers; and, how they see their project relating with other existing and planned facilities in King, Snohomish and Skagit Counties.

Larry Springer and Travis discussed that the PFD Board would be reviewing applications as soon as possible.

Doug commented that the PFD Board, when reviewing projects, needs to decide which projects are feasible to fund.

New Business

Public Disclosure Reporting

Doug Ferguson stated that it would not be necessary file a public disclosure.

Sales Tax Project Model

Projection Model Background Memo and Projection Model

Dan Clements presented information about the sales tax revenue model which was used to project dollars available for projects.

Travis asked Dan how the PFD Board would be handling reserves. Dan explained that there may not be a need for reserves if the PFD is not issuing the debt directly; and, that the PFD may not want to allocate 100% of the dollars. Travis and Dan discussed that the PFD would need to establish policy on how many dollars would be held back. Dan also stated that the Board would need to review each project and how they are being financed.

Other Discussion Items

Boyd McPherson recommended that the PFD Board adopt Bylaws. Doug stated that law does not mandate that bylaws need to be adopted, but Doug stated that the County Council did envision that the PFD would have bylaws. Doug would draft bylaws for the PFD Board to review at the next meeting.

Eric Olson and Dan Clements discussed the need to fund the Everett project first and the possibility of partially funding other projects as money was available. Doug stressed that the PFD Board needs to be comfortable with each feasible project.

Public Comments

None

Adjournment

Meeting adjourned at 4:50 P.M. Next meeting is scheduled for October 19, 2001 at 3:00 P.M.

Placed on agenda for further discussion:

Lynnwood Special Events Center – Additional discussion

Insurance Quotes – Eva Wallace

Confidential Attorney-Client Opinion – Doug Ferguson

PFD Board Bylaws – Approved by County Council

City of Lynnwood - Asking for annual money – Larry Springer

Discuss policy on allocation of dollars – Dan Clements

Provide numbers and resources to the PFD Board on Museum of Flight project – Barry Smith

