

---

SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT  
PUBLIC FACILITY DISTRICT MEETING MINUTES  
SNOHOMISH COUNTY ADMINISTRATION WEST, ROOM 6A04  
WILLIS TUCKER CONFERENCE ROOM  
October 19, 2006  
3:00 P.M.

---

**Board:**

Debbie Emge, District #5  
Steve Juntwait, District #5  
Boyd McPherson, District #1  
Travis Snider, District #4

**Interested Parties:**

Trey Bell, Everett Events Center  
Grant Dull, Lynnwood PFD  
Doug Ferguson, Anderson Hunter  
Joseph McIalwain, Edmonds PFD  
Steve Pottle, Econ. Dev. Sno. Co.  
Andrew Rardin, Paine Field/Future of Flight  
Barry Smith, Paine Field/Future of Flight  
Dave Waggoner, Paine Field/Future of Flight  
Diane Weber, Risk Management, Sno. Co.

**Staff:**

Roger Neumaier, Finance Department  
Cristy Schelm, Finance Department  
Linda Rhoades, Solid Waste Division

**Call to Order:** Travis Snider called the meeting to order at 3:00 p.m.

**Approval of Minutes** – Minutes from the July 20, 2006 meeting were approved.

**New Business:**

**Insurance Policy** – Roger Neumaier introduced Diane Weber, Snohomish County Risk Management and Loss Control Manager. She oversees both the liability areas and workers compensation. Diane has been with the County for a little more than two years and Roger applauded the work she has done to decrease insurance costs.

Diane contacted her colleagues at the Washington Governmental Insurance Pool to see if they would cover the Public Facilities District Board. The premium will be \$5,600 for \$10 million worth of coverage. In comparison, the premium from outside of the governmental pool is \$11,000 for a \$3 million policy. Diane noted that the Board will pick up general liability, contractual liability, terrorist liability, public official's errors and omissions liability and employment practice liability.

Roger asked Diane to write a letter to the Board describing the levels of responsibility that the County carries in relation to the services that it provides. Diane added that a

resolution, including an intergovernmental contract with the Washington Governmental Entity Pool, needs the Board's approval. Boyd McPherson moved that Resolution 2006-2, authorizing membership with the Washington Governmental Entity Pool, be approved. The motion was seconded and it passed unanimously.

**Project Presentations:**

***Edmonds Update*** – Joe McIalwain reported that the Edmonds Center for the Arts will have its first performance in the coming week. The Cascade Symphony Orchestra is scheduled and the performance will be sold out. A grand opening ceremony, to include an official ribbon cutting, will be held on January 4, 2007. An invitation only dinner will be held on January 6<sup>th</sup>, followed by a grand performance in the theater. Joe added that more information is forthcoming. Future performances will include the Paul Taylor Dance Company, the Taiko Project from Los Angeles, and The Second City sketch comedy troupe.

Joe noted that the 2007-2008 season brochure will be distributed by April of 2007 and patrons will be able to subscribe to the inaugural season. The Center now has a staff of five full time employees that include the Executive Director, a Marketing Director, Director of Operations, Technical Director, and an Audience Services Manager. Construction is essentially complete and the project is in the punch list phase and should be completed by the beginning of next week.

Joe explained that they are developing the 501(c)3, Edmonds Center for the Arts Board, and have created an interlocal agreement between the Center and the Board. The agreement gives the 501(c)3 oversight of the facility operations. The Board will also be the fundraising body for the Center and will consist of 15 members. The interlocal agreement calls for the Edmonds PFD to approve every Board member and every budget. Joe added that the Center has \$2.8 million to raise for the capital campaign. They are reinvigorating the seats campaign and name plates will be installed on the seats before the opening performance. Joe is trying to develop a package to find an entity that will complete the campaign. A \$1 million Building for the Arts grant from the CTED is still pending. The Center will be able to cover expenses with a \$7 million line of credit and plans to pay this back via fundraising efforts.

***Everett Update*** – Trey Bell provided an update of the Everett Events Center. A number of diverse performances have occurred at the Events Center with successful attendance. The Silvertips had a strong opening for their third year. Their season ticket base has grown to nearly 4,000 tickets. The Everett Hawks, the indoor football team, will open their season in the spring as will the Everett Explosion, the basketball team.

Travis asked if they are comfortable with their budget plan for 2007. Trey replied that business hinges on the concert industry and bookings can be unpredictable. Roger asked whether they are on target with expenses and Trey noted that they are with both revenues and expenses. The budget for 2006 will be achieved. Roger asked Trey to convey to Kim Bedier that the Board would like to know about plans to deal with debt. The Board

would like to have a description of where the Everett Events Center's finances are after nine months, where they expect to be at year end and the plan for long term financing. Roger asked that Kim send him an e-mail addressing this issue and he will distribute it to the Board.

***Future of Flight Update*** – Dave Waggoner and Barry Smith provided an update on the Future of Flight. Barry explained that the Future of Flight Foundation is operating the public side of the building. The Boeing Company has a long term lease of approximately one-third of the building where they operate the gift shop and the tour. The Future of Flight is annualizing approximately 150,000 fully ticketed patrons and 200,000 attendees. Conference, meeting and seminar activity has been very high and has increased gallery visits. People who attend these events visit the gallery when there for meetings and these are not reflected in the ticketed number. There are a number of others, for example children under the age of six, school groups and elected officials, who are not ticketed.

The Future of Flight has asked Point B, a consulting firm, to measure cash flow and attendance and develop metrics. The data will help them determine what works well and will assist with strategic planning.

Rolls Royce wants to establish a presence in the gallery and will install holographic, liquid crystal displays showing the interior of functioning Trent 1000 engines. Exhibits like this help to establish the Future of Flight as a showplace for innovation and technology.

Dave noted that the Foundation has done very well in soliciting and generating exhibits. The Future of Flight does not yet have a good hook to bring teachers and their classrooms into the facility. A member of the Board is working to develop this area.

The Future of Flight has contributed over \$3 million in sales tax and approximately \$2.5 million in tourism to the county. The airport will contribute \$ 4 00,000 to \$ 5 00,000 in 2006.

The taxiway and ramp have been completed. This was a \$6 million project and was funded with \$4 million FAA money and \$2 million of Airport money. There is a possibility that they will receive another \$2 million from the FAA in 2007 to extend the taxiway by 1,000 feet. This would open up northwest territories for aerospace development.

The Future of Flight has had one audit by the State and the only concern was the bar bills and commission from the catering. Staff is working on this issue.

Travis asked how long it will take to break even with ticket revenue. Dave and Barry are confident that this will happen in 2007. Travis asked them about the marketing effort and what it means in terms of the reach to international markets. Barry explained that their Marketing Director is convinced that Everett is part of the Seattle market and she has

worked closely with the Alaska cruise market, the Japanese tour operators and other groups to promote the Future of Flight. The Future of Flight is working with Boeing to offer the Boeing tour in languages other than English.

***Lynnwood Update*** – Grant Dull provided an update of the Lynnwood Convention Center and PFD. He distributed financial statements from their last Board meeting. They are doing more events than they had planned. However, the events are single day events and they would like to attract more multi-day events. They have not been able to because they do not have a hotel at, or nearby, the facility. Their Board is in the midst of a master planning process that will likely result in the lease of a portion of their property to a hotel developer.

The Lynnwood PFD is doing well financially. The Convention Center has been projected to lose money in 2006 and 2007 but overall the PFD is profitable. Sales tax has exceeded their expectations coming in at almost twice what was projected. Long term fixed rate financing is in place, they continually update their projections and they will not have any trouble making bond payments. Business at the Convention Center continues to get even better with bookings by large companies such as Boeing and Microsoft.

**Old Business:**

***Financial Report*** – Cristy Schelm provided an update of the financial information. She noted that the Board is on track with all payments. The final payment of the deferred amount was made in September. The administrative expenditures are at 40% as payment for renewal of the insurance policy will happen this month.

Roger noted that the fund balance is \$296,000 with no liabilities. There is 12% more revenue this year in comparison to 2005.

Travis asked that a legislative update on sales tax source be on the agenda for the January, 2007, meeting.

***Voucher Approval*** - A motion was made to approve the Vouchers in the amount of \$503,379.67, for July through August, 2006, and passed unanimously.

***Meeting Adjourned:*** The meeting was adjourned at 4:40 p.m.

A handwritten signature in cursive script, appearing to read "Tom Sunde". The signature is written in dark ink and is positioned in the lower right quadrant of the page.