Call to Order: Travis Snider, President, called the meeting to order at 3:00 P.M.

Fred Safstrom reported that the projects had met to discuss the allocation of future funds and possible action by the State Legislature. The projects discussed distribution criteria, operation issues, ticket sales, and recognizing capital for funding. They agreed that none of the projects are stabilized or have developed a supporting operating budget at this time. Travis thanked him for the report and encouraged the projects to come forth with their suggestions.

Minutes
The minutes for the January 21, 2005 meeting were approved as submitted.

Everett Project Update
Fred Safstrom stated that they were not awarded Pollstar Magazine’s 2004 “Best new Concert Venue” but were recognized as 50th in the world for ticket sales in 2004; and were number 37 in 2005. Fred stated they are progressing and had an extremely prosperous first quarter. The Home Show had great success with attendance at 11,681, which was up 30% over last year. The Silver Tips had five play off games this year, compared to ten last year. Attendance for the regular season was more than 1,000 over the last year’s average and the net revenue is very close to last year. The Everett Hawks have a very strong ticket sales base, a minimum of about 3,000 per game. The team is undefeated at 4 and 0 and could have a championship game here in July. Conference Center bookings have increased with non-profit banquet/fund raising activities and they are re-booking next year.

In February the facility had their first State Conference, the Land Surveyors met for a five day event with 350 attending. Revenue streams continue, they are above the pro forma for advertising, and continued sales were reported of more than half the club seats and two additional suites. In the first two months of 2005, they reported a net income before depreciation of $133,000, compared to the budget of $125,000. Fred stated their focus is generating revenue and they are discussing financing with Bank of America. (Their letter of credit expires in March, 2007.) The City of Everett has agreed to stay on as a grantor for their permanent financing.
Paine Field/Future of Flight
Andrew Rardin reported they are currently installing windows, putting up the ceilings and working on the observation deck on the Future of Flight facility. If they work very diligently, their plan is to have their July Board meeting on the deck. Progress on the hotel construction continues, today they are working on the second floor. Andrew stated they are very happy with their construction team Howard S. Wright. Barry Smith shared the logo and their new shirts and hats. John Leavitt just retired as plant manager of the Everett Facility and his first meeting with their Board was today. A CD with a narrative on their mission statement and a layout design and production of exhibits was shared allowing the Board to view of the facility. The floor is striped like an airplane runway, with the first passenger experience resource center with the barrel of a 767, a 707 nose with a screen projection on the back side. Travis Snider said it was exciting to drive by; the Board was invited to stop by and take a tour with Andrew Rardin.

Lynnwood Project Update
Travis extended congratulations to Grant Dull; the first meal was served today to a hundred Lynnwood Club Rotarians, which was their first soft opening event. Grant said everyone should have received an invitation to the Black Tie Gala for the evening of April 29th. There will be a public Grand Opening and ribbon cutting Friday morning at 10:00 followed by Multi-Cultural Fair on April 30 from noon until 4:00 p.m. The shopping center has a new paint, landscaping, signage and name: Convention Plaza. The projections and revenue sources were presented with City and County lodging tax; and were below projections. Since they sold bonds, they had money available for construction expenses and overall it was a good year. Construction was completed under budget and ahead of schedule. Bookings for 2005 are about 75% of the revenue goal for 2005. Travis Snider said it was a very attractive facility and congratulated to the whole team.

Edmonds Update
Kjris Lund reported they have been in an intense period of fund raising and this week is significant with the State Legislature; as they have a million dollars under consideration in the House and Senate. The rising construction costs are eroding the fund raising efforts. They have updated their figures with an independent cost estimator and are reconciling the estimates and moving forward with bidding. In order to accomplish this project, we are proposing to delay the back of house improvements. Stage, light, seating and parking are components in that will be in place. They have also made a request for a loan from a private company (a Board member has a venture capital company) which would not be tax exempt bonds

Kris reported they have requested a loan guarantee from the City of Edmonds, but no action has been taken yet. As part of the loan guarantee from the City it is necessary to amend the Interlocal Agreement. Kris stated it is very expensive to change one digit in the contract for legal and Interlocal Agreements and go through the County Council process. Bill Block explained they have funding for 12.9 million dollars but with this late start on the project; it can not be completed by the date indicated in the Interlocal Agreement. This creates a problem and may trigger the sale of the project; the date needs to be changed to: March 31, 2007. Travis Snider was asked to Doug to comment on behalf of the Board; he reported that Bill Block had drafted the addendum with the language he had approved. Doug also stated that this timing issue does not change the commitment or violate any PFD guidelines. Kjris Lund stated that the Council is a party to the Interlocal and this needs to go before them for
approval. Travis Snider asked to be kept informed if there are any changes to the time frames. Kjris will mail a construction schedule to the Board for their review. The Motion was made to adopt this resolution, seconded and passed unanimously by the Board and Motion # 05-02 was circulated to the Board for signatures.

**Financial Forecast – Roger Neumaier**

Last year we achieved a growth of 7.6% increase in funds. This year if things go as projected, we will have a surplus of $193,000, but it is not quite as good as the $10.3 million that we will have at the end of the project because we have a compounding affect. We are going to have to ask the Board consider how to allocate funds. Travis asked what choices do we want to make and what criteria would be used for distribution on these funds? Travis asked Roger to assist with development of an adequate reserve fund and the principals. Travis also recommended by year end, to have a very comprehensive dialog with examples and projections for consideration, so in 2006, the Board can make recommendations on distribution and forward to the Council for approval.

Doug Ferguson stated we need to stick to the commitments and allocations will be done on an equitable basis. The Board wants an administrative fund and/or an emergency fund to support the projects. Roger Neumaier stated this is a technical issue: that we should make that all commitments for the future commitments be expressed in present value amounts with 2001 as the baseline so we will have a consistent yard stick.

Travis Snider suggested we talk about process, next meeting we could devote part of the time to discuss some of the issues on how you might allocate future dollars, the reserve funds/administrative fund and troubled projects. Travis Snider asked Roger and Doug to help with numbers and theory and lay out some framework on how we might allocate geographic, economic drivers, and other criteria. Projects could bring some thoughts for us to consider on issues of equity. Doug will help with the priority of structure and principals. Roger Neumaier suggested distributing funds by percentages and this would allow the projects to make their own projections. Barry Smith suggested the board consider economic return on assets in their future distribution of additional funds.

An outline of what this project is about, presentation of issues and ideas and discussion of ideas from the Board, and a second meeting with input from the projects and a third meeting to roll that together or take more testimony was suggested. Roger will send out his model and projects, and we will be meeting to craft a plan and have three or four scenarios. If you have principals, please share them with Doug, and he will keep a list. Travis Snider stated, since you are having informal discussions as projects, do some brainstorming and come up with some suggestions for the Board. Roger Neumaier recommended the Board bring the discussion to the Council and sharing thoughts with them would be a positive sign. The Board chose this approach and this would give the Council the opportunity to honor their homework and reasonable thought process as the Council does not have time or resources.

The next three meetings will be: May 19, June 16 and our regular meeting on July 21st, 2005.

**Public Comments:**

None.

**New Business:**

None.
Voucher Approval. The payment of vouchers totaling $299,452.27 for January through March, 2005 was unanimously approved by the PFD Board members present.

Financial Report: The financial reports were distributed for review prior to the meeting by Karen Murphy. There were no questions or comments on the reports. The Motion was made to accept the Financial Reports as submitted and it passed unanimously by the board members.

Correspondence: None

Old Business:
Doug Ferguson recommended that the Board/County Council change the Charter to authorize the financial services contract so the PFD can issue warrants on routine monthly billing without delay. Another Charter modification is the date (month) of the meeting; September will change to December. Motion #05-01 as corrected by Doug Ferguson was approved unanimously and will be forwarded to the Board for signatures.

Board Member Appointments: There are three Board positions open for renewal; if you are interested in continuing on the Board, please inform Roger. He contact with the Executive Office on the renewals and filling the other vacancy as well.

Meeting Adjourned: The meeting was adjourned at 5:03

Next Meeting: Meetings will be held on the third Thursday’s beginning on May 21, 2005 to discuss appropriate reserve amounts, emergency needs for projects and discussion of distribution criteria and procedures for the allocation of future funds.

[Signature]