
SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT
PUBLIC FACILITY DISTRICT MEETING MINUTES
JACKSON BOARD ROOM
JUNE 28, 2002
3:00 P.M.

Roll Call:

Board:

Steve Juntwait, District #2
Boyd McPherson, District #1
Erik Nelson, District #3
Travis Snider, District #4

Staff

Dan Clements, Finance
Sylvia DeZordo
Doug Ferguson, Anderson Hunter
Wanda Johnson, Finance

Interested Parties:

Mike Bailey, City of Lynnwood
Stephen Clifton, City of Edmonds
Kjris Lund, Edmonds PFD
John McGibbon, Edmonds PFD
Janice Podsada, The Herald
Sara Spence, Lynnwood PFD

Call to Order:

Travis Snider, President, called the meeting to order at 3:15 P.M.

Project Up-Dates:

Edmonds. Progress on Contingencies. Kjris Lund, representing the Edmonds PFD, discussed project background for the Edmonds Center for the Arts.

Kjris stated that negotiations are continuing between the Church Development Fund, who owns the structure, and the Edmonds PFD.

Stephen Clifton, Travis Snider and Kjris discussed the most cost effective way to complete the parking facility structure.

Kjris continued her presentation by stating that the cost estimate for the project would be available to the Edmonds PFD by July 8. Peter Knudson, AIA - ASTC, has conducted a study to renovate the auditorium into a high quality performing arts space. Netzel and Associates is conducting the fundraising feasibility study. The fundraising project is estimated at \$7.4 million, one half would be contributed from private parties and the other half from corporations and foundations. She stated that the Edmonds PFD is discussing with a consultant the completion of the proforma for the project that includes the operating costs, revenue strategies and expenses. Kjris also stated that William Mallis would do the design and architectural upgrades.

Kjris concluded her presentation by discussing the project's status including negotiating the purchase price of the Puget Sound Christian College, retaining qualified technical consultants, conducting a

fundraising feasibility study, validating facility user demand, refining the architectural program, testing business plan results with new economic data, and creating marketing plan strategies for generating business.

The Snohomish County PFD Board was pleased with the progress made by the Edmonds PFD. Kjris and Clifton stated that they might need to return to the PFD Board at the end of July with some issues that need to be completed. Kjris mentioned that good negotiations are occurring with the seller, but do not yet know what the fundraising feasibility study will demonstrate.

Doug and Kjris discussed that the total project would cost \$15 million. Doug stated that this is a significant increase in the original cost. Kjris explained that the building costs go up and down. She could provide additional information on the costs of the project. Kjris stated that they are tentatively planning a reserve for the operating deficits at \$1.5 million.

Lynnwood Conference Center. Feasibility Study. Sara Spence, representing Lynnwood PFD, stated that property acquisition negotiations are continuing but this would not have an impact on the construction schedule. Sara stated that demolition would begin on October 1st, 2002. Sara also stated that the design and construction of the project is going very smoothly.

Mike Bailey, City of Lynnwood, stated that there are changes occurring in the market place; therefore, the South Snohomish County PFD is conducting a feasibility study.

Travis stated he attended a meeting with PFD representatives from each city to discuss impacts on the competition between projects. He stated that the City of Everett has proposed an additional 10,000 square feet of space necessary to support trade shows, but the City of Everett has no intention of competing with the Lynnwood PFD. Mike Echelbarger submitted a letter dated June 27, 2002 to the Snohomish County PFD Board stating that the South Snohomish County PFD was commissioning an update of their financial analysis. They expect the analysis to be completed by the end of July and would share the information with the PFD Board at that time.

Travis asked if there should be a role of the Snohomish County PFD to set aside some of the dollars for regional marketing. The marketing might be done in conjunction with the Snohomish County Tourism Board. The PFD would be supporting all of its projects by focusing on Snohomish County as being the place to hold an event.

Doug Ferguson would be willing to take a look at this issue to see if the Snohomish County PFD Board's authority extends to this type of utilization of tax money primarily focused on various regional centers through the interlocal process.

Travis stated he would like to use the concept of the Joint Board to provide a means of keeping all of the parties up to date on the progress of the Lynnwood project. The interlocal agreement does not contain a specific set of rules for its operation. Travis suggested that this topic be a subject for future discussions.

Mike Bailey stated that the Everett City Council is continuing to try to resolve the interlocal agreement in respect to county ownership of the hotel/motel investment.

Doug and Dan discussed their conversations with Carol Weibel, Deputy Prosecuting Attorney for Snohomish County, regarding the interlocal agreement. Dan stated that Carol has some good solutions for having the Sales Tax Agreement processed; and, the Attorney General and Carol have offered an expeditious way to approve the agreement to meet the timelines for submittal to County Council both for the hotel/motel tax and sales tax.

New Business:

Minutes. It was moved by Boyd McPherson, seconded by Steve Juntwait, to approve the minutes of May 31, 2002 meeting. Motion carried unanimously.

Vouchers. Travis reviewed the voucher packet with the Snohomish County PFD Board for approval. Motion was made by Boyd McPherson, seconded by Steve Juntwait to approve vouchers dated May 1 through June 30, 2002 in the amount of \$118,437.84.

PFD "Summit" Meeting Up-Date. Travis stated that the Summit was productive and each representative had a clear understanding of the issues. Mike Echelbarger submitted a letter dated June 27, 2002 discussing competition between the four Public Facilities Districts.

Travis did express concern regarding the Snohomish County PFD Board's future role as they receive money to allocate to each Public Facility District. The Board had been asked to determine viability of each project at the beginning of the process, but there would be a time when additional information would be presented to the Board questioning the continued viability of each project.

The PFD Board discussed the need for updated projections from each project. The Board asked Doug Ferguson what authority the PFD Board would have for the future allocation of money.

Doug stated that if a project is built, Snohomish County PFD is probably committed to the continued funding of the project. Doug could provide an opinion on this issue.

Old Business:

Budget for Fiscal Year 2002 and Mid-Year Financial Report. Dan reviewed the 2002 Budget for the Snohomish County PFD showing an ending balance in June of \$177,408. Dan recommended that the Board have a reserve of dollars. Travis agreed and suggested that the Board not commit additional dollars until the PFD Districts move forward on their projects. Wanda Johnson discussed the revenue and expense projections.

Motion was made by Boyd McPherson to approve the 2002 Budget as submitted, seconded by Steve Juntwait. Unanimously approved by the PFD Board.

Interlocal Agreement with County for Services. Dan reviewed the Interlocal Agreement with the PFD Board. The Snohomish County Finance Department would provide administrative services for a monthly fee of \$2,000. Steve Juntwait entered a motion to adopt the Interlocal Agreement, which was seconded by Boyd.

Adjournment:

Meeting adjourned at 5:05 PM.

Follow-up Items:

- 1) Kjris Lund and Stephen Clifton may need to revisit the PFD Board at the end of July to further discuss the fundraising feasibility study.
- 2) Kjris Lund would provide additional information on the increased costs for the Edmonds PFD project.
- 3) Mike Echelbarger expects the updated financial analysis to be completed by the end of July. The updated analysis would be submitted to the PFD Board.
- 4) Doug Ferguson would review the issue of the PFD Board having authority to focus on marketing efforts and setting aside dollars for general marketing.
- 5) Doug would provide an opinion on the PFD Board's commitment for continued funding for each project.
- 6) Travis suggested the concept of a Joint Board to keep parties up to date on the progress of the Lynnwood Project. Future discussion needed.

