
Minutes of Lodging Tax Advisory Committee (LTAC) Board Meeting

Dated October 30, 2018

Present : Councilman Terry Ryan– LTAC Member, Chair
Shawn Walker – LTAC Member, Lodging
Rachel Blake – LTAC Member, Lodging
Debbie Copple – LTAC Member, Tourism
Adrienne Hall – LTAC Member, Tourism

Absent : Amy Spain – Ex-Officio Member, Tourism

Staff : Tom Teigen – Department Head Parks, Rec & Tourism
Bridgid Smith – Administration Manager Parks, Rec & Tourism
Carol Peterson – Tourism Promotion Coordinator Parks, Rec & Tourism
Jim Martin – Legislative Analyst, Council

Other : Grant Dull – Executive Director, Lynnwood Public Facilities District

Documents:

- Meeting agenda
- Minutes from 9/17/2018 Meeting
- Edmonds PFD Grant Application
- Everett PFD Grant Application
- Lynnwood PFD Grant Application

Opening:

Meeting called to order at 10:30 a.m.

Introductions:

Large Fund Grant Application Review: Three applications were submitted for the Large Fund PFD Grant Application process for 2019:

- 1) Edmonds PFD – asking for financial assistance of \$125,000 for the acquisition and installation of new appliances and equipment, as well as modifications and upgrades to infrastructure in lobby and party areas.
- 2) Everett PFD – asking for financial assistance of \$250,000 for Phase II of the retractable seating project.
- 3) Lynnwood PFD – asking for financial assistance of \$35,000 for Wi-Fi improvements, and \$250,000 for replacement costs for all meeting room chairs.
- 4) Future of Flight did not submit an application.

There is a total of \$250,000 allotted for these grant applications.

Discussions were held about additional requirements needed from applicants, for future reviews of projects. LTAC board is requesting audited financial statements from all the PFD's to be submitted with their application, along with a prioritization statement – to

explain the “What if you don’t get full funding? What are the ramifications of partial funding? What portions of your project are most critical?” There was also a suggestion for a three year capital investment plan to be submitted, along with photos of the current conditions of the facilities, so the committee can see what it looks like, prior to providing funding. Finally, a request was made for staff to provide a history of the PFD development, the ILA agreements between each, and a spreadsheet of the history of LTAC funding for each PFD.

Committee asked Grant Dull to provide an order of priority for his 2019 application. He stated that the Internet/Wi-Fi was his top priority, and that the chairs would need to be replaced all at once, not in stages, since they all need to match. A board member stated that the normal useful life of hotel chairs is nine years, and the Lynnwood Convention Center chairs are currently thirteen years old.

Suggestion was made for \$125,000 to Everett PFD, \$125,000 to Edmonds PFD, and \$50,000 given to Lynnwood PFD for Wi-Fi improvements. Questions were raised as to where the additional \$50,000 would come from.

A review of the five year projection spreadsheet was provided, to bring new LTAC members up to date with understanding of where expenditures are going. An explanation of the debt services, 90 days working capital, reserves, rainy day fund, and undesignated fund balance were provided.

A question was asked about what happens if the County LTAC cannot pay all of the debt for the ILA with Lynnwood. A board member thought it was written that if the County LTAC is unable to cover the debt, then City of Lynnwood’s LTAC would be on the hook. Grant Dull was present at the meeting and stated that he thought it was the City of Lynnwood’s LTAC commitment to the PFD would be covered by the City, if the City LTAC was unable to cover the debt, not the County’s LTAC debt. Staff will follow up on this.

Motion #1: Shawn Walker made motion to approve PFD application funding at \$125,000 for Angels of the Wind Arena, \$125,000 for Edmonds Center for the Arts, \$50,000 for Lynnwood PFD, and the additional \$50,000 above the allotted allocation to come from the Undesignated Fund Balance. Adrienne Hall 2nd, motion approved.

Motion #2: Debbie Copple made motion to accept minutes from the September 17, 2018 board meeting, Shawn Walker 2nd, minutes approved.

Motion #3: Councilman Ryan motioned to approve the 2019 Small Fund Hotel/Motel Grant Allocations at \$488,902, Debbie Copple 2nd, motion approved.

Suggestion was made to set up a tour for the LTAC committee to visit each of the four PFDs. Staff will send out a survey to see if there is enough interest.

Meeting adjourned 11:35 a.m.