This meeting was held via Microsoft TEAMS teleconference to comply with physical distancing requirements due to COVID-19.

Board Members Present:
Dave Earling, President
Tim Menzies, Vice President
Naz Lashgari, Secretary / Treasurer
David Hambelton, Audit Officer

Staff Present:
Teresa Levine, Snohomish County Finance Department
Jan Hawley, Snohomish County Finance Department

Stakeholders Present:
Joe McLalwain, Edmonds Center for the Arts (ECA)
Corey Margolis, Angel of the Winds Arena
Janet Pope, Lynnwood Convention Center
Joshua Cain, Lynnwood Convention Center
Nick Landgraff, Snohomish County Airport and Future of Flight (FOF)
Christina Medlyn, Future of Flight (FOF)

Guest:
Brad Cattle, Anderson Hunter

Call to Order
Chairman Earling called the meeting to order at 4:04 p.m.
Introductions were made.
Roll was taken.

Announcements
Dave Earling announced that the PFD Administrator, Stacy Forte-Smith has taken a new position within Snohomish County. Because of this, she will no longer be the PFD Administrator. County staff is looking for a replacement. He also announced that Snohomish County has a new Controller. Her name is Teresa Levine. She is in attendance today.

Public Comments and Correspondence:
Chairman Earling asked for any public comment, there was none. Chairman Earling asked staff if there has been any public correspondence, there was none.

OLD BUSINESS:
Approval of October 21, 2021 Meeting Minutes
Chairman Earling asked if anyone had changes to the PFD Board Meeting Minutes for October 21, 2021. There being no changes, Chairman Earling called for a motion to approve. Dave Hambelton moved to approve; Naz seconded. No comments were made and passed unanimously.
Approval of 4th Quarter Voucher Payments

Payment Voucher report for 4th Quarter 2021 was presented for approval. As a reminder, this is a listing of all payments made from October - December 2021. Nothing unusual to report. Jan Hawley gave a brief description of the vendors they are paid. These would include Weed Graefstra for Public Records Requests; State Auditor’s Office for the annual PFD Audit; and Anderson Hunter for legal expertise. Chairman Earling called for a motion to approve. Dave H moved to approve; Naz seconded. No comments were made and passed unanimously.

Approval of 4th Quarter Financials

Jan Hawley presented the Q4 2021 Financial Statement 2021 for review and approval. Of note, the growth in Year-to-Date sales is up by 17.21%, which is positive. However, with the drop in 2020, the % might feel skewed. Quarterly comps are up by 14.56% which is another good sign that the economy is improving. Hopefully, we have turned the corner, and the economy will continue to do better.

Revenue for the year was approximately $4.2 million. Administrative expenses were under budgeted amounts, at 85%. PFD projects were paid at 100% of budgeted amount.

The fund balance is sitting at around $1.9 million. Chairman Earling called for a motion to approve. Dave H moved to approve; Naz seconded. No comments were made and passed unanimously.

NEW BUSINESS:

2022 Budget

Jan reported that the preliminary 2022 Budget was approved in the July 2021 Board Meeting. Once year-end is completed, and all the 2021 revenues have been received the 2022 Modified Budget can then be finalized.

- Revenues are budgeted at $4.3 million for 2022.
- Expenditures for administrative payments are budgeted at $50,530.
- Payments to PFD projects follow the PFD History and Project of Financial Revenue and Expenditures worksheet which is updated each year. These payments have been in place since the inception of the PFD.
- Tier 2 payments vary depending on the revenues from the prior year. In this case, the 4 PFDs who receive Tier 2 payment, the budget amounts are higher than 2021 payments.

Discussion took place as to what a Tier 2 payment was and why each PFD gets a different amount. Tier 2 funding ends in 2026. Brad Cattle indicated that Addendum #3s were signed by each of the PFDs to continue payments once Tier 2 payments end. Those payments will continue to 2041.

Chairman Earling called for a motion to approve. Dave H moved to approve; Naz seconded. The Budget passed unanimously.
2022 Meeting Location Discussion:

April 21, 2022 Board Meeting:

Dave Earling asked Joe Mclalwain if Edmonds Performing Arts Center would host the April 21, 2022 PFD Board meeting. Joe agreed to host.

Project Facility Updates:

Lynnwood Convention Center PFD, Janet Pope

The Lynnwood Convention Center is still running at a loss due to Covid. The PFD funded the Convention Center $300,000 in Q3 and the LCC ended 2021 with approximately a $1.2 million loss. This is about the same as 2020. The Convention Center revenue for 2022 is currently booked at $1.6 million which is 36% variance from 2019.

The LPFD wrapped up its RFP processes for the operator of the Convention Center. They announced that the new operators will be Oakview Facilities Group. They feel this will expand sponsorships and marketing.

Labor issues are continuing to be a struggle, particularly during their transition. In general, the LPFD is still in strong shape due to Convention Plaza rents, and interlocal agreements.

There is a master plan underway. They are projecting approximately at least $800k in predevelopment expenses this year.

The next decision will be determining if a hotel is feasible on the property. If so, what type it might be.

Future of Flight, Christie Medlin

Q4 – Boeing Future of Flight Highlights

Current Operations (Q4 2021)

- Gallery, Sky Deck, Store and Café continue with 5 day/week operating schedule
- Factory Tour operations closed (strategic planning ongoing for 2022 reactivation)

Q4 Metrics

- Attendance: hit new ‘pandemic-era’ attendance record for 501 guests in one day
  - Despite snowy week
  - Driven by promotion targeting local Boeing employees, focus of marketing for 2021
  - First time they had been there, or first time in a very long time. They got positive feedback on that.
- Continuing with high engagement rate for drones and robotics interactive experiences

2021 Metrics

- Total headcount was 35,783.
  - GA = 33,211
  - Virtual/Special Program = 2,454
  - Private Events and Public Programs = 118
  - AP = 64 Sales
• Boeing Backstage Pass is a new project that will be a theater experience
  o February 2022 will be the soft launch (March will be the public launch)
  o Training, testing and theater infrastructure

• Education Lab
  o The investment from 2021 will pay off with final delivery of furniture and doors (coming soon)
  o They hope to test workshops over spring break in 2022

• Investment in infrastructure
  o New cable and wire project to upgrade WIFI service across venue
  o New phone and PA system investment (full install will be complete Q1 2022)
  o Theater technology infrastructure will include new projector, lighting controls, and system programming (Q4 2021), plus new screen and camera install (Q1 2022).

Edmond Center for the Arts, Joe McIalwain

Edmonds Public Facilities District / Edmonds Center for the Arts’ attendance for presented shows reached 80% capacity which is similar to pre-pandemic levels. In January, however, the Omicron Variant has taken a toll. In a recent performance, 600 tickets were sold, but only 300 people attended the event. They are hopeful to return to stronger attendance once Omicron runs its course.

They are taking precautions with Covid, requiring proof of vaccination or a negative PCR test within 72 hours, plus masking to enter the facility. The process has been relatively smooth, with the exception of a few frustrated patrons who have been turned away.

They were able to refinance a portion of their debt in partnership with the City of Edmonds. Through the refinancing, they extended a portion of their original debt out to 2041 in order to secure the continuation of the sales tax rebate from the State of Washington through this same period. The District has a contingent loan agreement with the City of Edmonds, which it had to invoke between 2011 and 2017, borrowing funds from the City to meet a portion of its debt service obligations during that time. The District has a balance due to the City of just under $1.2 Million. The District has been able to make payments on this loan in recent years, and Mr. McIalwain indicated that this debt is scheduled to be paid in full within the next 5 years. He expressed his gratitude to the City of Edmonds for working with the District to help them navigate challenging financial issues following the Great Recession.

The District experienced a total operating loss of approximately $400,000 in FY 2021. However, their cash position remains healthy due to COVID Relief funding received from Federal, State, County, and City Government sources. The District reduced operating costs in 2020 and 2021 by laying off a portion of their personnel who directly support presented and rental events, and shifting a portion of administrative, production, and other personnel to half-time. Half-time employees were able to supplement their income, in part, by utilizing the State of Washington’s Workshare Program through the Unemployment Office. All staff members are now back full force. They are currently in a period of rebuilding and reorganizing.
Dave Earling complimented them for their good work in 2021. They have made big strides in the past couple of years.

Angel of the Winds, Everett Public Facilities District Corey Margolis

Corey indicated that the preliminary year-end financial are complete.

Operating Income:

- They had an operating loss of $448k which is $768k better than last year, and $596k better than the budget. Although event income was under budget with a slower return to their event load, this was offset by strong sponsorship and suite sales results and indirect expense savings.

District Income:

- The District’s loss was $192k.
- Combined bottom line preliminary year-end results are a loss of $640k, which is $1m better than budget, and $370k better than 2020. The District maintained a positive cash flow.

Operations Report:

- Since the last quarterly meeting, the Silvertips season has been underway. The team has played great and sits comfortably in first place in the Western Conference.
- While the team has performed well, attendance has been down this season, with the biggest impact coming from less groups and businesses purchasing large blocks of tickets due to Covid.
- This month 2 games were postponed due to weather in one instance, and due to Covid in the second.
- In November, we hosted 7 shows of Disney On Ice and it was the highest growing Disney On Ice show they have ever had, beating their previous record by almost $300k with a $1.3m gross.
- All events with over 1,000 people require proof of vaccination or a negative test. They are verifying this at the door. Masks continue to be required for all events and are also required in the Community Rink during all ice times.
- The Edward D. Hansen Conference Center has hosted a few banquets and weddings again. But most banquets and charity events are being cautious with bookings, and several annual events are looking for alternate dates. Also, they continue to host weekly County Juror Orientation.
- Their Main Arena has a great lineup of shows and a busy calendar coming up. Recent on sales include: Justin Moore, and Professional Bull Riding (back for the first time since 2012).
- Other events on sale include: Ice Racing, Cole Swindell, Baby Shark, Judas Priest, MercyMe and For King & Country
- They have been working closely with the Snohomish County Sports Commission to bid on large sporting events that involve substantial room night stays. They have confirmed an American Cornhole League event as a result. Also, an opportunity from their corporate booking team has resulted in securing Street League Skateboarding this August. They will build a concrete skate park on top of the arena floor. They have a few other events they are working on with the Sports Commission.
• The Everett PFD authorized approximately $2m in capital funding this year. Projects include an LED Ribbon, security cameras, and replacement of the ice plan chiller. They are all currently out on RFP.

• Spectra, the management company for the Everett PFD was recently acquired by Oak View Group. OVG was founded by some of the entertainment industry’s most prominent and influential people. They specialize in venue management, but also venue development as evidenced by their owned and operated Climate Pledge Arena. They are excited for the merger and feel it will be of great benefit for their facility.

**Good of the order**

Chairman Earling adjourned the meeting at 5:03 p.m.

**Next scheduled meeting: April 21, 2022 at Edmonds Performing Arts Center if allowed.**

[Signature]

Chairperson Signature

[Date]

Date