

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
July 7, 2020

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:0 p.m. by Board Chair Wally Webster II. The meeting took place electronically. A conference call number was published in the Agenda to enable public participation.

B. Board Members Present

Wally Webster II, Chair
Shawn Walker, Secretary
Loren Simmonds
Sonja Springer, ex-officio Treasurer

Excused

Rosario Reyes
Taylor Nordby

Others

Janet Pope, PFD Executive Director
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Finance Director
Councilmember Ian Cotton
David Kleitsch, City of Lynnwood

Guests

Fred Wong, Community Programs Coordinator, City of Lynnwood
Arts & Culture
Sarah Olson, City of Lynnwood

C. AGENDA

Board Member Simmonds moved, seconded by Board Member Walker, to approve the Agenda as presented. Motion passed, unanimously.

D. MINUTES

Board Member Walker moved, seconded by Board Member Simmonds, to approve the June 2nd, 2020 minutes as presented. Motion passed, unanimously.

E. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

ED Pope noted the look of the new agenda and the asterisk notation indicates that there is an attachment. She announced the upcoming Art Show slated for September 15th celebrating the artists and their work at the Convention Center, pending Covid-19 restrictions for reopening. Ms. Pope requested that Board members begin considering who they can invite. An e-mail invite will be available for their use.

Chair Walker announced the retirement of Treasurer Springer at the end of the year and congratulated her on her wonderful service to the PFD and the City of Lynnwood.

F. CONSENT AGENDA

Board Member Simmonds moved, seconded by Board Member Walker, to approve the Accounts Payable Report. Motion passed, unanimously.

G. BUSINESS ITEMS

1. I Love Lynnwood Art Sculpture

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Fred Wong discussed the history of the art project to be placed in front of the Convention Center (CC). The idea originated in 2018 to provide a creative solution a form a barrier to the front access of the CC, while also utilizing an opportunity for an "I Love Lynnwood" art sculpture grant from the Elizabeth Wallace Living Trust. The location is ideal as a gateway to Lynnwood at 36th and 196th. The PFD and the Lynnwood Parks & Recreation foundation contracted to do the project in 2019 with the PFD contributing \$10,000 toward the final costs & responsibility for the future maintenance. Parks & Recreation Foundation will pay for most of the costs from the grant. After a considerable process to choose the artist that included PFD board members and CC staff, an artist was chosen. BK Choi is a Lynnwood resident and a Korean/American artist. His design of a heart in front of the letters spelling Lynnwood reflects the "wrapping cloth" of Korean culture as well as the colors and design of the "All are Welcome" sign from the Lynnwood Diversity, Equity and Inclusion Commission. Western Neon was chosen as the fabricators. The design will be slightly scaled back from the artists original concept to be closer to budget. Final cost is \$130,000 and will take 4-5 months to complete. The Board will have an opportunity at a later meeting to confirm the colors and materials are consistent with the design and artist's intent as presented.

Board Member Walker moved, seconded by Board Member Simmonds to approve the I Love Lynnwood Design as presented to move forward for the fabrication process. Motion passed, unanimously.

2. Convention Center Projections

GM Blayne presented the financial projections for the Convention Center for July through December 2020. She noted there are no events through July and that there has been an increase in cancellations now that a Phase 3 reopening for Snohomish County has been postponed. However, there is an expected uptick in bookings now that events such as weddings and memorials will be tied to space available for occupancy rather than phases. For example, we can book the CC for events utilizing up to 25% of occupancy in Phase 2.

Other highlights:

- 2021 Bookings are well ahead of 2019 paces and projects to be a good year
- We are still projecting ending the year around \$900K in the red. This is less than what was previously projected however

Chair Webster requested further information to better describe how we are compensating for the shortfall with flow of cash between the PFD and the CC. Finance Director Morrison said she would put together a more defined cash flow statement that can be distributed in advance of the next meeting.

H. EXECUTIVE DIRECTOR REPORT

ED Pope presented her ED report which included a breakdown of the three main areas of business for the PFD including the Convention Center, the Plaza and the PFD parent organization. Some specific highlights:

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Ms. Pope has initiated a Capital Needs Assessment that has not previously been done with our approved architect firm Freiheit on the two strip suite buildings. This is to develop a cost versus benefit analysis on the condition of these buildings to estimate how much investment should be planned and what benefit might result from any tenant income, particularly from current or future vacant spaces while we move forward with master planning. One immediate concern to be addressed is the retaining wall in the back alley that will be a costly repair in the short term.

The rent deferment period that was accepted by some Plaza tenants ended on July first and those tenants will be resuming their regular rents as well as additional payments to make up for the deferred rent.

The Convention Center was approved to implement a 7% room rental increase beginning in October to mitigate costs for sanitizing due to Covid 19 which will have an approximate budget impact of \$100K.

ED Pope completed a SWOT analysis of all Convention Center staff and PFD staff to add to her PFD analysis report for the board.

I. COMMENTS FROM DIRECTOR DAVID KLEITSCH

David Kleitsch explained the process for PFD board transitions and announced that Rosario Reyes has determined she would like to retain the #4 position on the Board. This will now be referred to the City Council who will likely vote to reappoint her in September.

Director Kleitsch updated on the Sound Transit construction noting that they were still fully funded for the north expansion. Columns are completed north of Scriber Creek. He also noted the boom of new housing projects tied to the Sound Transit expansion that will be a boon for the Lynnwood economy, including Avalon at Alderwood and Lynnwood Place. Edmonds CC is also opening a new STEM building in September. Hotel occupancy however is still struggling with a slow recovery.

J. COMMENTS FROM COUNCILMEMBER COTTON

CM Cotton noted that in addition to the retirement of Director of Finance Springer the Chief of Police is also retiring. He described the \$1.18 million grant the City received with the CARES act in response to Covid-19 that will largely be applied to small business loans and households in need. This will be reimbursable funds.

K. OLD BUSINESS/NEW BUSINESS

Board Chair Webster determined the PFD would not need a special meeting in July. The August scheduled meeting may be cancelled if there is not enough business to proceed.

L. EXECUTIVE SESSION

The Board went into Executive Session at 7:25pm for 20 minutes as authorized by RCW42.30.110(1)(c) real estate matters and discussion of publicly bid contracts. At 7:42 pm the Board came out of Executive Session.

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ADJOURN

Meeting adjourned at 7:44 pm.

 12/18/2020
Wally Webster II, Chair Board Member