

LYNNWOOD PUBLIC FACILITIES DISTRICT
BOARD MEETING MINUTES
April 5, 2016

A. CALL TO ORDER

The meeting of the Lynnwood Public Facilities District was called to order at 6:00 p.m. by Board Vice Chair Bob Fuller at the Lynnwood Convention Center.

B. Board Members Present

George Sherwin, Chair (via phone)
Bob Fuller, Vice Chair
Andy Olsen, Secretary
Mike Echelbarger (excused absence)
Lynn Melby (via phone)
Sonja Springer (ex-Officio)

Others

Grant Dull, PFD Executive Director
Judy Powell, PFD Finance Analyst
Matt Hendricks, PFD Attorney
Sara Blayne, LCC General Manager
Tracey Morrison, LCC Interim GM & Finance Director
David Kleitsch, City of Lynnwood
Councilmember Shirley Sutton, City of Lynnwood

C. MINUTES

Board Member Olsen moved, seconded by Board Member Sherwin, to approve both the March 1, 2016 and March 28, 2016 Board Meeting Minutes as presented. Motion passed, unanimously.

D. ANNOUNCEMENTS, ORAL AND WRITTEN COMMUNICATIONS

None

E. CONSENT AGENDA

Board Member Sherwin moved, seconded by Board Member Olsen, to approve the Accounts Payable Report in the amount of \$210,694.48. Motion passed, unanimously.

F. BUSINESS ITEMS

1. FINANCIAL STATEMENTS

ED Dull presented the financial statements for February 2016. Net income for the month of February was \$207,142 (before depreciation).

The Convention Center net income in February was \$3,805, which is \$24,416 less than budget. Year to date rent and F&B revenue are falling slightly below budget. Indirect expenses year to date are about \$17,000 less than budget; savings have occurred in the areas of operations and supplies.

Convention Plaza net income in February was \$58,890, or \$4,762 better than budget. PFD office expenses were \$31,027, which is \$2,665 less than budget.

2. CONVENTION CENTER REPORT

GM Blayne provided an overview of business for the month of February:

- Net income for February was \$3,802, which was \$25,294 less than budget.
- February guest feedback surveys scored an average of 4.5 without Food and Beverage or Parking. Food and Beverage scored a 4.1. Guest surveys had a return rate of 32%. (12/38).

The Lynnwood PFD Board's minutes are intended to be a reasonable summary of the Board's deliberations and actions. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.

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- For the month of February, the Convention Center generated an estimated 990 room nights and approximately \$2.4 million in direct and indirect economic impact.
- February 2016 saw the number of events and event days on par with the budget. The reduced revenue compared to both budget and STLY can be contributed to an increase of smaller meetings (18.5%) with a lower average value of each event. Additionally, February had four “Special” events budgeted while only two occurred, reducing revenue by \$10,000.

3. SILVER PLATTERS CONTRACT APPROVAL

The PFD negotiated a lease with Silver Platters LLC in May of 2015. The lease is for five years with two five-year options. The tenant was responsible for all improvements to the interior of the space, which included a new floor, paint and changes to the emergency exits, in addition to the installation of merchandise and fixtures. The PFD in turn agreed to remove the existing awning, install a new fascia, remove the wide curb to accommodate short-term parallel parking stalls, and to re-stripe and re-sign portions of the parking lot.

Since the building occupied by Silver Platter and the Post Office is part of the PFD’s long-term real estate plans, the PFD retained Freiheit & Ho as “on call” architects and began a remodel and update of the exterior façade of the building.

The Board discussed the project in January, and agreed that the Real Estate Committee should approve an Invitation to Bid (“ITB”) prior to issuance. The Real Estate Committee reviewed several drafts of the ITB before it was issued on February 3. The Selection Committee (composed of Sara Thompson of Freiheit & Ho, Project Manager Doug Swan, George Sherwin and the Executive Director) interviewed the apparent low bidder on March 11.

The low bid was submitted by Mike Werlech Construction, Inc. in the amount of \$496,000. Werlech Construction also bid amounts for five alternate add/deducts to the contract amount. The final bid amount, which includes three of the alternates (formed metal siding at façade and columns, and spandrel transom storefront glazing for the north and south section of the west elevation) totals \$504,519.

The Real Estate Committee, in its meeting on March 28, agreed to recommend that the Board accept the base bid and three alternates.

Motion made by Board Member Sherwin, seconded by Board Member Olsen, to amend the 2016 Project Budget such that the budget for the Silver Platters Project is increased from \$250,000 to \$600,000 and to authorize the Executive Director to execute a contract with Mike Werlech Construction, Inc. for \$504,519. Motion passed, unanimously.

4. CONVENTION CENTER ENTRANCE LIGHTING

The lighting level outside the main entrance of the Convention Center is less than optimal. Freiheit & Ho Architects have worked with a lighting consultant to study how lighting levels can be improved. An initial project estimate of \$149,563 was incorporated into the adopted 2016 Project Budget.

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The project scope has been refined over the past several months with two objectives: 1) to improve lighting in the general entrance area, with an emphasis on lighting improvements in the area of the landscape island; and 2) to reduce cost by eliminating the need to cut into the decorative concrete in the entrance area. Both objectives have been satisfied.

Light levels in the middle of the parking lot average 0.5 to 1.0 fc (foot candles). The proposed lighting plan results in lighting levels in the entrance area ranging from 1.2 fc (at the edge of the parking lot) to 5.4 fc in the primary walking route to the east of the landscape island (see attached schematic).

The revised construction cost estimate for lighting improvements is \$35,445.

G. EXECUTIVE DIRECTOR'S REPORT

The PFD Investment Committee (Sonja Springer and ED Dull) have met several times with TVI, the PFD's investment advisor. The PFD decided to initially invest \$1.7 million. The transaction will take place this week.

H. OLD BUSINESS/NEW BUSINESS

None

I. EXECUTIVE SESSION

The Board went into Executive Session at 7:03 pm for 5 minutes as authorized by RCW42.30.110(1) (i) to discuss potential litigation with legal counsel. The Board came out of Executive Session at 7:08 pm. No action was taken.

J. ADJOURN

The meeting adjourned at 7:09 pm.

George Sherwin, Chairman