

**Snohomish County
Public Facility District Meeting Minutes
Tucker Conference Room
July 23, 2001
2:00 P.M.**

Attendance:

Board Members Present

Steve Juntwait, District #2
Liz Loomis, District #5
Boyd McPherson, District #1
Eric Nelson, District # 3
Travis Snider, District #4

Staff Present

Dan Clements, Finance Department
Bill Cook, Executive Office
Wanda Johnson, Finance Department

Others Present

Stacey Crawshaw-Lewis, Preston, Gates & Ellis
Dirk Fieldcamp, The Boeing Company
J. Robert Leach, Attorney with Anderson and Hunter
 Representing Snohomish County Public Facilities District
Barry Smith, Museum of Flight Restoration Center

Call to Order

Travis Snider, President, called the meeting to order at 2:05 P.M.

Approval of Minutes

Liz Loomis amended the minutes stating that Boyd McPherson is the Secretary/Treasurer for the Public Facilities Board. Liz then approved the minutes, seconded by Boyd and unanimously approved by the Board.

Introductions

Dan Clements introduced Wanda Johnson who is a Sr. Financial Consultant in the Finance Department. Wanda will be representing Snohomish County when Dan cannot attend the meetings.

Dan also introduced J. (Jay) Robert Leach, attorney with Anderson and Hunter, who will be legal counsel for the Public Facilities District.

Correspondence

Dan Clements stated that the City of Edmonds PFD plans to move forward with a viable project and is presently collecting sales tax from the citizens.

Dan also stated that Barry Smith would be heading the Museum of Flight's local Advisory Council for their project. Bob Ormsby, the Boeing Loan Executive, will be handling the management portion of the project.

Old Business

Legal Counsel Discussions

Travis stated that the PFD Board Members had received legal counsel proposals and recommended Anderson and Hunter Law firm as their legal counsel. J. (Jay) Robert Leach attended the PFD meeting representing Anderson and Hunter. Liz Loomis and Jay discussed that Anderson and Hunter Law firm has no conflict of interest representing the PFD. The contract agreement between Anderson and Hunter/Snohomish County will be reviewed by the PFD Board within one week.

Sales Tax Motion

Dan Clements stated that the Sales Tax Resolution has been reviewed by Stacey Crawshaw-Lewis. Stacey stated the changes that would need to be made to the Draft Resolution and distributed the recommended changes to the Board. Jay Leach agreed with the changes and suggested that a signature line be added to the resolution.

Dan stated that the Board needs to make a motion to adopt the resolution so that sales tax can be imposed by August 1, 2001. Liz made a motion to adopt the Sales Tax Resolution, Eric seconded, and the Board agreed. Dan would make the changes requested and contact Travis and Boyd when the resolution was ready for signatures. The Sales Tax Resolution would then be submitted to the Department of Revenue.

Jay Leach stated that the Sale Tax Resolution should be amended to state that the Everett PFD project is a viable project. Liz made a motion to include in the Sales Tax Resolution the following: "After review and analysis, the Snohomish County Public Facilities District finds that the Everett PFD is a viable project." The motion was seconded by Eric and unanimously approved by the Board.

Arena Interlocal Agreement, Draft 5

Dan discussed the Interlocal Agreement for development of the Everett Special Events Center and stated that the two key issues are within Exhibits B and C. Exhibit B is the Snohomish County PFD Distribution of Funds; and, Exhibit C is the City of Everett's PFD Leasehold Payment Schedule for use of the Snohomish County Parking Garage.

Dan stated that Everett would like to adopt the final interlocal agreement by August 20, 2001.

Jay Leach suggested the PFD Board place on the agenda for December approval of the report to be sent to County Council. Thirty (30) days after December 1, 2001 the PFD shall provide a written report to the County Council detailing the final project list and the percentage of anticipated tax proceeds flowing to each project.

Travis suggested the PFD Board approve the report at the November meeting due to the cut off date being December 31, 2001. The Board agreed.

Travis and Dan discussed that the City of Lynnwood would like to be involved in the PFD project. The Board would create a process so that Lynnwood could participate in the project.

Travis stated that he felt the Board should have training on how to process proposed projects and the criteria involved in choosing those projects. Jay stated that the Board should have some objective criteria especially when the Board refuses a project. Boyd agreed that the Board should have an operations guideline to review projects. Dan would provide a list of guidelines to the Board.

New Business

Everett Arena Feasibility Study

Dan Clements distributed Everett's Feasibility Study to the Board and mention that the City of Edmonds was engaged in a contract to begin their feasibility study.

Don Hale, representing the City of Everett, offered background information to the PFD Board on how the City of Everett began their process to construct an event center. Don stated that Everett's process began in April 2001 looking at comparable event centers in the United States and a feasibility study was completed. Questionnaires were sent out to citizens and the City of Everett received a favorable response. An architect was hired and five sites were selected that fit into Everett's Comprehensive Plan. An amortization and parking study were completed along with a SEPA review. The final selection site has been submitted to Everett City Council. The construction firm would be selected in September, 2001 and Everett hopes to begin construction in March, 2002. The project would cost approximately \$38 million.

Travis thanked Don Hale for presenting the information on behalf of the City of Everett.

Dan explained how Snohomish County arrived at \$7 million for the County's PFD. The County would like to have their project construction begin in January, 2003.

Director's Insurance Application

Dan has the insurance application and it would be submitted by Tuesday, July 31st. Dan could choose a quote most reasonable or the Board could make a motion to accept insurance after reviewing submittal quotes. Dan suggested at least \$5 million insurance with a low deductible.

Jay suggested that the proposals be submitted to the PFD Board for review. The Board should make sure they understand the language "duty to defend" and that the deductible should not apply to the cost of defense. Dan would submit the proposals to the Board with a recommendation.

County Services Contract

Dan reviewed the Interlocal Agreement for PFD Administrative Services. The Board discussed Section 2: 2.1 County Duties. The Board agreed with the services, but would like to monitor the services being provided by the county. Travis made a motion to approve the Interlocal Agreement with noted corrections. Eric suggested that the Board not approve the agreement until the fourth quarter when services are reviewed. The Board decided not to approve the Interlocal Agreement until the November Board meeting.

Work Plan, Project Up-Dates and Key Timelines

The PFD Board decided to have their next meeting on August 17, 2001 at 3:00 P.M. after the City of Everett and Snohomish County sign their Interlocal Agreement. Travis stated that meetings would be held for 1-½ hours and education should be included in future meetings. The Board would like the following items to be included on the agenda:

- Interlocal Agreement
- Director's Insurance
- Work on Bylaws
- Reimbursement Policy
- Issue of Compensation
- Adoption of a regular meeting date and location.

Jay would provide policies on reimbursement and compensation. Dan would like the policies to be similar to existing county policies. Jay also mentioned that there should not be any discussion of issues by the Board outside these meetings. The Board members would be in violation of state statute and possibly be sued.

Dan stated that stakeholders should have the opportunity to give presentations.

Others Present

Barry Smith, Museum of Flight, is very interested in pursuing a project and complimented Don Hale on the thoroughness of the City of Everett's project.

Adjournment

Meeting adjourned at 3:33 PM

Pending Items:

- PFD Board – Review contract agreement between Anderson and Hunter/Snohomish County Public Facility District
- Dan – Provide prioritization guidelines for reviewing projects
- Dan - Submit the insurance proposals to the PFD Board with a recommendation
- Jay – provide policies on reimbursement and compensation.

