SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT
MEETING MINUTES FOR JUNE 16, 2005
COUNTRY ADMINISTRATION BUILDING EAST 6TH FLOOR A-02

Board:
Steve Juntwait, District #2
Boyd McPherson, District #1
Travis Snider, District 4
Absent: Erik Nelson, District #3

Staff:
Roger Neumaier, Finance
Sherri Kelley, Planning

Interested Parties:
Doug Ferguson, Anderson Hunter
Grant Dull, Lynnwood PFD
Dave Waggoner, and Airport Director
Bill Lewallen, Assistant Airport Director
Dan Clements, City of Edmonds
Fred Safstrom, Everett Events Center

Call to Order:

Travis Snider, President, called the meeting to order at 3:09 P.M.

Travis explained the Board would hear testimony from the four projects today regarding their ideas and comments for criteria to be considered for future revenue distribution.

No minutes were submitted at this time.

Old Business:

Financial Projections

Roger distributed a draft model of possible County PFD distributions given various revenue growth scenarios for discussion purposes. Roger stated one point that is clear is that the dollars are available in the long term. The model puts together a schedule with a sense of planning for what dollars might be available and with growth trends for review to aid in decision making. This draft model is based on 2003 present value dollars reflecting payments and projections of investment interest, proposed reserve targets, possible undesignated resources and Future of Flight one time allocation and deferred payments until 2026. The model has a column reflecting projected reserves which increase through 2026, and then eliminates the fund leaving a balance $106,461 to be distributed. Travis thanked Roger for his work on the model and suggested this tool be used to evaluate and build on this framework for discussions next month for our planning a reserve amount.

Project Testimony

Everett Events Center

Fred Safstrom distributed the annual report for the Everett Events Center and stated their audit was completed last week with no findings. Fred’s first criteria for consideration of future distribution of funds would be economic driver. Legislation was to provide for stimulus for both communities and the
Lynnwood Convention Center

Grant was not planning on giving a project update, however announced that in their first 30 days in business they were only dark two days. Grant called the Board's attention to the fact that only one project has long term financing. He suggested that when the Board builds a reserve fund, it should correspond with the operating budget and protect against an event like 9/11. Grant reminded the Board that all the buildings will be twenty years old in 2026 and we need to be thinking about what will happen when the revenue stream stops. As we talk about allocations, it is clear that all the projects could use the money; it is good the Board is taking responsibility and establishing a plan.

Dave Waggoner echoes what others have said regarding additional future funds and suggested that when the Board is in that position, that each project present a grant proposal. This would allow the Board to do a comparison of additional public benefits and review of the business plans and how the projects add to the community.

Travis thanked everyone for their comments and caliber of thought and ideas for consideration today. The Board will review this information, bring their ideas together and develop its own perspective and begin drafting a proposal. Steve suggested structuring a plan with expansion capabilities and a percent of fund allocation for the four projects. The Board will seek Council input and then they will circulate it back to the projects for their comments.

Public Comments: None.

New Business:
Roger suggested moving to a larger, air conditioned room for future meetings, the Henry Jackson Board Room. It was moved by Boyd McPherson and seconded by Steve Juntwait and passed unanimously to revise Section 2 in Amendment 5-01 to change the meeting place next month.

Correspondence: None

Adjournment: The meeting was adjourned at 4:10 by Travis Snider and the next meeting will be held on Thursday, July 21, 2005 in the new Henry Jackson Board Room on the eighth floor of the Administration Building East.
State as a whole and they are trying to gather data on their impact economically. Although it is difficult to measure or quantify these figures, they have been able to confirm twenty new businesses opening near the Events Center. Fred stated as we review the criteria, we should be looking at the County as a whole, are these projects providing county-wide usage; geographic fairness is important and who is using the facilities. Fred suggested the County should consider filling operational shortfalls, provided the projects were well planned/managed and other shortfalls should be covered by the sponsoring municipality. Fred commented that it was appropriate for larger projects to receive a proportionately larger allocation and positive consideration should be given to projects that include significant non-public support from sources such as ticket sales, corporate support, and private contributions.

Edmonds

Dan Clements stated he agreed with the same qualifiers Fred presented with the exception of size of the facility affecting the size of the allocation. Dan stated they do recommend utilizing state sales tax, PFD’s admission tax and parking tax. Dan stated the ticket tax from the Future of Flight is an option to consider and that these are under the Board’s control. Edmonds would like to see these dollars be in addition to other exhausted funds prior to further distribution. Dan suggested that the Board may want to have the projects seek the other available local funding sources. Dan mentioned again, it is necessary to have the County’s backing due to the length of time involved and also from the City entities.

Future of Flight

Bill Lewallen distributed the Future of Flight Aviation Center & Boeing Tour project overview with funding development for the project and an accountability report. This is a draft developed to measure accountability and success on their goals and project; Bill invited the Board to make comments.

Bill reported their facility is 70% complete and they are within budget and have contingency funds yet available. Considering all the issues, the team and leadership has done a great job! On October 22, they will host a Black-Tie Event; and on the 23rd, it will be Boeing Family Day with 10,000 employees expected onsite, and their Grand Opening will be held on October 28th, 2005.

Bill stated he supported the comments from Fred Safstrom and Dan Clements. The Future of Flight project had considered levying an admission tax and had consciously chosen not to do so. The City of Mukilteo had also decided not to levy tax on their project because the funds would come back to the Airport.

Bill suggested looking at the return of the investment of public money; you can look at the value of the asset when you open and try to expand that back into the community. The Future of Flight project has private funds of $750,000 for pre-opening costs; donated Exhibits from Boeing and other firms totaling $20 million and private donations for the facility at $44 million. This project has not utilized City or Hotel/Motel tax dollars and the Hilton Garden Inn came for business reasons.