

MINUTES
Spokane Public Facilities District
Board of Directors
Spokane Veterans Memorial Arena Board Room
Wednesday, April 10, 2019
12:30 PM

ITEM #1 TO ORDER

Board Chair Larry Soehren convened the 753rd meeting of the Spokane Public Facilities District at 12:30 PM.

ITEM #2 ATTENDANCE

In attendance was Board Chair Larry Soehren along with members Marty Dickinson, Mick McDowell, Nate Greene and Travis Tramp. District personnel included Stephanie Curran, Matt Gibson, Monte Koch, Michael Gaffaney, Jessica Deri, Matt Meyer, Becca Watters, Brittany Garwood, Andrew Dolan and Ellie Maurer. Guests included Alan Dashen from Northwest Municipal Advisors, Stanley Schwartz from Witherspoon Kelley, Colin Anderson from Integrus Architecture, Tony Corigliano and Joe Kelly from Lydig Construction, Eric Sawyer, Jodi Kayler, Ashley Blake, Paul Christiansen and Jim Murphy from the Spokane Sports Commission, Tobby Hatley from Washington Hospitality Association, Rick Romero from the City of Spokane, Garrett Jones from Spokane Parks, Jamie Rand and Kaylen Bucher from Visit Spokane, and Dave Pier, Mark Miles and Bobby Brett from Spokane Chiefs/Brett Sports and Entertainment.

ITEM #3 CONSENT AGENDA

Mr. Tramp moved to approve the Minutes from the March 27, 2019 meeting as modified, Ms. Dickinson seconded and the motion was approved unanimously

ITEM #4 DISTRICT BUSINESS

Art Committee

Nothing new to report.

Finance Committee

Mr. Greene thanked Ms. Curran for her work on the negotiations with the Spokane Chiefs and Brett Sports & Entertainment and then provided background, as well as an update related to the negotiations. Mr. Greene moved to approve authorization from the Board to move forward with drafting the final agreements, based upon the negotiated business deal points. Once the final agreements are drafted, they will be presented to the Board for their review and consideration. Mr. Greene confirmed for Mr. Schwartz that acceptance of any final agreement is subject to review and approval by the Board. Ms. Dickinson seconded, and the motion passed unanimously. After approval, Mr. Pier gave his thanks to Ms. Curran for her work in this process.

Operations Committee

Mr. Tramp reported that the District Staff has completed a thorough review of the current 401(a) and 457(b) Plans and potential vendors. After consultation with their financial representative and analysis, they have chosen to move the plans to John Hancock. This change will result in lower employee expenses, provide cost transparency and improve customer service.

Project Committee

GMP - Mr. Soehren introduced the Sportsplex Agenda and then turned the discussion over to Mr. McDowell who introduced the parties involved in developing the Sportsplex GMP. He explained that the GMP is a heavily reviewed document and made note to the Validation Fee being included in the A&E fee described in the GMP. Mr. Soehren described the Sportsplex Budget and the numbers included in each section. Discussion followed regarding FF&E costs and the items included. Ms. Dickinson asked about the Project Committee's comfort level with the Sportsplex being built to the District's standards and the stability of the pricing. Mr. McDowell shared that this is a facility that the District would be proud of and that the Project Committee is comfortable with the pricing provided. Mr. Corigliano expressed that timing is key to keep the project efficient schedule wise. The deadline to sign the GMP is May 28, 2019. Discussion followed.

Track - Mr. Sawyer introduced the members of the Spokane Sports Commission (SSC) staff in attendance. He then began a presentation to the Board where he provided the background of the SSC, defined their Service First Approach, described the relationship between the SSC and the PFD, and shared the SSC's Vision. Ms. Blake continued by designating the Sportsplex Track as a Marquee Feature for Spokane, shared why Spokane would be a unique indoor track destination, and provided event data from the SFA Study pertaining to potential track events. Discussion followed, which led Ms. Blake to provide examples of created events and hosted events. Ms. Kayler shared that many of the events currently housed in the PFD facilities are created. Ms. Blake reviewed a list of national events with media appeal and Mr. Murphy also provided examples of events that may be successful in Spokane as well. Discussion followed in regards to the typical season for competitive indoor track, which Ms. Blake reported to be January through March. Ms. Blake followed with a review of the steps to be taken to successfully win the bid for the 2023 World Masters Athletics and provided a written testimonial from the World Masters Athletics President. Discussion continued regarding potential grants in support of youth programs, a statement that big national events bring competitors to Spokane in advance of those events, and how the Sportsplex will bring new events or grow events currently held in PFD facilities. Ms. Curran mentioned that it would be ideal for the Sportsplex to be multi-purpose for smaller events that would typically be held in the Convention Center, however there may be an added financial impact to the cost of construction in doing so. Mr. Greene expressed that it is important to calculate what the Sportsplex's potential operational costs will be in a basic month. Ms. Curran relayed that currently the Convention Center costs and data from the SFA report are being utilized.

Financing – Mr. Soehren outlined the current PFD plan for financing the Sportsplex. The plan includes bonding \$25M through Spokane County with debt service paid by the PFD, \$11M from PFD by freeing bonding reserves, and \$5M from the City of Spokane. Mr. Dashen then presented the potential scenarios if the PFD chose to borrow and repay bonds totaling \$35M. Mr. Dashen then reviewed the sources of payment from the PFD, shared historical tax collection data, detailed the LTAC resources specifically pledged to the repayment of Sportsplex bonds, described the PFD's outstanding and new debt, and reviewed projected debt coverage at various

rates of tax collections. Mr. Dashen explained that the PFD has enough money to bond at \$35M, but the future ability to borrow money for other District facilities may be reduced. He further went over the discussion points for the forthcoming conversation with Spokane County. Discussion followed regarding the PFD's future borrowing capacity and potential operating losses. Gratitude to the City of Spokane was expressed, but it was pointed out that the PFD is taking the vast bulk of the debt and the risk. Conversation followed and suggestions were discussed as to how Spokane County and the HMA should be engaged to participate.

Demolition – The Board was presented with the GMP Amendment #2 in the amount of \$796,444 to begin demolition of the Dance Studio and the Carnation Garage buildings. To move forward with the GMP Amendment #2, it must be signed no later than April 18, 2019. Mr. Romero was asked if the City of Spokane is comfortable with moving forward on their commitment to the demolition and the associated costs. Mr. Romero expressed his agreement that the demolition needs to happen but will need to take it back for the City's approval. It was reiterated that to allow for a timely mobilization of the site, the GMP Amendment #2 must be signed no later than April 18, 2019. Mr. Jones added that he worked with the Department of Ecology to extend some permitting afforded to the City Parks Department to the PFD's Sportsplex project. Mr. McDowell moved to approve Board approval of the GMP Amendment #2 subject to the City of Spokane approval of the demolition and payment. Mr. Schwartz asked for confirmation that that the GMP Amendment #2 amount will be credited to the Final GMP. Mr. Corigliano affirmed that if the GMP Amendment #2 is approved, it will be credited to the Final GMP. Mr. Green seconded and the motion passed unanimously. Mr. McDowell moved to authorize the District CEO to sign the GMP Amendment #2. Mr. Greene seconded, and the motion passed unanimously.

ITEM #5 MISCELLANEOUS

There were no miscellaneous items to discuss.

ITEM #6 PUBLIC COMMENTS

Dave Pier provided information regarding the current Chiefs Playoff games, standings and potential outcomes.

ITEM #7 ADJOURNMENT

There being no further business the Board adjourned at 2:05 pm.

Stephanie Huff
Deputy Clerk of the Board

Approved by the Board of Directors