

MINUTES
Spokane Public Facilities District
Board of Directors
Spokane Convention Center Board Room
Wednesday, June 27, 2018
12:30 PM

ITEM #1 TO ORDER

Board Chair Nate Greene convened the 735th meeting of the Spokane Public Facilities District at 12:30 PM.

ITEM #2 ATTENDANCE

In attendance was Board Chair Nate Greene, along with members Larry Soehren, Mick McDowell, Marty Dickinson and Travis Tramp. District personnel included Stephanie Curran, Dave Gebhardt, Matt Gibson, Stephanie Huff, Monte Koch, Mike Gaffaney, Becca Watters, Jessica Deri, Kevin Twohig, Brittany Garwood, Dave Gebhardt and Jené Iceberg. Guests included Eric Sawyer from the Spokane Sports Commission, Toby Hatley from Washington Hospitality Association, Rick Romero from the City of Spokane, Mark Anderson and Shelly Redinger from Spokane Public Schools, Doug Gilmore from the Spokane Rotoract and Junior Lilac Parade, and Gary Smith and Amanda Hansen. Dave Pier from Brett Sports and Entertainment arrived at 12:32 PM, Dan Verheul and Russ Brown from the Lilac Parade arrived at 12:38 PM and Cheryl Kilday from Visit Spokane arrived at 12:39 PM.

ITEM #3 CONSENT AGENDA

Mr. Soehren moved to approve the Consent Agenda, Ms. Dickinson seconded and after questions the motion passed unanimously including the following:

- Approval of minutes from June 13, 2018.
- Approval of Expenditures from May including the following: payroll vouchers #3012-3036 + 2 wire transfers and accounts payable vouchers: #37013-37057, #37059-37066, #37100-37109, #37111-37146, #37148-37229, #37231-37332, #37334-37405, #37407-37434, #37439-37485, #37487-37501, #37510, #37745-37746.
- Approval of Legal Invoices from May in the amount of \$5,689.50.

ITEM #4 DISTRICT BUSINESS

Stadium Presentation

Mark Anderson and Shelley Redinger from Spokane Public Schools and Rick Romero from the City of Spokane gave the Board an update on the proposed downtown stadium, its funding mechanism and ways they are exploring to reduce costs. Eric Sawyer from the Spokane Sports Commission discussed the SFA report on the feasibility and possible location of the stadium. There was discussion about testing voters and getting a survey to see whether voters would be agreeable to the downtown stadium. Mr. Anderson told the Board that the general feeling they were getting from anyone who had seen this presentation has been positive. Discussion followed about the location of the stadium, how parking would work for the stadium and District buildings when they were in use, and the type of agreement that would be required between the District and Spokane Public Schools to manage the logistics of parking. The timeline for decision-making is coming up soon and Mr. Soehren asked what the milestones and required documentation are for the District. The School Board will see this presentation tonight and then

they will be able to get more direction for this project. Mr. Greene asked for an update following the meeting of the School Board. Mr. McDowell suggested that the Board consider his offer to step down from the Project Committee in favor of Ms. Dickinson who has some experience with school bonds and projects of a similar scope to the stadium. This will be decided at a later date.

Tom Parker Proposal

The District's contract with lobbyist Tom Parker will end at the end of June 2018 and Mr. Parker has submitted an updated contract proposal with updated prices. The Executive Committee recommended approval of the contract. Mr. Tramp moved to approve the new contract proposal, Mr. McDowell seconded and the motion was approved unanimously.

Finance Committee

May is negative \$317,000 and year-to-date negative \$300,000, but May is a historically negative month. Attendance is at 586,000 year-to-date in 2018. Discussion followed about attendance and how the District is handling the deficits. Ms. Curran commented that the District is concerned and employees met yesterday to discuss ways to cut costs and raise revenues. She reminded the Board that it has been known that 2018 would be a tough year for the Convention Center and the INB will be closed for six months. Discussion followed about how the Arena is doing and what is in the pipeline. Mr. Gibson told the Board that this year is already ahead of projections and that it's looking strong. Mr. Greene reports that the Finance Committee and the accounting department have been looking into previous years to establish trends. Ms. Curran reminds the Board that the minimum wage is higher, there is new legislation for Earned Sick and Safe Leave, and the salary spread is different with bonuses wrapped up in salary. Ms. Garwood reported that expenses are similar to last year.

A tax revenue spreadsheet was included in the Board Packets for the Board's review. Mr. Tramp reports that hotels are doing well which leads to strong tax revenue. Lodging tax is up in Spokane.

The District was audited for 2016 and the exit meeting was held recently. It was a clean audit with no misstatements.

Operations Committee

River Front Park has put out a Request for Proposals for a partner to put on concerts in the park at the U.S. Pavilion. Mr. Gibson informed the Board that in conjunction with Live Nation the District has submitted a Proposal.

Project Committee

INB Renovation

Mr. Twohig reported to the Board that the INB Renovation is going really well. Lydig has been really good to work with. They are cutting costs where possible and reallocating those funds appropriately to other parts of the project.

Sportsplex

Proprietary meetings will take place tomorrow to interview the potential Design-Build teams for the Sportsplex. Most of the meeting time will be to answer questions from the DB teams, but the teams were sent three evaluation committee questions in advance of the meeting and they are:

- 1) Is it feasible to design and construct the full project (fieldhouse and icehouse) with the available funding (\$35,000,000)?
- 2) How can the Sportsplex be constructed without the Dance studio property?
- 3) Given our perception of a shortage of labor in the construction industry, how will you assure us that the project can be completed in a timely and cost-effective manner?

ITEM #5 MISCELLANEOUS

The TAP and KPI reports at Visit Spokane were included in the Board Packer for the review of the Board. Ms. Kilday from Visit Spokane reported to the Board that according to the STR report revenues are up 5.2% for downtown and the ADR is also up.

ITEM #6 PUBLIC COMMENTS

Dan Verheul and Russ Brown from the Lilac Parade extended their gratitude to the Board for allowing them to use the Arena parking lots as a staging area. Mr. Brown also told the Board that he supports the proposed downtown stadium and that it will have a huge impact on local sports.

Doug Gilmore from the Spokane Rotoract and Junior Lilac Parade thanked the Board for allowing the Junior Lilac Parade the use of the Arena parking lot as their staging area as well.

Dave Pier from Brett Sports and Entertainment announced that for the second year in a row the Chiefs had a first round draft pick.

ITEM #7 ADJOURNMENT

There being no further business, the Board adjourned at 1:41 pm.

Brianna Scott
Clerk of the Board

Approved by the Board of Directors