

MINUTES
Spokane Public Facilities District
Board of Directors - Via Webinar
Wednesday, October 28th, 2020 at 12:30 PM

ITEM #1 TO ORDER

Board Chair Larry Soehren convened the 787th Meeting of the Spokane Public Facilities District at 12:30 PM.

ITEM #2 ATTENDANCE

In attendance via webinar was Board Chair Larry Soehren along with members Marty Dickinson (exiting the meeting at 2:15pm), Travis Tramp, Nate Greene and Mick McDowell. District personnel included CEO Stephanie Curran, Mike Gaffaney, Monte Koch, Stephanie Huff, Brittany Garwood, Jessica Deri, Matt Meyer, Ryan Wilson, Kay Riplinger, Andrew Dolan, Holly Williams, Jene Iceberg, Ellie Mauer, and Nicole Foley-Litz. Guests included Sean Keatts with Barclay's, Scott Bauer with Northwest Municipal Advisors, Andrew Brenner with Lydig Construction, Stanley Schwartz from Witherspoon-Kelley, Meg Winchester and Ruth Fitzgerald from Visit Spokane, Dave Pier with Brett Sports and Entertainment, Dusty Kurtz and Freddie Mercer with TicketsWest, Eric Sawyer and Ashley Blake from the Spokane Sports Commission, Tom McBride and Intisar Surur from McBride Public Affairs, Colin Anderson and Rustin Hall with Integrus Architecture, Stuart Boylin and Sandy Kates with Lilac City Decorators, Karen Corkins from Spokane County, Tom Stebbins with Vision Marketing, and Toby Hatley with Toby Hatley and Associates.

Board Chair Larry Soehren reviewed the Spokane Public Facilities District (SPFD) Board Meeting webinar, call-in process and technology. He added the previous SPFD Board Meeting minutes and current agenda are posted on spokanepfd.org/board.

ITEM #3 CONSENT AGENDA

Mr. Soehren presented the Consent Agenda items.

Mr. Tramp had an inquiry regarding the September 2020 compressor and window repair expenses.

Mr. Koch explained that Snow Valley repaired a compressor for one of the AC units that runs the SE quadrant of the building, mainly in the Chiefs offices, and this was a budgeted item approved pre-Covid.

He added Marlin Windows repaired a window at the Convention Center, Room 102, damaged by vandalism.

- Approval of Minutes from September 23, 2020
- Approval of Expenditures – September 2020 – Payroll Vouchers: #3891-3895, #3897-3899, #3903-3904, #3906-3909, #3911, #3913-3914, #3917, #3919 + 3 Wire Transfers;
Accounts Payable Vouchers: #108274-108356, #108358-108389, #108478
- Approval of Expenditures – Period 13 – Accounts Payable Vouchers: #106038-106056, #106058-106062, #106075-106076, #106078-106089, #106091-106095, #106097-106116, #106128-106137, #106139-106173, #106187-106201, #106203-106210, #106215, #106235-106245, #106292-106315, #106317-106318, #106320-106332, #106334-106337, #106341-106351, #106355-106426, #106428-106515, #106517-106522, #106544-106556, #106612-106619, #106653, #106692, #106775-106784, #106791, #106810-106811, #106887-106903, #106905-106906, #107026-107028, #107196, #107324-107329

Mr. Tramp moved to approve the Consent Agenda, Mr. Greene seconded and the motion was approved unanimously.

Resolution 20-03 - Waiving the Competitive Bid Requirement For The Acquisition Of Identified Goods, Services, And Equipment To Be Paid For Through CARES Act Funding

Mr. Schwartz explained in order to receive funds from the federal government under the CARES Act, funds must be used between March 1, 2020 and December 30, 2020, to be used for only Covid-related items, and this Resolution authorizes the expenditure and acquisition of goods and services based upon an emergency, special market conditions, or sole source.

Mr. Schwartz advised that notice be posted on the SPFD website five business days prior to date of purchase.

Mr. Schwartz added some purchases will require pre-payment that will be secured through security interests or documentation to protect the District.

Mr. Greene moved to approve Resolution 20-03 - Waiving of Competitive Bid Requirement, Mr. McDowell seconded and the motion was approved unanimously.

ITEM #4 DISTRICT BUSINESS

Finance Committee

Bond Refinancing:

Mr. Greene stated the PFD is looking to turn in 2013 bonds to cover operating losses and perhaps any unexpected Podium costs.

Mr. Keatts detailed the bond refinancing process. There was further discussions about the current bond rating and taxable and non-taxable bonds as well as unknown interest rates for 2023.

Mr. Greene noted for full disclosure, allowing the bond to mature to 2023 when it will be tax exempt may result in more funds, however, the Finance Committee is looking to refund at this time.

Mr. Bauer chronicled the last few months of exploring the bond re-financing process.

Mr. Keatts noted there is a mechanism to allow for all of the funding upfront, and if the board approves now, saving could be locked in 2020 with current documents. After discussion, advisors will return in a month with a Bond Resolution.

Mr. Greene moved to proceed with Bond Refinancing, preparation of a Bond Resolution, and receiving funds in one payment. Mr. Tramp seconded and the motion was approved unanimously.

Funds Transfer Requests:

Ms. Garwood introduced a Request Memo regarding two Funds Transfer Requests including:

- 1) Transfer \$3 million from the Operating Reserve, funded in January, back into the Operating Fund to cover operating losses due to Covid which has been approved by the Finance Committee.
- 2) Reclassify the General Fund loan in 2018 from a loan to a transfer. In addition, add funds to the Operating Fund to cover operating cash flows.

Ms. Garwood indicated this will cover 2020 and possibly into 2021.

Mr. Greene added that Covid falls under our policy for funds transfer.

Mr. Greene moved to transfer \$3 million from the Operating Reserve back into the Operating Fund, Mr. McDowell seconded and the motion was approved unanimously.

Mr. Greene moved to transfer an additional \$ 500k from the General Fund into the Operating Fund and to reclassify the 2018 \$1.5 million loan from a loan to a transfer. Mr. Tramp seconded and the motion was approved unanimously.

Financials/Revenues – September:

Mr. Greene provided an overview of September 2020 financials.

The District was at a \$200,000 loss for the month of September and is -\$2.2 million YTD. Staff has worked diligently to keep costs down. Ms. Garwood added the District is now receiving city lodging tax monthly through February 2021.

Financials/Revenues – Period 13:

Mr. Greene reported 2019 resulted in a \$ 2.7 million in profit which was a record year.

Mr. Greene moved to approve Period 13 Financials/Revenues. Mr. Tramp seconded and the motion was approved unanimously.

Mr. Tramp moved to approve September 2020 Financials/Revenues. Mr. Greene seconded and the motion was approved unanimously.

Operations Committee

Mr. Tramp stated the Levy Executive Chef and Director of Sales candidates previously interviewed and approved have selected other locations. New candidates will interview with the Selection Committee next week.

Project Committee

Sportsplex/The Podium:

Lydig Pay Application for September 2020 #24

Mr. Koch presented the September Application previously approved by the Project Committee in the amount of \$ 2,433,750.68.

Mr. Tramp moved to approve the Lydig Pay App for September 2020 #24. Mr. McDowell seconded and the motion was approved unanimously.

Sportsplex (The Podium) Project Update:

Mr. Brenner presented a slideshow of current work.

The project is 56% complete and 63% in the field.

The recent weather has allowed for cleaner facilities during construction.

Exterior concrete work is moving along and working fast to have installed prior to inclement weather.

Interior work is moving quickly including duct and insulated metal panel work.

Heavy steel installation finalized last month as well as the low-roof. The high roof build is in its final steps.

An evergreen is placed at the top of the structure in alignment with Scandinavian construction tradition.

The wrap-around staircase is in place.

Fieldhouse bleacher planks are underway as well as overhead work prior to dig out work for hydraulic track and sand pits.

The stormwater system in conjunction with the Parks Department will begin in a few days.

There have been zero Covid cases on the job site.

Spokane Sports Commission – Sales & Logistics Plan/The Podium:

Mr. Sawyer provided an overview of the Spokane Sports Commission (SSC) and noted a PPE loan earlier in the year provided assistance.

The SSC has focused resources and energy on sales. Covid has affected sports significantly world-wide.

Ms. Blake presented the SSC “One Year To Go Plan” for The Podium, reviewed original budgets and budgets after Covid with increased TPA, as well as describing current PFD and SSC roles and responsibilities.

Mr. Dolan reviewed a joint SSC/PFD 4-Tier event classification plan for The Podium.

Tier 1 – International/National events, Tier 2 – Regional/Outside events, Tier 3 – Leagues/Clinics, and Tier 4 – City of Parks & Recreation.

Mr. Dolan further reviewed pricing noting it will similar to the Convention Center Exhibit Halls. The SSC and PFD have had several discussions with similar venues and the District is in line and competitive in pricing.

Ms. Blake detailed a Podium timeline, October 2020 – November 2021 including a soft opening in November 2021, and Grand Opening in early 2022.

Current Procured Events include:

2022 USA Karate National Championships

2023 USTAF Masters Indoor Track & Field Championships

2023 USA Judo Senior National Championships

Ms. Dickinson inquired if SSC had the proper resources. Mr. Sawyer replied the SSC is working on a cautious budget with undetermined TPA.

ITEM #4 MISCELLANEOUS

Visit Spokane – 1st – 3rd Quarter Reports/Update:

Ms. Fitzgerald presented the Visit Spokane (VS) quarterly update and reviewed a new pacing report..

TPA legislation will allow for VS and SSC to keep moving forward.

VS reduced operating costs and reduced staff by 2/3 in response to Covid and, at the same time, has experienced a stronger collaboration between VS, hotels, and the PFD.

Ms. Fitzgerald reviewed 2020 lost business and business has that has been re-assigned.

The PFD sales team has partnered with VS in sales efforts and is investing in full virtual sales.

The first virtual FAM trip was held September 28 – October 1 and engaged (20) meeting planners across the US resulting in (90) one-on-one meetings, and positive feedback in regards to Spokane as a destination.

Marketing: VS has published the Regional Visitors Guide for 2020/2021, is working on a new website, and installed branded signage at the Visitors Center at Riverfront Park. Further, VS has partnered with GSI, DSP, and the Valley and West Plains Chambers to secure \$14.5 million in economic recovery with \$2.5 million going to VS for a hospitality recovery plan in July-December of 2020.

VS has re-structured its membership model.

2021 goals include staff assuming multiple roles, and increasing economic impact through visitor spending.

Convention Center – 1st – 3rd Quarter Reports/Update:

Ms. Deri reported January and February 2020 resulted in over \$3 million in economic impact with almost 3,000 room nights.

Customer Service Surveys were at 100% in January and February of 2020 with a (5) out of (5) rating.

Covid: In March – September 140 events have been lost at the Convention Center with about half re-scheduling in 2021-2027, resulting in \$ 4.2 million in lost contracted revenue to our building and \$ 74 million lost in economic revenue to Spokane.

The Convention Center has hosted a few government sector events approved within the current Phase including Cerner (doctors and nurses), NCEES Exams, Meals on Wheels training and kitchen use, and the Exhibit Halls as a Safe Air Shelter during hazardous air quality conditions.

The GBAC Star Facility Accreditation Program:

Mr. Gaffaney detailed GBAC and the accreditation process.

In May 2020, IAVM partnered with The Global Biorisk Advisory Council (GBAC) that developed a performance-based GBAC Star Accreditation Program to help facilities establish a comprehensive system of cleaning, disinfecting, and infectious disease prevention.

Mr. Gaffaney, Event Manager Nic Lawrence, ISS Jon Bransford and two ISS staff leads have completed the online training, the PFD has applied for Arena and Convention Center certifications, and are awaiting processing. GBAC will hold audits every 90 days.

The PFD has incurred over \$800k in Covid-related expenses in technology that is in-line with GBAC including touchless ticket kiosks, new POS systems, App and online ordering, signage and marketing, staff training, screening, cleaning and cleaning equipment, and \$7k for each GBAC Star certification.

CARES Act funding has been secured for some Covid related equipment, thank you to the County.

FICA/Arena – 1st – 3rd Quarter Reports/Update:

Mr. Meyer reviewed the Arena first quarter, resulting in nearly 74,000 attendees at events. Tool on March 9 was the last event prior to official mandates that halted large events.

The Arena lost over 20 confirmed events including NCAA Men's 1st and 2nd round Basketball, the Spokane Chiefs Play-Offs, and the entire Spokane Shock season with some concerts re-scheduling to 2021.

The FICA saw 22,000 attendee's in the first quarter of 2020.

West Coast Entertainment (WCE) had a strong first quarter with Chicago, American in Paris, and Simon and Garfunkel. The Bachelor Live was the last FICA event prior to official mandates.

The FICA lost 12 confirmed events re-scheduled the entire 2020/2021 WCE season. Hamilton moved from February 2021 to the 2022 season.

\$4.4 million was lost in revenue at the Arena and FICA from March-September 2020.

Mr. Meyer reported industry-related conferences planned with AEG and Live Nation were cancelled, and, in response, virtual meetings have been ongoing. He is part of the Washington Venue Coalition that advocates for the event industry. This group will work with the Governor on an event-by-event basis.

Covid has strengthened industry-related partnerships with other venues, schools, WHL, NCAA, U of I, Spokane Chiefs, and Spokane Shock.

The PFD is working with the Oak View Group to bring larger shows to the Arena and FICA.

Mr. Meyer reviewed the District venue-specific re-opening and awareness campaign. Further, a second Back to Events Survey will be distributed (an initial survey was performed this past June to determine the public view on returning to events).

CEO Update:

Ms. Curran expressed the District priority on CARES funding and equipment procurement by the end of 2020.

Thank you to the County for approving these funds.

VS will be leasing office space from the District and will be moving into Convention Center in the coming weeks.

Ms. Curran is working with Diamond Parking and TicketsWest on amended agreements due to Covid.

The Levy GM will be arriving next week.

ITEM #6 PUBLIC COMMENTS

Mr. Soehren opened the Board Meeting for Public Discussion and the conference call was open for all meeting attendees.

The next SPFD Board Meeting is scheduled for Wednesday, November 11, 2020 at 12:30p.m., will be of a virtual nature and not at the Spokane Veterans Memorial Arena.

ITEM #7 ADJOURNMENT

There being no further business the Board adjourned at 2:48PM.

Michelle McIntyre
Clerk of the Board

Approved by the
Board of Directors