

MINUTES

Spokane Public Facilities District - Board of Directors Meeting Via Webinar & at Spokane Veterans Memorial Arena Board Room | Wednesday, February 14, 2024 at 12:30pm

ITEM #1 TO ORDER

Board Chair Read convened 853rd Meeting of the Spokane Public Facilities District at 12:34 PM.

ITEM #2 ATTENDANCE

In attendance was Board Chair Paul Read, Vice Chair Marty Dickinson, and Board Members Harry Sladich, Ed Bruya and Cami Eakins. CEO Stephanie Curran attended virtually. District personnel attending in-person included, Mike Gaffaney, Jennifer Kletke, Jessica Deri, Matt Meyer, Paul Christiansen, Steve Marsh, and Ryan Gallagher. District personnel attending virtually included Nic Lawrence, Melissa Coulter, Andrew Dolan, Tina Gallegos, and Gaye Feighner. Guests attending in person included Chris Varallo with Hawley-Troxell, Justin Kobluk with West Coast Entertainment, Scott Taylor and Aiden Hubbard with The Car Park, and Dave Pier with Brett Sports and Entertainment. Guests attending virtual included Ryan Nackers with Levy, and Tom Stebbins with Vision Marketing.

Chair Read expressed appreciate for the PFD staff for their efforts as well as PFD partners and vendors.

ITEM #3 CONSENT AGENDA

Board Chair Read presented the Consent Agenda items.

- **Approval of Minutes for January 24, 2024**

Ms. Eakins moved to approve the December minutes as presented, Mr. Sladich seconded and the motion was approved unanimously.

ITEM #4 DISTRICT BUSINESS

Committees:

Finance:

The PFD Finance Committee met this morning prior to the board meeting.

Mr. Marsh presented Financials reviewing December month end as well as multi-year P and L.

Administration - interest revenue exceeded budget and we are seeing significant changes in what holdings generates as far as revenue interest earnings. These funds are managed by the County and are passed onto the PFD.

The Arena finished with a negative variance 923k vs -626k expected budget noting higher utilities of 16%.

The Convention Center benefited from higher-than-expected catering revenues nearing double the expected budget. Year-over-year results were flat.

FICA: Early in the year it was discovered the sponsorship had not been billed previous and added \$180K advertising revenue in 2023. Concessions were strong at nearly double budget. Overall +\$1.2m.

The Podium: A portion of LTAC funds recovered some operating losses and this is year three of five in which funds may be used up to \$150,000 per year for The Podium losses. Taking funds out of the equation, The Podium revenues was up \$471k over budget.

The Stadium: Lower than expected by \$458k; attendance and concessions were lower than expected.

Mr. Sladich expressed appreciation for the efforts of PFD accounting for organization and transparency of financials.

Ms. Eakins noted the format is clear and easily understood.

Chair Read and Vice Chair Dickinson expressed similar remarks.

Mr. Meyer noted our biggest competitor is Boise and keeping rates in alignment with closer competitors in our routing area.

Ms. Curran noted that in 2022, the year after Covid shut-down, the PFD experienced three times the normal yearly events. She added working with Levy to pivot on food and areas in The Podium and further explained that the PFD partnership with Oak View Group will add to tour routing to the Arena and is positively recognized in the industry. In addition, although revenues in some areas may be lower than expected, tax revenue is still being generated in the community. For instance, the sold-out Adam Sandler show on a Monday night benefiting hospitality on a traditionally lighter day.

Ms. Curran expressed appreciation to the board and also diligent work by the Finance Committee.

At 12:57pm virtual technology experienced an outage and the meeting was paused until virtual resumed at 12:59pm.

Operations:

No report.

Project:

No report.

ITEM #5 MISCELLANEOUS

CEO Update:

LTAC: Board Member Sladich and Ms. Curran stated the Lodging Tax Allocation Committee met in January to review history and fund status. The fund is a 1.3% lodging tax legislated to the PFD and held in a fund allocated to Visit Spokane, Spokane Sports, and the PFD for marketing. LTAC is chaired by the PFD Board Member representing the lodging industry; currently Harry Sladich and composed of three organizations of the lodging industry; currently three local hoteliers. In addition, one member of City Council; currently CP Wilkerson. LTAC reviews the three-year fund applications from Visit Spokane, Spokane Sports, and the PFD. LTAC provides a recommendation to the PFD who then votes on applications.

PRC: The state Project Review Committee denied the PFD Arena Refresh project. An appeal will be held Tuesday. The Arena project meets RCW requirements.

Mayor Brown: Ms. Curran met with Mayor Brown yesterday. Discussion included Fire Marshal requirements and the challenges/issues surrounding alarms, especially lately, and safety concerns regarding multiple evacuations. (Mr. Kobluk added that in booking future shows, he is getting inquiries regarding alarms/evacuations). In addition, The Mayor and Ms. Curran discussed the traffic plan for the Northbank, city involvement/non-involvement, and the PFD hiring a traffic consultant.

STA Downtown Shuttle:

STA presented to DSP yesterday and the consensus was to proceed with shorter, more efficient loop that would cover downtown hotels and restaurants and loop up to the Northbank. The STA board will meet tomorrow to decide on which of (4) proposed routes to proceed with. The shuttle would appeal to guests, and downtown workers; especially on nights and weekends. Guests would easily travel between downtown (and Northbank) hotels, restaurants, retail, and event venues.

Capital Budget: The budget is out tomorrow and the PFD ask is \$3m for assistance with the Washington Clean Buildings Act.

Convention Center: Highlighted in Business View Magazine regarding a feature on tourism after Covid. Ms. Deri added that Ms. Curran, Event Manager lead Nic Lawrence, and herself were interviewed.

FreshVue: Plan to roll out magazine in March.

ITEM #6 PUBLIC COMMENTS

Board Chair Read opened the Board Meeting for Public Discussion.

ITEM #7 EXECUTIVE SESSION

Board Chair Read adjourned the Board to an Executive Session at 1:18PM per RCW 42.30.110 (i) regarding Litigation for approximately (45) minutes with no action expected. The board returned to the board room at 1:59PM with no action taken.

ITEM #8 ADJOURNMENT

There being no further business the Board adjourned at 1:59PM.

Michelle McIntyre, Clerk of the Board

Approved by the Board of Directors at following meeting.

The SPFD Board's minutes are intended to be a reasonable summary of the Board's deliberations and actions. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.