

**GREATER TACOMA REGIONAL CONVENTION
CENTER PUBLIC FACILITIES DISTRICT**

Meeting of Directors – October 17, 2019
Greater Tacoma Convention Center, Board Room South
1500 Commerce Street, Tacoma WA

Directors Present: Connie Ladenburg (Pierce County), Mike Brandstetter (Lakewood), Colleen Barta (Tacoma), Dean Burke (Tacoma), Lisa McClellan (Fife), Lisa Petorak (University Place), and Tom Pierson (Tacoma)

Staff Present: Kim Bedier, TVE Director; Adam Cook, TVE Deputy Director; Joni Dalin, Office Administrator, Diane Hager, Financial Supervisor; Sean McBroom, Security Manager; and Claire Ladner, Guest Experience Coordinator

Introductions of new TVE staff members were made: Adam Cook, Deputy Director; Diane Hager, Financial Supervisor; Claire Ladner, Guest Experience Coordinator; and Sean McBroom, Security Manager.

New board member appointed by Fife, Lisa McClellan, was introduced. She will fulfill the remainder of Bryan Yambe's term expiring at year-end. She indicated she hopes to be reappointed for another 4 year-term.

Secretary/Treasurer Brandstetter called the meeting to order at 7:45 am. (Chair Ladenburg arrived at 8 am). The board was asked if there were corrections to the April 18 meeting minutes. None were noted and a motion was requested for approval. It was so moved by Tom Pierson, seconded by Colleen Barta and unanimously approved by the board.

Financial Update

Adam presented financial information. PFD sales tax revenue continues to track 10% above the prior year. Hotel/motel tax also continues upward trend. Bond payments show no change from July information provided to the Board. The next bond payments will occur in the 4th quarter and no issues are foreseen with their payment.

Operationally, revenues are \$155,000 over budget. Event revenues make up \$55,000 of that amount, interest income makes up the remaining \$100,000. Revenues for the year are anticipated to end \$350,000 to \$400,000 over budget. Expenses are \$1.67 million under budget, (some of that being a timing issue, with \$700,000 going to construction and outfitting of a 24-hour guard office to be built in the loading dock/parking area of the 5th level of the facility). The other \$754,000 in realized savings were based on advantageous service contracts. It is anticipated the year will end with expenses at \$1.1 million under budget. Net revenue should be \$1.5 million by year-end.

Information on event types and impacts was provided. Conferences and trade shows have scaled back (due to client perceptions regarding parking and hotel construction impacts) with short-term and social events picking up the difference. Conferences and trade show bookings are expected to pick up once the new hotel property opens in 2020.

The department has requested a \$1.25 million transfer from cash balances to the facility's reserve account as part of mid-biennium budget modifications going before City Council in November for approval. This will bring the facility's reserves to \$1.75 million. Kim thanked the board for their role in the fund's creation through passage of the resolution requesting excess PFD sales tax dollars (exceeding debt payment requirements) be put into such a fund.

An additional budget modification request included is \$550,000 from that reserve to upgrade the facility's HVAC system, LED lighting in the lobby area, banquet chair replacement and addition, additional lobby and public area furniture, interior digital signage throughout the facility and updating of the facility's exterior signage to accurately reflect its name.

Board member Brandstetter asked about security enhancements in addition to the relocation of the 24-hour security office. Sean McBroom is evaluating needs. Requests for enhancements will likely be submitted in the 2021/2022 budget cycle. The board also inquired about planned additions to facility art to correspond with the new hotel opening. Once aesthetics of the hotel are known, pieces from the City's art collection may be incorporated to add new vibrancy to the facility. Revolving exhibitions were also of interest, as well as possible loan of art from participating jurisdictions. Colleen Barta indicated items from the Sports Museum could be loaned on a temporary basis for any sports-related events in the facility.

Update on Recruitment Strategy for New PFD Jurisdictions

Board Member Burke indicated he and Kim Bedier met with Andy Takata, Dupont City Manager, who seems receptive to Dupont joining the PFD. Dean will follow-up. If Dupont is ready to move forward, legal documents (which have

already been prepared by the City of Tacoma) would be sent to all currently participating jurisdictions amending the interlocal agreement. This would likely occur in 2020. Due to the unsettled nature of Puyallup's political situation, their inclusion doesn't appear likely in the near-term; however, this will be revisited early next year after elections. The board asked about Ruston, as they have a new hotel coming on-line which benefits from the existence of the convention center. Kim Bedier indicated she will connect with Ruston leadership to determine their interest. Ruston's deputy mayor is the lobbyist for the Washington Association of PFDs. Mike indicated the attendees at the month-end conference may be able to connect with him there to discuss possible interest in Ruston joining the PFD.

Subcommittee report on planning for Tacoma's hosting of the Association of Washington State PFD's – October 2020

Connie and Colleen have not had an opportunity to meet, but will report at the January meeting. Colleen (along with Dean and Mike) are attending this year's meeting in Yakima at the end of the month and hope to return with information/ideas to assist in planning of the 2020 session, including prospects for a keynote speaker (State Auditor, Pat McCarthy will be the speaker in Yakima). Discussion followed regarding a catered dinner experience at a local attraction rather than a restaurant/hotel/convention center in order to more fully showcase the attractions of the area. Kim Bedier suggested September 9-10 or September 29-30 as conference dates (there is currently availability on those dates on the Convention Center calendar).

Tourism Promotion Area Update

Dean provided an update on TPA for those attendees new to the subject. Board members are appointed by the Pierce County Executive. Kim was recently appointed as an ex officio to the TBA Board and can facilitate their understanding of funding needs.

Dean further reported the Pierce County Economic Development Office has just hired Mike Gommi as a TPA and Pierce County LTAC manager who will work with TPA board members on functioning of the strategic plan and allocated funding. Mike was part of the initial set-up of the TPA, has hotelier experience in Tacoma (Hollander Hotels) and extensive tourism industry experience. Dean will speak with him about attending a future board meeting.

Board Term Expirations

Three board member terms expire at the end of 2019: Connie Ladenburg (Pierce County), Mike Brandstetter (Lakewood) and Lisa McClellan (Fife). Four-year terms may be renewed by their appointing jurisdictions if so desired. Joni will contact jurisdictions regarding board member representation and ensure appropriate board appointment resolution documents are maintained.

Director's Report

The Convention Center was named one of the top 20 mid-sized convention centers in North America by Exhibitor Magazine. Also, the department received the Venue Excellence Award by the International Association of Venue Management (IAVM), recipients selected by peers in the industry.

An update from the sales team was presented (details on following page).

Kim provided the following updates on the new hotel property:

- Construction crane is down, interior work has begun
- Marriott's sales director from their SeaTac property will be moving down to take on that role at the new hotel. They are looking for temporary office space in Tacoma for their sales team.
- Expected opening date – August 2020
- Group booking proceeding for 2021

The name of the new hotel will be Marriott Tacoma Downtown. Sales collateral for the property should be available sometime next week. The Convention Center sales team is actively working with them reserving room blocks.

New Business

No new business was presented. There being no further business, the meeting adjourned at 9:00 am.

January 16, 2020 (7:45 am) is the next regularly scheduled board meeting (Convention Center Boardroom South).

Recorded by Joni Dalin

Update from GTCC Sales Team for October 17, 2019 PFD Board Meeting

Special mention: GTCC named BEST of top 20 in nation by Exhibitor Magazine

YTD Sales Goals for GTCC:

127% of Revenue Goal (goal is \$2.6M, currently at \$3.3M) – more than 220 events definite in 2019 so far
96% of Room Night Goal (goal is 19k, currently at 18k) – will achieve this goal by year end

Expecting GTCC business for 2020 to be flat to 2019. Overall, the convention business has been down slightly due to the construction of the new hotel. And, national forecasts support no growth for conventions market. National averages are showing 2020 convention business to stay flat with no major growth or decline.

Booking PACE is flat, but consistent:

Events and total room nights that were definite as of January 1, 2016 - August 31, 2018 for 2019.

54 events definite with 14,451 room nights

Events and total room nights that are definite as of January 1, 2016 – August 31, 2019 for 2020.

64 events definite with 14,210 room nights

Future Rooms Sold as of September 30, 2019:

2020 – 13150

2021 – 11047

2022 – 1963

2023 – 2708

2024 – 1700

*Average pickup each year for convention room nights is 18,000-21,000 room nights. 2020 has a solid foundation to meet the average and 2021 is pacing to exceed average

The new hotel:

- Official named: Marriott Tacoma Downtown
- Posts on LinkedIn with actual outdoor shots and renderings of guestrooms are being shared by the management company. The GTCC sales team has started to share these posts and are beginning to promote it through other marketing sources.
- Collateral is being designed now. Sales outreach has begun to the Marriott National Sales teams to introduce them to the region with this new hotel.
- Management company is starting to look at office spaces to rent, to establish sales offices until the building is ready.
- 30 leads have been sent so far. 3 events definite 2021-2022. 24 leads pending decision 2021-2024.