

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

Hybrid Meeting of Directors – January 16, 2025

Directors Present: Dean Burke (Tacoma), Colleen Barta (Tacoma), Kevin Briske (University Place), Robyn Denson (Pierce County), Andrea Reay (Tacoma),

Staff Present: Adam Cook, TVE Director, Donlisa Scott, TVE Office Manager, Diane Hager, TVE Business Services Manager, Lynsey Norton, Director of Sales Visit Tacoma/Pierce County

Director's Absent: S. Joey Murphy (Fife), Linda Smith (Lakewood)

Chair Burke called the meeting to order at 8:31 a.m.

The meeting started with a land acknowledgement to recognize that the meeting was held on Indigenous land: the traditional homelands of the Puyallup people.

ʔuk'wədiitəb ʔuhigwətəb čəł txwəl tiit ʔa čəł ʔal tə swatxwixwtxwəd ʔa tiit puyaləpabš dxwəstəłlils gwəl ʔutxwəlšucidəbs həlgwəʔ.

*We gratefully acknowledge that we rest on the traditional lands of the Puyallup People where they make their home and speak the Lushootseed language.*

**Approval of minutes from October 17, 2024**

Colleen Barta motioned to approve the minutes; the motion was seconded by Andrea Reay. The minutes were approved by the Board.

**Election of Officers**

Chair Burke called for a motion for the election of the Chair and Secretary/Treasurer board positions. Colleen Barta motioned for Dean Burke to be reelected as Chair, Robyn Denson seconded the motion. The motion passed unanimously. Robyn Denson motioned for Andrea Reay to be reelected as Secretary/Treasurer. Colleen Barta seconded the motion. The motion passed unanimously.

**Public Comment on Action Items**

There was no public comment.

**Financial Update**

Adam presented the Q4 2024 financial update, highlighting that revenue has exceeded the budget by \$540,000. Expenses are slightly above budget by \$607,000, with this amount tied to event-expenses, increases in security costs, and end of year repair and maintenance costs. Net revenue is a bit of a loss but still in line with the budget. Non-operating PFD Funding sources are \$600,000 ahead of budget due to hotel/motel collections, which were \$516,000 over budget. The end of year collections are a bit slower than traditional collections yet continue to pace well. Our treasury department shared that that the stadium area short-term rental payments into the hotel/motel collections may have been miscoded. Historically stadium has accounted for \$500k a year in lodging tax collections. Our Finance team will work with the City to track this through Tax and Licensing and we should see an increase as we move into the next few of months.

Operating cash is consistent, and capital fund remains flat due to no additional projects. Debt service cash on hand decreased by \$2M due to debt payments. Operating fund had a slight decrease of \$180,000, however it is still stable at \$4.4M. We are no longer required to carry the debt reserve fund. PFD and lodging tax collection cash on hand increased by almost \$900,000 (\$650,000 hotel/motel tax and \$250,000 sales tax) over the course of the last quarter. This is incredibly strong, and our collections are outpacing our debt requirements.

Debt balance has changed slightly. The 2015 refunding revenue bond of \$65,000, and the 2010 revenue bond were both retired. These two bonds are backed by the PFD tax collections and accounted for an aggregate \$1M in combined principle. These bonds were retired at the end of 2024. We took \$125,000 of debt from the 2015 revenue bond and refinanced under what's now the 2024 refunding revenue bond. The \$125,000 bond is backed fully by the PFD. By tying this new revenue bond to the PFD's sales tax collections, the PFD will continue collecting the sales tax credit through the end of the life of that bond which is now 2040. This accounts for about \$6M - \$7M a year in potential revenue and is critical to future capital project needs.

Events are pacing slower than last year due to the booking lag cycle after the pandemic. We continue shifting our business model to focus on bigger events with higher economic impact. Our financial return is up 10% year over year on our gross revenue and we are doing well with these events. Our competition market is growing rapidly, and Dean and the Visit Tacoma team are doing amazing work bringing in not only traditional sports competitions but gaming competitions. Despite having fewer events (down 15%), our economic impact is up 3% year over year. These competition events are bringing a lot of people to our community.

Due to the collections shortfall mentioned earlier, Hotel/Motel tax collections dropped off toward the end of the year and ended at 95% of 2023's collection. Overall, we are still ahead of our budget for last year in the aggregate. The PFD sales tax has been relatively flat versus 2023 with 1% growth year over year which is following the citywide trend.

### **Director's Report**

We hosted the Convention Center's 20<sup>th</sup> anniversary celebration in November. It was a fantastic night of fun. Pictures of the event are available online.

The City of Tacoma and Pierce County were jointly named one of nine fan zone host sites for FIFA World Cup Seattle 2026. This is unique and new to FIFA World Cup. We are the only host city in the country that is creating fan zones for people to participate and engage in FIFA World Cup activities outside of the individual venue location. The City and County are scouting locations and working on building a core committee to help put it together. We are excited to be hosting and look forward to being a part of this momentous event.

TVE is working with a consultant to conduct a full review of our theater operating policies and focusing on how we can best support our resident arts organization and the broader cultural community. If anyone in this group is interested in providing feedback on the ways the theater can help support what are policies may be, let Adam know and he'll provide the contact information for our consultant.

We are working with a group called the Best of Broadway. This is a group formed by Mike McClure, the owner of the Tacoma Center. They are focused on building the Broadway stretch of downtown between the Convention Center and Theater District to activate the space and create a welcoming downtown core.

The City adopted an excise tax late last year on the sale of food and beverage at the Dome and Convention Center. This includes our partner Aramark concessions who does all our catering at the Convention Center, as well as concessions and catering at the Dome. It is an excise tax on the seller, not an added tax to the consumer at the point of sale. We may see price increases at both the Dome and Center to offset the tax. We ran several calculations, and we are significantly below market average on most of our food and beverage pricing. The funding will come back to TVE to be used to support our community and cultural events across the city.

The Convention Center was recognized again by Exhibitors Magazines 2025 Centers of Excellence Award as a facility that has proven their ability to host trade shows and events of all sizes while providing world class service and state-of-the-art accommodations. We are one of three finalists for the best Convention Center under 100,000 square feet of exhibit space along with Overland Park Convention Center and the Owensboro Convention Center. We are excited to showcase the hard work that our team does and maintain our presence on the national stage.

The City's budget was confirmed in mid-December. We are forecasting steady revenue growth over the next two years in alignment with our new booking strategy. Our event expenses will increase in conjunction with the revenue increases, and we will start seeing increased repair and maintenance costs. With the building passed its 20<sup>th</sup> anniversary date we are in the window for some major repairs and capital expenses over the next few years. This will lead to a small net budget profit, and a stable budget over the next two years.

We are making a shift to our budgeted payroll allocation and rebalancing expenses between the Dome and Convention Center. During the pandemic with the reductions in hotel/motel tax and sales tax, we reduced the PFDs contribution to the Convention Center's operating account. We also transferred a portion of our payroll to the Dome since that was where the majority of ongoing work took place. With our full event loads back in both buildings we are rebalancing the workload of the facility operations team and the corresponding payroll allocations, with a much higher event load occurring at the Center than at the Dome. We are shifting payroll to the Convention Center and we're also slightly increasing the PFD's operating contribution. All still within the PFD revenue collection ability. This will not have a significant impact on GTCC operations or the PFD.

The sales team had an amazing 2024 with great numbers. They have a direct return on investment for contracted Convention Center events of almost \$5M guaranteed which is above their budget targets. They had a target goal in 2024 of 19,570 room nights and landed on 45,000 room nights booked for the future.

The City's Martin Luther King, Jr. celebration is scheduled on January 20<sup>th</sup> at the Convention Center. There will be a community fair and presentations and everyone is welcome to attend.

**New Business**

There being no further business the meeting adjourned at 9:08 a.m.

The next regularly scheduled meeting of the board is April 17, 2025.