

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

Meeting of Directors – January 31, 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) and Dean Burke (Tacoma)

Directors on Phone: Lisa Petorak (University Place), Tom Pierson (Tacoma)

Directors Absent: Bryan Yambe (Fife)

Staff Present: Kim Bedier, TVE Director; Jon Houg, TVE Deputy Director and Joni Dalin, Office Administrator

Chair Connie Ladenburg called the meeting to order at 7:45 am. Election of officers was the first order of business. Mike Brandstetter nominated Connie Ladenburg for Chair. No other nominations were put forward and Connie was unanimously approved by board members for re-appointment. Connie nominated Mike Brandstetter for the position of Secretary/Treasurer. No other nominations were put forward and Mike was unanimously approved by the board.

The board was asked if there were corrections to the October 18 meeting minutes. None were noted and a motion was requested for approval. It was so moved by Dean Burke, seconded by Colleen Barta and unanimously approved by the board.

#### Financial Update

Jon Houg presented financial information. He noted that 2018 continued the trend of year over year increases in PFD sales tax revenue rebates, reminding the board of the two month lag in revenue reporting. A slight economic downturn is expected for the 2019/2020 biennium, with only moderate growth in these rebates (not approaching the historical growth in excess of 4% year over year).

Regarding the report displaying Hotel Motel Revenue, Kim Bedier commented that 100% of Tacoma's 7% hotel/motel tax is dedicated to the Convention Center's debt repayment. Mike Brandstetter asked whether the City of Tacoma might consider lowering its percentage of this tax dedicated to bond repayment due to funding performance to date. Jon Houg indicated bond covenants for the Convention Center require Tacoma's hotel motel tax be fully dedicated to PFD bond debt until its retirement. Current bonds sunset in 2034 and 2036.

Transfer of PFD sales tax rebate funds in excess of those to meet debt obligations have resulted in a capital fund balance for the Convention Center of \$1,351,046 as of 12/31/18. To date, one expenditure has been made from the fund – a \$6,421 lighting project transitioning to LED technologies for a portion of the building. The board inquired about other projects currently planned for fund use. Replacement of 3<sup>rd</sup> floor carpeting to adjoin the new hotel property will be completed summer 2019. An additional component of the capital fund is a contribution from the development agreement for the hotel property - \$325,000 allocated for replacement of the "temporary" south stucco wall of the Convention Center. This surface was originally designed with a 7-year life expectancy (anticipating addition of a hotel at an earlier timeframe). This project will be addressed in June/July of 2019, when the facility wall adjoining the hotel is modified. Jon Houg reported the hotel property is on schedule.

Additional Convention Center revenues related to the new hotel property are not expected to actualize until two years after the property's completion, as large events typically book two years out. Other hotel properties coming on-line in Pierce County (two in Lakewood, Dupont, and the Silver Cloud/Ruston – mostly leisure) will bring the total hotel inventory from the current room inventory of approximately 5,700 to 7,000.

#### Update on Recruitment Strategy for New PFD Jurisdictions

Board Member Dean Burke met with Ted Daneck (former City administrator for Dupont) last fall, which resulted in a presentation to Dupont's City Council on December 11. Andy Takata, new City Manager is on board with the concept of Dupont joining the PFD. Dean will follow-up with Andy to determine any issues and bring them to the board at the April meeting. Gig Harbor is currently in holding status due to governmental changes there. No action has yet been taken on Puyallup. The board indicated enthusiasm over Dupont's joining the PFD due to the expansion of their retail footprint and resulting sales tax dollars.

## Director's Report

Kim Bedier reported the Convention Center finished 2018 8% ahead of revenue projections. While the number of events was down, the mix of events has changed with higher dollar value events (more catering revenues) replacing smaller, local events. Kim attributed much of this success to the Travel Tacoma sales team's outward facing sales efforts and noted they are headed to a conference in Chicago in the coming weeks, focusing on convention business potential for Tacoma. She also reported that the facility has its first event for 2023 on the books and that the wedding market have been a great growth area for the facility, with lucrative F&B performance. Revenues are projected to be flat through the hotel construction.

She commented that board member Dean Burke's new role, heading up both Travel Tacoma and the Sports Commission, brings a synergy to the efforts of both organizations. Also noted was the opening of the McMenemy's property slated for April.

## New Business

The growth of soccer in Pierce County, with sports complexes up and along the corridor is expected to have a major positive impact on the economic health of the region. (Dupont's partnership with JBLM).

Mike Brandstetter indicated the board should begin establishing plans for hosting of the AWSPFD (Association of Washington State PFDs) the third week of October of 2020 with involvement of local participants, scheduling of days (M-T, W-Th, Th-Fri, etc.) and asked fellow board members to bring their ideas to the April meeting.

There being no further business, the meeting adjourned at 8:32am.

The next regularly scheduled meeting of the board is April 18, 2019 at 7:45 am, in Convention Center Boardroom South.

Recorded by Joni Dalin