

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

Hybrid Meeting of Directors – October 27, 2022

Directors Present: Colleen Barta (Tacoma), Dean Burke (Tacoma), Jani Hitchen (Pierce County), Andrea Reay (Tacoma), Lisa McClellan (Fife), Kevin Briske (University Place)

Staff Present: Adam Cook, TVE Director, Tammi Bryant, TVE Deputy Director – Marketing Diane Hager, TVE Business Services Manager, Donlisa Scott, TVE Office Manager, Chelene Potvin-Bird, Travel Tacoma VP of Sales

Director Absent: Linda Smith (Lakewood)

Chair Burke called the meeting to order at 7:47 a.m.

The meeting was started with a land acknowledgement:

ʔuk'wədiitəb ʔuhigwətəb čəł txwəl tiit ʔa čəł ʔal tə swatx'wix'wtxwəd ʔə tiit puyaləpabš dxwəstəłhils 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.”

Public Comment on Action Items

There was no public comment.

Approval of Minutes from July 21, 2022

Colleen Barta motioned to approve the minutes. They were seconded by Jani Hitchens. The minutes were approved.

Financial Update

Adam presented the 3rd Quarter 2022 financial update. Year to date continues to pace well. Revenue is slightly under budget by \$460,000 but the net revenue shortfall slowed over the third quarter. Expenses continue to be under budget by approximately \$1.5M, \$900,000 of that is still due to the Guard Shack capital project which was completed recently and should be paid out in Q4. The rest of the \$600,000 is staffing and external contracts due to limited event needs. Net revenue was ahead of budget by a little over \$1M, mostly due to the pending capital project expenses.

Funding sources are well ahead of budget by approximately \$1.6M, largely due to a strong hotel/motel collection through the third quarter. Hotel/Motel has surged ahead and is now \$1.2M ahead of budget and the PFD Sales Tax collection is \$489,000 ahead of budget. This was a remarkably strong third quarter for the hotel/motel tax collection which has a two month lag in reporting (i.e. July-September reports are for May-July collections).

Year to date, Hotel/Motel tax is pacing ahead of 2019 by roughly 106% month over month average. Our September collection was \$679,000 which was 121% of the 2019 collection based on July's strong hotel nights in the region. PFD revenue sales tax collection remains at 105% growth. Debt service net is ahead of budget due to accrual of funds and timing of the bond payments. Those occur in June and December. We anticipate ending the year on budget.

As of September 30th, our capital fund cash balance increased by \$250,000 due to the annual amortization of the contribution the board approved at the end of last year. Debt service cash balance increased \$1.3M to accrue for the December payment. Operating fund cash increased \$120,000 due to event expense savings. The Debt Reserve Fund remains static at its \$501,500 mandate. Hotel/motel fund cash balance increased \$511,000 and the PFD Cash Balance is up \$177,000 due to strong collections. We remain in a very strong cash balance position with approximately \$13.7M combined between all the accounts

We have surpassed the last two years combined on our total event days for the Convention Center as well as our Economic Impact to the region. We still lag behind our results in 2017 to 2019, but that's to be expected based on the current convention booking climate. It is extremely positive that we are building back business in the way we are. Competition remains strong, we've seen smaller conference and convention business return, but are still waiting on larger events to return to the market. We have seen positive steps here as well with a few larger conferences utilizing the GTCC. Exhibitions, trade shows, and social events came on strong in the third quarter and we saw a good return to business, but meetings and seminars remain weak as a market segment. The third quarter was a good quarter in the Convention Center's return to business. Year to Date Economic Impact is slightly behind pace for the numbers of events since the smaller conferences and social events have a smaller economic impact than the larger conventions which are still lagging on their return.

Director's Report

Our capital work for the building is progressing. The purchasing requisition for our security camera upgrades and installation comes up for council approval next week. We are working with the parking contractor on our fence installations for the second-floor garage as well as the loading dock. Hopefully those will move forward in the next few months. We are continuing to work with our furniture provider on getting cost effective yet nice and elegant solutions for the lobby spaces around the building and should have those within the next few months.

September was a fantastic month on our food and beverage side. Their gross revenue was over \$380,000, making it one of their biggest single months ever. October has also been strong with 25 events over the course of the month. We are starting to see higher F&B generating events return as we get into the fourth quarter.

We are still in a hiring mode for several of our key positions mostly oriented around the Dome. Nothing that's impacting our ability to do business, as most of the team has taken on extra tasks to be sure we're delivering a great experience to clients. We will hopefully get these positions hired during the fourth quarter.

Chelene shared that several events in 2020 and 2021 were postponed into 2022 and 2023 which gave us a good base to go into this year. We have returned to about 90% of the volume of leads that we were getting previously. The leads that we are receiving are smaller in attendance. Groups are starting to come back but they're coming back more conservatively in their anticipated attendance. She also shared the strategy to generate leads, bring new opportunities, and build relationships. In conjunction with Aramark, we have built a unique catering buy-out option for multi-cultural weddings that has generated \$50,000 - \$60,000. She shared that the annual goal for revenue is \$2.6M, and we are \$300,000 away from achieving it. Room night targets are 19,000 per year, and we're approximately 3,000 rooms away but have over 4,000 potential rooms in pending contracts.

Open Meeting Act Training & Open Public Records Act Training

Donlisa shared information about the Open Public Meetings Act. The State requires that all members of Commissions, Boards, and Committees complete OPMA training within 90 days of appointment and every 4 years thereafter, using the WA State Office of Attorney General trainings at www.atg.wa.gov/open-government-training. This includes the PFD Board Members. Donlisa will send the link to the training to everyone and requested members email her to confirm they have completed the modules.

Association of Washington State PFD Conference Report

Tammi shared that we hosted the Association of WA State PFD on September 21 – 22. Eighteen members attended. It was successful and a great opportunity to network.

Board Member Term Update

Kevin Briske's term will expire December 31, 2022. Donlisa will contact the University Place Clerk's office regarding his term.

New Business

Chair Burke asked if the Board would consider changing the time for the meetings. Donlisa will send a poll to everyone with some options. This topic will be put on the agenda for the board meeting in January.

There being no further business the meeting adjourned at 8:22 a.m.

The next regularly scheduled meeting of the board is January 19, 2023, at 7:45 a.m.

Recorded by Donlisa Scott