

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

Telephonic Meeting of Directors – July 16, 2020
Necessitated by COVID-19 Measures

Directors Participating: Mike Brandstetter (Lakewood), Colleen Barta (Tacoma), Dean Burke (Tacoma), and Tom Pierson (Tacoma), Lisa McClellan (Fife), and Lisa Petorak (University Place)

TVE Staff Participating: Kim Bedier, TVE Director; Adam Cook, TVE Deputy Director; Tammi Bryant, Director of Marketing

Secretary/Treasurer Brandstetter called the meeting to order at 7:48 am. This meeting was held virtually by phone, with discussion limited to necessary and routine matters as defined in RCW 42.30.2020 to comply with Governor Inslee's proclamation limiting public gatherings in response to the COVID-19 outbreak.

Approval of Minutes from Previous Meeting

The board was asked if there were corrections to the April 16 meeting minutes. None were noted, Secretary/Treasurer Brandstetter requested a motion for approval of the minutes. It was so moved by Lisa McClellan, seconded by Lisa Petorak and unanimously approved by the board.

Financial Update

Adam Cook presented Q2 2020 financial information. Operating revenues were under budget by approximately \$870,000 as a result of COVID-19 related event cancellations and postponements. Multicare continues to host (essential) new employee orientations. Expenses were under budget by \$1,060,000; consequently the facility's net revenue for the period was over budget by \$196,000 due to this expense savings.

Hotel/motel tax are down \$1 million versus budget with a 60-75% drop through the end of year expected, despite this market performing better than others regionally. PFD Sales Tax is down \$208k versus budget with a 25-35% drop estimated through the end of year. This is a less steep drop than originally forecast at the start of the closure, however it will continue farther into 2021 and possibly 2022 than originally forecast.

Operating capital balance through end of June is unchanged at \$1.7 million. Operating cash is \$3.7 million, debt service at \$1.9 million. Hotel/motel tax fund is sitting at \$4.9 million, and the PFD sales tax fund is at \$1.6 million.

2020 PFD Fund Cash Balance is expected to show a decline of \$1.1 million due to decreased sales tax revenue. The tourism and convention fund cash balance shows losses of \$2.3 million drawing down the cash balance to \$3.5 million.

Between March and June 2020, 77 events were cancelled and 41 events postponed for a direct economic impact of \$5.4 million (2,836 room nights). All event types have been impacted. Projecting a January 2021 reopening and continue to work on rescheduling events from July through end of year.

Bond debt balance is \$72,876,873. A decrease of \$1.1 million in interest payments made since the last report.

Dean Burke offered his perspective as President & CEO of Travel Tacoma – Mt. Rainier, indicating that there is a 60-day latency on report of the LTAC funding and that Tacoma-area hotels were predicting less of a deep drop than had faced other markets. The Hotel Murano is off line and anticipated not to open until 2021. The Marriott Tacoma Downtown continues to be on track for a soft opening in the fall. Adam Cook shared graphs showing the Hotel/Motel and PFD revenue history.

Hosting of Association of Washington State PFDs (September 2020)

Discussion amongst the board regarding the planned Washington State PFD Conference in September 2020 moving to a virtual format for safety during COVID-19. Committee members (Connie Ladenburg, Colleen Barta and Kim Bedier) will discuss a half day schedule with presenters including topics central to ongoing policies and procedures related to COVID. Staff indicated I.T. resources were available to support a virtual conference. The committee will create a poll to determine interest from PFD members to attend virtually and circulate topic options. The committee will indicate that the virtual conference does not replace an in person conference and would anticipate hosting in person in 2021.

Washington Safe Meeting & Convention Coalition – Re-opening Update

Kim Bedier shared information on the group formed of convention centers and hotels throughout the state, called the Washington Safe Meetings & Conventions Coalition, who have developed and delivered a proposal to Governor Inslee's office on how to thoughtfully and safely re-open. The proposed opening would begin in Phase 3 with 50% of capacity based on square footage. The organizations are all working together to have consistency in signage and communication to instill consumer confidence in returning to events. There are additional expenses to manage COVID-19 and the funds have been requested in the 21-22 budget including expenses for GBAC Accreditation (sanitation), upgrading HVAC to improve air circulation, PPE and signage. Some additional ongoing expenses should also be anticipated for heightened disinfecting and more frequent high touch area cleaning. Mike Brandstetter asked if there were plans for this ad hoc group to continue after COVID-19 recovery and Kim Bedier indicated there were no plans for the group to become a formalized body but it has been a success to work in collaboration with industry competitors.

Director's Report

Kim Bedier indicated that 70% of Tacoma Venues & Events employees were on temporary layoff status to coincide with the CAREs Act. TVE will continue to review options regarding staffing with hopes to keep staff working until the venue can reopen. Kim indicated the Washington State Bar Exam was deemed essential and would be happening in July utilizing the Exhibition Hall so the testers could be appropriately spaced. She indicated trade/retail consumer shows would likely be some of the first events to return based on the ability to manage attendees and obtain information for contact tracing.

There is a campaign ongoing now to obtain funding for public facilities in the next federal stimulus package and Kim indicated PFD Board advocacy may be needed. In the previous federal funding round, privately-run facilities were eligible for the Paycheck Protection Program, for example.

Kim indicated that Travel Tacoma sales staff were diligently working on scheduling events for 2021 and 2022 including an international conference in May. Dean Burke elaborated that the conference was the Glass Arts Society's Global Conference which would draw 1,500-2,000 of the most influential glass artists in the world to Tacoma. The conference is anticipated to be 5-6 days with 3-4 days of meetings plus two days of public-facing events. The conference footprint is expected to include the Tacoma Art Museum, Museum of Glass, Marriott, University of Washington - Tacoma, LeMay America's Car Museum and the Washington State History Museum.

New Business

No new business was presented. There being no further business, the meeting adjourned at 8:39 am.

The next regularly scheduled board meeting (Convention Center Boardroom South) is October 15 at 7:45 am.

Recorded by Tammi Bryant