

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

Telephonic Meeting of Directors – April 21, 2022

Directors Present: Colleen Barta (Tacoma), Dean Burke (Tacoma), Jani Hitchen (Pierce County),
Lisa McClellan (Fife), Linda Smith (Lakewood)

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

Director Absent: Kevin Briske (University Place),

Chair Burke called the meeting to order at 7:46 a.m. This meeting was held virtually by phone/Zoom, 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

Chair Burke requested a motion for approval of the January 20, 2022 minutes. It was moved by Board Member Hitchen and seconded by Board Member McClellan. The minutes were approved by the Board.

Introduction of new Board Member Linda Smith, City of Lakewood

Chair Burke introduced new Board Member Linda Smith; President/CEO of the Lakewood Chamber of Commerce appointed by the City of Lakewood. She will fill the remainder of Mike Brandstetter's term expiring in 2023.

Financial Update

Adam Cook presented the 1st Quarter 2022 financial update. The convention center finances continue to be solid. Revenue is under budget by \$318,000. That is entirely event related income such as rent, AV, and food and beverage. Expenses were under budget \$848,000. Almost two-thirds of that is due to the lingering capital project (Guard Shack) which has been installed but is pending final payment of \$540,000. We will end up on budget for net revenue once that payment is made.

PFD Funding sources were ahead of budget overall by \$374,000. The hotel/motel tax is ahead of budget by \$173,000, and PFD sales tax collection is ahead by just over \$200,000. Debt service net revenue is ahead of budget due to lower than budgeted bond payments based on interest saving expenses and the refinance of the 2010 LTGO bond resulting in a significant savings.

The Capital Fund Cash Balance has increased by \$250,000 based on amortizing in the approved \$1million transfer from the PFD. Debt Service cash increased by \$1.2 million over the quarter as we are accruing our June debt service payment. Operating Fund Cash Balance is up \$191,000 due to savings & timing of payments. The Debt Reserve Fund cash stays static at the standard \$501,000 backup. Debt Balance decreased \$500,000 based on the refinance of the 2010 LTGO bond into the 2021A Refunding Bond. The PFD and Hotel/Motel funds are both stable in their cash balances. Hotel/Motel is down slightly due to standard lower collections in Q1 than the rest of the year. This will pick back up with summer travel.

YTD total events are starting to see our numbers growing as business returns. Q1 hosted 71 events as opposed to the same time in 2021 which saw just 23 events. We have not reached the full 116+ events that we saw pre-pandemic, but this is strong steady growth. Economic impact is experiencing a slightly slower rate of growth due to the nature of events. We are seeing more regional and local events as opposed to larger conferences that generate more hotel stays. We expect to see this return and growth through 2023 and will hopefully reach full business by 2024. We are starting to hear in the industry that most hotels and travel industry groups are forecasting 2025 as their complete return to business. When looking at difference market segments, our sporting & competition events have been particularly strong. Smaller conferences and conventions are slowly returning, and exhibitions and trade shows, and meetings and seminars are starting to come back. Unfortunately, these events don't generate as large an economic impact.

Hotel/Motel Tax Revenue – January Hotel/Motel tax beat all previous years going back to 2019, signaling that we have started to return to normal business for that funding mechanism. We dropped a bit below 2020 in February, March is on par with 2019 and 2020. In the aggregate Q1 of 2022 was \$109,000 ahead of 2019 and \$142,000 ahead of 2020. PFD Sales Tax revenue continues to be strong. It continues to follow the annual trends that we've been seeing every month and every year except for 2020. Pacing is about 108% growth month over month. We continue to see steady and strong growth in the sales tax collection.

Chair Burke commented that the lodging tax are tracking above 2019 values in the first quarter.

Director's Report

Adam Cook introduced Diane Hager, TVE Finance Manager to the board.

The City is continuing with reconstitution efforts for all offices. We have entered Phase 2 which is a focus on people who have a hybrid work environment that have more days in the office than out of office. The TVE staff qualified mostly in Phase 1 due to our focus on customer service and frontline work. We have formalized and implemented hybrid work agreements with our applicable staff.

We are currently exploring staffing structure to better align our team with our core business units, Events Services, Facility Operation, Marketing and Sales, and our Finances. These shifts will provide organizational and individual growth and development opportunities and succession planning.

From a broader industry side, we are seeing a slow return through 2024-2025. Across the industry as whole, those that lifted restrictions early, like Florida, and Texas are seeing a quicker return because they restarted their business in early 2021.

Chelene shared that we are starting to see strong returns for short term business but slower long term return. By this point in the year we typically would have had 20-30 events definite for 2024; we are currently sitting at only 6 definite. Clients have more options, and we are using incentives to recruit their business. Generally, we would not compete against Seattle as much. Our usual competitors were Boise or Spokane. Due to Covid-19 and the way that people are looking at meetings, we are now competing with Seattle, California and Arizona. Chelene attended the CVENT Connect Conference in Las Vegas and met with 25 clients, she will follow up with them for events they are looking at in the future. The sales team continues to hold virtual client events and destination presentations, and will attend 12 shows this year where they have multi-level engagement which will include the attendance, sponsorships, and some other aspects with advertising and marketing. Q1 revenue was at 106% of goal and 130% of their goal for room nights.

Adam shared that we are moving forward with the Capital Projects, including the security camera replacement and the gating and fencing upgrade for the parking lots around the building. The greening initiatives and the and furniture initiative to upgrade our lobbies and foyers are moving forward as well.

Adam was nominated to take on the leadership roles with the International Association of Venue Managers which is our industry trade association of 7000 members. This opportunity will help bring Tacoma forward on the national and international stages. Kim Bedier was in this role when she first joined the team. He's excited to push on a broader scale the great work we are doing here, not just the operations of the convention center but the also the DEI and racial equity and anti-racist work we're doing as the City of Tacoma.

Hosting of Association of Washington State PFDs Update

Tammi Bryant reported that she and Adam Cook met with Betty Erickson to discuss hosting the Association of PFD meetings. They have proposed hosting it on 9/19 – 9/20, or 9/22-9/23. In the past they had an afternoon meeting, evening social and then meetings the following day. They discussed the contents for the meeting which would need to include a representative from the Department of Commerce, the State Auditor, and a lobbyist. They anticipate 25-50 people and there is usually a registration fee of \$150. They anticipate that we would obtain some sponsorships to cover some costs and any additional costs would be covered from the State PFD budget. Board Member Barta volunteered to assist Tammi in planning the meetings.

Replacement of Board Secretary/Treasurer

Lisa McClellan volunteered for the role of Board Secretary/Treasurer.

New Business

Chair Burke asked Board Member Barta if she had an update on Gamerz. Board Member Barta shared that as the repercussions of COVID were felt by everyone, the international group of investors backed out. Mike is aggressively trying to seek other potential investors. As of right now it is still in a holding pattern.

There being no further business the meeting adjourned at 8:25 a.m.

The next regularly scheduled meeting of the board is July 21, 2022 at 7:45 a.m. via Zoom.

Recorded by Donlisa Scott