

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

Hybrid Meeting of Directors –July 20, 2023

Directors Present: Dean Burke (Tacoma), Kevin Briske (University Place), Andrea Reay (Tacoma),

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

Directors Absent: Colleen Barta (Tacoma), Jani Hitchen (Pierce County), Linda Smith (Lakewood), Doug Fagundes (Fife)

Chair Burke called the meeting to order at 8:34 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

Zuk'wədiitəb ?uhigwətəb čət txwəl tiit ?a čət ?al tə swatxwix'wxwəd ?a tiit puyaləpabš dxwəstətlils gwəl ?utxwəlšucidəbs həlgwə?.

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 20, 2023

Due to the absence of a quorum the minutes were not approved, and no business was conducted.

PFD FY22 Audit Update

Adam shared that the audit of the PFD was conducted and there were no deficiencies on the internal controls or any instances of non-compliance. There was a mis-accrual of the 2021 audit expenses. These were paid in 2022 and we missed accruing them back to 2021. This will be reviewed going forward to ensure proper accrual.

Financial Update

Adam presented the 2nd Quarter 2023 financial update.

YTD revenue is over budget by \$589,000 based on strong event income and the investment revenue. Expenses are under budget by \$194,000. We're seeing some savings in our labor as we managed filling open staff positions to realize cost savings. This combines to place us ahead of budget on net revenue by \$784,000.

Funding sources are both slightly behind budget. We expect some of that to be made up over the summer months on hotel/motel tax collections, but sales tax should continue pacing a bit behind. Debt Service net budget is ahead by \$1.8M which is a continuing accrual of money for future payments. \$934,000 of interest expenses were paid in June. In December we will pay additional principal and interest payments.

Operating Cash continues to remain strong with an increase of \$321,000 to \$3.9M total. Debt service cash balance increased \$439,000, and the capital fund and debt reserve fund remain flat. The PFD and hotel/motel tax funds are both stable. Hotel/Motel is up about \$151,000, and the PFD is down \$92,000. There is a combined \$16M in cash between the six accounts that we manage.

Events are returning well and we're pacing well ahead of last three years. We haven't returned to our full 2018-2019 numbers but are pleased with consistent growth. Conferences, exhibitions, and trade shows are doing well on numbers of events but we're seeing lower economic impact being generated by those events. Our average economic impact of each event in the conference and convention world is pacing 26% behind the 2019 numbers. Exhibitions and trade shows are taking a bigger hit, and we're seeing the economic impact of those down by almost about 70% versus our 2019 numbers. We're seeing a smaller number of meeting and seminar events; however our economic impact is pacing ahead by 32%.

Hotel/Motel tax revenue collections are tracking a bit behind historical pacing. We saw improvement in March/April and we're seeing a drop in May/June. This is a two- month lag on the collection, meaning that what we're seeing in June is actually April's collections. Our average daily room rates and revenue per room are flat across the region. There are

some areas that are looking up and some areas that are down. We anticipate our summer months which are typically very strong will pick up and we'll end the year fairly on pace for our hotel/motel tax collections.

PFD sales tax collections were slightly off in quarter two, averaging about 97% of last year. When combined with our strong start in quarter one, we're on equal pacing with last year.

Director's Report

Adam welcome Lynsey Norton, Director of Sales for Travel Tacoma who will take on the role as Chelene has transitioned into a new position in the hotel industry. Ashley Young joined TVE as the Special Events Coordinator, taking on the role that was vacated by Kala Dralle who retired in June. Phillip Oliver joins TVE as the Senior Event Manager overseeing the event management both at the Dome and Convention Center.

The National League of Cities conference is being held at the Convention Center. Mayor Woodards is the President of the association, and we are thrilled that she was able to bring the convention to Tacoma.

Lynsey shared that the booking window at the Center has been a lot shorter than typical, and groups prefer to book in 2024, and are now starting to move into 2025/2026. Year to date for new events in 2024, is 28, and in 2025 and 2026, we've booked four and five events. Those are larger conventions that can book further out. The sales team attends industry events and networks with meeting planners and other Convention Center suppliers. People are feeling more certain and more comfortable with moving to longer booking windows. The team is preparing to compete with Seattle for business more than they typically do. They have great Travel Tacoma sponsorship opportunities that have allowed them to target some of the citywide business that could normally be self-contained in some of those larger Seattle hotels.

Adam shared that future revenue booked in 2023 is at 86% of our total annual goal, and future room nights are at 96% of our total annual goal. 2023 booked economic impact is \$19.5M which is 69% of our goal.

We're 42% of our goal for events that have occurred in 2023, but this will pick up as we get into the 3rd and 4th quarter for holiday events. There have been 822 published articles for the region, and the Today Show ranked Tacoma in their top 5 as one of the best places to live in the in the country. In August the International Cat Association Conference added a major room block of 750 nights which makes for an additional \$300,000 in economic impact for the region. The Organization of Black Aerospace Professionals Annual Convention will have 600 attendees, 1800 room nights, and approximately \$600-\$700,000 in economic impact coming in August of 2025.

The capital improvement work is ongoing at the Convention center, and our conference room audio/visual has been installed. The security cameras have been installed at the Dome and will be installed at the Convention Center in the next two months. Installation is expected to be completed by the third quarter. The fencing that was installed on the second floor of the garage is active. It remains open during the day and closed in the evening. The Courtyard Hotel has a code that allows them access which is part of their valet agreement. The 5th floor fencing for the loading dock area is fully installed, and we are finishing some items on access control for staff and those who park in that lot regularly. We are planning to replace the lobby furniture and will have that project finalized within the next few months with installation targeted for the fall.

New Business

Chair Burke suggested that we shorten the meetings to sixty minutes. This topic will be placed on the October meeting agenda.

There being no further business the meeting adjourned at 8:59 a.m.

The next regularly scheduled meeting of the board is **October 19, 2023, at 8:30 AM**

Recorded by Donlisa Scott