

WASHINGTON STATE PUBLIC STADIUM AUTHORITY

November 17, 2016

BOARD MEETING

CenturyLink Field
Public Stadium Authority
800 Occidental Ave. S.
Seattle, WA 98134

MINUTES

I. Call to Order

Board Chair Lorraine Hine called the meeting to order at 12:33 p.m. Other Board members present were: Vice Chair Mendoza, Bill Lotto, Randy Loomans, Joel Ing, and Jud Marquardt. Jake Jundt, was excused. Staff members in attendance included Executive Director Ann Kawasaki Romero, Project Manager Steve Woo and Business Manager Jodi Todd.

II. Approval of Minutes

Minutes

Minutes of the July 28, 2016 regular Board meeting.

Motion by Vice Chair Mendoza, second by Member Ing to approve the minutes of the July 28, 2016 regular Board meeting.

Motion carried unanimously 6-0.

III. Public Participation

There was no public participation.

IV. Administrative Briefings

1. Compliance Review Reports
CenturyLink Field Event Center Statement of Revenues, Expenses and Net Profits
Larry Bussard, PSA Auditor (Branch Richards), reported on their compliance review of the Event Center profit and loss statement for FGI's fiscal year ending March 31, 2016. Mr. Bussard stated they performed their normal review of the standard operating procedures and randomly selected three events held in the WaMu Theatre to test the Event Center revenues (Auto Show; Art Fair; WaMu concert). After looking at a sample of transactions, there were no significant findings or corrections. A review of the expenses--both direct and indirect-- was also done to verify the information used in the net income calculation. The test sample

information was also found to be correct. In general, the Event Center's net income was up about 7% from the prior year. As a result, the profit sharing figure payable to the State Common School Fund based on net income was \$487,843.

Admissions and Parking Taxes

The review of the applicable admissions tax and parking tax collected at both CenturyLink Field and the CenturyLink Field Event Center was successfully completed for the fiscal year ending March 31, 2016. Mr. Bussard stated that the methods used by First & Goal relating to the accounting and remittance of the admissions tax for both the Event Center and Seahawks games were materially accurate and improved from the prior year.

They also performed an analysis and testing of the Seattle Sounders FC ticket sales. The reported revenue and related taxes for the 2016 season indicated an increase of approximately 37% over the prior year's season. No material errors were found.

Affordable Priced Seats

The Affordable Priced Seats Report submitted by First & Goal for the 2015 season was reviewed. Section 8.1.2 of the Master Lease, as amended, requires at least 10 percent of the spectator seats for each home game to be made available for purchase at an "affordable price", which is based on the average of the lowest ticket prices around the league. The data submitted by First & Goal was reviewed and information verified by contacting some of the other NFL teams which was complicated somewhat given the league's variable pricing practices. Slight adjustments were needed to account for situations where the same seat may have different costs depending on the opponent. The auditor concluded that the lease requirement was met for the 2015 season with just over 16% of sold Seahawks tickets qualifying as "affordable" under the definition of the Lease compared to the 10% requirement.

2. Stadium District Update

PSA Land Use Counsel, Molly Lawrence, updated the Board on the status of the following:

Comprehensive Plan and Industrial Lands Policies

- The City Council adopted the 2035 Comprehensive Plan on October 17, 2016. It did not acknowledge CenturyLink Field as a part of the existing Stadium Transition Area Overlay.
- If the Advisory Panel reviewing the Industrial Lands Area is unable to produce a recommendation that includes the Stadium District by March, we will consider requesting an amendment to the Comprehensive Plan to recognize CenturyLink Field in the Stadium Transition Area Overlay.

SODO Arena Project

- On October 25, 2016, Chris Hansen's group sent a letter to the City of Seattle outlining a proposal to revise or replace the MOU with the City and develop the arena with all private funding.

- On October 27, 2016, the Mayor announced his intention to seek proposals from third parties to redevelop Key Arena for NBA/NHL.
- Land Use Counsel does not believe the City will respond to Mr. Hansen's latest letter until after the proposals for the Key Arena development have been received and evaluated.

Waterfront EIS

- The final EIS was issued on October 31, 2016
- Three groups have appealed the EIS-- Seattle Historic Waterfront Association, Alliance for Pioneer Square and Waterfront Landings Owners Association.
- The appeal will be heard by the Seattle Hearing Examiner.

3. Annual Maintenance Report

Mr. Woo, PSA Project Manager, updated the Board on FGI's 2015 Annual Maintenance Report which shows actual work hours and dollars spent on the Maintenance Plan approved by the Board. He provided a series of graphs illustrating planned vs. actual preventive and corrective maintenance activities in 2015. One noteworthy item was that corrective maintenance (repair work) is continuing to increase which is somewhat expected as the building and systems age. Mr. Woo stated that there is nothing in the report that causes a present concern, and the information will continue to be tracked as he builds a baseline for the routine maintenance work. Several Board members requested more information on whether corrective maintenance is increasing due to more work or higher costs to complete the work over a five-year trend. Mr. Woo stated he would provide more information at the January Board meeting.

Annual Facility Walk-Thru

Mr. Woo stated that he and the PSA's consultant completed the annual facility review. The audit focused on three areas: 1) potential safety issues; 2) aesthetics/repairs; and 3) follow up items from previous reviews. Overall, the facility still looks good after 12+ years of operation. The items noted were relatively minor and FGI has generated work orders for the majority of the issues.

Neighborhood Status Report

Mr. Woo showed a few progress slides of the three projects that are currently under construction adjacent to the facility. He showed the Gridiron Condos, Amtrak passenger platform, and 255 South King Street. The PSA sent a letter to SODO Builders, the developers of 255 South King Street, requesting their participation in a parking covenant and are waiting to hear back from them.

4. General Manager's Report

David Young, FGI General Manager, briefed the Board on the following:

- FGI hired a traffic consultant to analyze traffic patterns in the parking garage on a dual event day and during a consumer show load in/out.
- The facility hosted several Sounders playoff matches, the Seattle Art Fair which was a successful 2nd time event; Guns n Roses concert in the stadium; and a few more concerts in the WaMu Theatre. The Auto

Show was also held and kicks off the start of the consumer show season and reported a 24% year-over-year increase in attendance.

- Latest NFL surveys show the Stadium is ranked #4 in food & beverage (previously 17th); #1 rated in ease of access; and now is ranked 2nd in safety/security (from 9th previously).
- Facility projects include cleaning and repainting of the roof as well as the east arch. Staff is also working on rebranding some concession stands, adding wayfinding for specific concession stands and introducing new food options throughout the stadium.
- Staff continues to work with their consultant on the Master Plan and should be ready to share with the PSA Board at the January meeting.

V. Chair and Director's Reports

A. Chair's Report

The Chair reported on the Board's annual performance evaluation of the Executive Director and a motion was made by Board member Mendoza and seconded by Board member Lotto to award a 5% bonus per the Director's employment contract. Motion was passed 6-0.

B. Director's Report

There was no report given.

VI. Unfinished Business

There were no items for review under this section.

VII. New Business

A. Voucher Approval of Expenses

Vouchers included in blanket Vouchers 542-552 and payroll for the periods ended July 15, 2016, July 31, 2016, August 15, 2016, and August 31, 2016, September 15, 2016, September 30, 2016, October 15, 2016 and October 31, 2016 in a total amount of \$732,208.14.

Motion by Member Mendoza, second by Member Marquardt to approve Vouchers included in blanket Vouchers 542-552 and payroll for the periods ended July 15, 2016, July 31, 2016, August 15, 2016, and August 31, 2016, September 15, 2016, September 30, 2016, October 15, 2016 and October 31, 2016 in a total amount of \$732,208.14.

Motion carried 6-0.

B. Naming Rights Reimbursement

There are no items for review under this section.

C. Resolutions

There are no items for review under this section.

VII. Executive Session

With no further business to come before the Board, Chair Hine announced that there would be a five-minute recess followed by an Executive Session of the Board to meet with legal counsel to discuss potential litigation involving legal risks from a proposed action or current practice where public discussion of the legal risks would likely result in adverse legal or financial consequences to the PSA. The meeting was expected to last one hour. No action by the Board was anticipated as a result of the Executive Session.

The meeting recessed to Executive Session at 2:15 p.m.


The meeting reconvened at 2:20 p.m. and immediately went into Executive Session.

Session ended at 3:20 pm.

IX. Adjournment

The regular meeting of the Public Stadium Authority Board adjourned at 3:20 p.m.

Approved this 26th day of January 2017.


Lorraine Hine, Chair


Jodi Todd, Clerk of the Board