

EDMONDS PUBLIC FACILITIES DISTRICT / EDMONDS CENTER FOR THE ARTS

Annual Report to the Snohomish County Council Finance & Economic Development Committee

Financial Overview

Edmonds Public Facilities District's total operating revenue in FY 2020 decreased -\$1,162,467 (-40.8%) compared to FY 2019. Significant losses have continued through the first six months of 2021, estimated to be an additional \$1 Million. Prior to the shuttering of Edmonds Center for the Arts (ECA) due to the COVID-19 pandemic on March 11, 2020, the District's ticket sales were outpacing its most successful previous season on record (2013-2014) by more than \$100,000. The closure halted a period of significant organizational growth and audience development.

The District took measures in the early stages of the pandemic to try to mitigate the impact of lost revenue by reducing expenses across the board, but most significantly through labor cost reductions. Part-time production, box office, front-of house, and facilities staff were laid off in late April 2020. In early May, all remaining personnel moved to half-time and 50% compensation through the State of Washington's Work Share Unemployment Program. As of the date of this report, all personnel who were not laid off remain on the Work Share Program as the District awaits notification of grant awards from the Federal Government (Shuttered Venue Operator's Grant), as well as Snohomish County and the City of Edmonds (American Rescue Plan Act).

Despite the shutdown, The District has been working to stay connected to its audiences and provide programs and services to benefit the community. In the spring of 2020, ECA launched a new program called Window to the Arts. This program paired local musicians with assisted living and memory care facilities to play in courtyards, parking lots or other locations near each facility that allow the music to be heard by residents unable to leave their rooms due to the lockdown. We have received countless comments from residents and caregivers thankful for this program and the opportunity to see and hear live music in an otherwise very challenging time. We also partnered with Bloodworks to provide a space for blood donation several times during this period, facilitated outdoor summer camps focused on STEAM concepts, and offered livestreamed events featuring local and national artists.

We have recently launched a 9-show series of events for Summer 2021. The Spotlight Summer Series is divided into three parts: 1) Livestreamed events from artists' homes or studios, 2) outdoor events in the ECA parking lot featuring local music acts, and 3) a hybrid series of events welcoming live audiences into our venue while also broadcasting to patrons at home who are not yet comfortable to attend in-person events. And we are now preparing for our return to full operation in September with the launch of our 2021-2022 Season, opening with Marty Stuart and his Fabulous Superlatives on September 16th. We hope to have our team up to 100% employment as soon as possible so we can ensure a successful summer and a great start to our new Season.

Recent Highlights, New Projects

- Utilizing a generous capital grant in the amount of \$125,000 from the *Snohomish County Lodging Tax Fund* – the District completed a renovation of the box office and concessions areas in the lobby. These much-needed changes have already had a positive impact on concessions and merchandise revenue, and have greatly improved the ECA patron experience.
- The District recently completed a critical capital project - the reconfiguration of our sound mixing position on the orchestra level of the auditorium. This project removed barriers to wheelchair accessible seating areas, and restored traffic flow across the auditorium that had been blocked by the sound mixing position itself

since the facility opened in 2006. This project was made possible in part by a \$53,000 *Community Development Block Grant (CDBG)* grant from Snohomish County.

- A Task Force consisting of members of the Inclusion & Accessibility Committee, the Facilities and Operations Committee, EPFD Staff and experts in the field of ADA compliance completed an initial ADA Audit of the front-of-house. This audit process resulted in recommendations to make the facility more accessible and welcoming. The Facilities Team quickly implemented several of the Task Force’s recommendations, and plans are in development to address larger projects in the months and years ahead.
- Capital Debt: The District is currently working in partnership with the City of Edmonds to refinance bonds that were issued in 2012 by the City, on behalf of the District. The District Board has formally requested that the City, utilizing its stronger bond rating and access to lower interest rates, facilitate this refinancing in 2021 and extend this portion of the District’s debt out to 2041. By doing this, The District will remain in compliance with the 2017 amendment to the Public Facilities District legislation requiring that a portion of The District’s original capital debt (from the 2005-2006 renovation of the auditorium) remain outstanding through this period. This refinancing will also bring much-needed cash flow relief to The District over the next several years as we begin to recover from the effects of the pandemic on our organization and our industry.

Key Statistics

Approximately 55% of ECA’s audience comes from outside of Snohomish County. Below is a geographic analysis of ECA’s audiences between January 1, 2019, and December 31, 2019, our most recent full year of normal operation:

- Edmonds – 26%
- Seattle – 16%
- Lynnwood – 8%
- Bothell (including King Co. residents) – 7%
- Everett – 4%
- Kirkland – 2%
- Other Snohomish County Cities Combined – 9%
- All other locations outside of Snohomish County, including national and international visitors – 28%