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**LYNNWOOD PUBLIC FACILITIES DISTRICT
Doing Business as THE DISTRICT
Annual Report 2022 to Snohomish County Council Finance Committee**

The Lynnwood Public Facilities District, now doing business as The District, had an exciting 2022 as we continued to address the impacts of the Covid pandemic and make several strategic changes for recovery. We continued to utilize the opportunities of new leadership and our ongoing master planning process to expand our economic impact and public benefit for the City of Lynnwood, Snohomish County, and the Puget Sound Region.

One of the biggest public changes in 2022 is our rebranding process. The driver behind this was to create a broader brand beyond the Lynnwood Convention Center in advance of our new development project creating a complete live/work/play district around the Convention Center that encapsulates our entire thirteen-acre property. We wanted to set the stage for our community communications for the project that better describe who we are and what we are growing to become. The name The District creates a sense of community placemaking and helps define what the Lynnwood Public Facilities District is about.

We also renamed the Lynnwood Convention Center to the Lynnwood Event Center (LEC). This supports our plans for the expansion of the center, both physically and programmatically, to go beyond just a place for meetings not accessible to the general public, but a vibrant public events space with performances and indoor/outdoor gatherings.

We added a third brand, I Love Lynnwood, in support of our beautiful new heart sculpture installed in February 2022. The “Love Your New Neighbor” sculpture placed at the busy corner of 196th street and 36th in front of our building was designed by the artist to symbolize the diversity of Lynnwood and the mantra “All are Welcome”. The I Love Lynnwood brand will be our signature event brand for outdoor festivals, holiday events, art shows and more to bring the public into our property for the first time for free or low-cost events. In 2022, our art shows and artist receptions tripled in size and our first holiday event brought out 400 families to listen to performers, enjoy a craft fair and enjoy a meal from our fabulous food and beverage team.

Our new mission is: **Expanding economic impact and public benefits by creating, nurturing, and sustaining a district where exceptional experiences exceed the expectations of our tenants, team members, the local community and all guests who come to Lynnwood.** Our new vision states: **We strive for a genuine community driven district that derives its vitality from inclusiveness, diversity, arts, and sustainability. Driving our community forward is more than just a passion, it’s a commitment to deliver.**



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Our new mission and vision also support the significant key performance indicators we developed in 2021 to ensure that the District was maximizing on our purpose to generate economic impact and public benefit, beyond just showing a positive profit and loss. These indicators include clear metrics around the type of events we hold that will generate the maximum number of hotel nights, dinners out and other direct factors for impact from the people who come to our events. In addition, they cover environmental sustainability, diversity, and level of public benefit. The indicators drove the request for proposal process for a competitive contract for a new operator. In late 2021 we selected Oak View Group (OVG) to be our new operators for the LEC. Their performance-based fees are dependent on success of these key performance indicators and they began their contract in February 2022. OVG also operates the Angel of the Winds arena, Climate Pledge Arena and the Northgate complex. We are exploring synergies with those other venues as well as OVG's capacity to enhance our building through sponsorships and other new streams of income.

Recovering from staffing losses due to Covid during 2022 was still a struggle as we didn't yet have regular events to support hiring a whole team, and contract staff is expensive. We are pleased to announce that we are currently fully staffed. In June we hired our general manager who was the previous director of events for the much larger Oregon Convention Center. The LEC did suffer an approximately \$1 million loss in operating income for the second straight year. Losses for 2023 are projected at \$600,000, but future bookings are on track with 2019 levels. In addition, we have added several more events than in our history that will be larger and multi-day to have the greatest economic impact. The District was able to sustain Covid losses through our interlocal agreements and our property management rental income from our tenants on our property. We are grateful to the County for the recent ARPA funding that will help address the losses of staff and income during the pandemic.

Our master planning took significant leaps in 2022. Working with our consultants Jones, Lang, LaSalle (JLL) we completed our feasibility for our public/private project to double the size of the Event Center including creating an indoor/outdoor concert venue. In addition, we will be adding 300 units of housing, a parking garage, a 300 key full-service hotel and retail with a hyper local focus to support the Event Center and help create a core downtown for the City of Lynnwood. In 2022, we completed our block design and are currently finalizing our budget proforma to prepare for financing, recruiting our private partners and working with the City on entitlements for the project. Groundbreaking is expected in 2025.

The master plan design is influenced by our ongoing efforts to become a destination marketing organization to attract local, regional, national and international attendees while serving as a south portal for the rest of Snohomish County. The Event Center has fulfilled its original vision, but given our excellent location at the crossroads of I-5 and I-405 in a city center core, and close to light rail and Paine Field, we have the potential to do so much more. Our final development will increase



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current hotel nights from 3,000 annually to 34,000. Our visitors will soar from 23,000 pre Covid to over 100,000. Next year we will be able to give firm numbers on the job creation and annual income the project will bring for the City of Lynnwood and the County.

Respectfully Submitted,

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