

9th Annual Conference
Association of Washington State Public Facilities Districts

PFD Survey

Ocean Shores Convention Center
Ocean Shores, Washington

April 28, 2014

Association of Washington State Public Facilities Districts

***Survey* - Context and Purpose**

- Legislation pursued in 2012 and 2013 failed
- Build the argument for the 2015 Legislature
- Determine Value of PFD Facilities to Local Communities
- Determine Economic Impact
- How PFDs are using 0.033% sales tax rebate
- Planning for termination of sales tax rebate

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AWSPFD - Legislation

Current Law

- PFDs may impose a retail sales tax (rebated from state revenue) at time bonds are issued for the construction of a regional facility
- The sales tax rebate expires when bonds retired
- No more than 25 years after tax is collected

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AWSPFD - Legislation

AWSPFD Legislation

- Pursued in 2012 and 2013 Legislative Sessions
- Extends termination date from 25 to 40 years
- Adds improvement, rehabilitation or expanding a regional center or related parking facility

Association of Washington State Public Facilities Districts *Survey* - Participants

- Asotin County PFD
- Clark County PFD
- Cowlitz County PFD
- Everett PFD
- Grays Harbor Co PFD
- Kennewick PFD
- Lewis County PFD
- Lynwood PFD
- Spokane PFD
- Tacoma PFD
- Yakima Regional PFD

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Survey Questions

- Q. Have you attempted to determine economic impact of your facility? How determined?

- Q. Please provide a list of benefits, other than economic impact, facility provides to community.

- Q. Total attendance – 2 years
Total amount of ticket sales – 2 years
Total spent on food and beverages – 2 years
Total other spending (novelties) – 2 years

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Survey Questions (continued)

- Q. How much of your sales tax rebate is used for debt retirement?

- Q. What other non-PFD revenue sources support your facilities?

- Q. Does your PFD maintain a reserve?

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Survey Questions (continued)

Q. What is your PFD's sales tax credit rate?

Q. How does your PFD plan to fund its facility after the sales tax credit expires?

Q. What year does your sales tax credit expire?

Association of Washington State Public Facilities Districts *Survey - Responses*

How Economic Impact Determined *Initially . . . but not lately*

- 7 of 11 PFDs conducted economic analysis both large and small PFDs
- Event by event basis
- Zip Code Inquiry

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Survey - Responses

Benefits to Community

- Quality of Life
- Economic Driver
- Job Creation
- Cultural Enrichment
- Community Recreational / Fitness Opportunities
- Civic Pride
- Community Events – HS Graduations
- Marketing Opportunities for Local Businesses
- Earning Potential for Non-Profits (Concessions)
- Preservation of Historic Buildings
- Head Start / Youth Programs
- Emergency Services (Evacuation Site)

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Survey - Responses

2012

	<u>Actual</u>	<u>Projected</u>
Total Attendance	2,387,570	2.9 million
Ticket Sales	\$31,849,553	\$38.2 million
Food & Beverage	\$12,916,617	\$14.2 million
Other Spending (i.e. novelties)	\$2,185,055	\$2.4 million

Association of Washington State Public Facilities Districts *Survey - Responses*

Retail Sales Tax Rebate

- 10 PFDs use RST rebate exclusively for debt retirement
- Yakima Regional PFD 64% debt retirement / 30% Operating
- Other Revenue Sources Supporting PFDs
 - Lodging Taxes 4
 - Local Sales Taxes 3
 - Admissions Tax 2
 - Operating Revenue 1
 - Distressed County Program 1

Association of Washington State Public Facilities Districts *Survey* - Responses

Maintaining a Reserve

- About half (6 PFDs) maintain a M&R Reserve
- Reserves under ILAs with their jurisdiction
- Smaller PFDs tend not to have M&R Reserves

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***Survey* - Responses**

Sales Tax Rebate Rate

- 9 PFDs rebating at 0.033 percent
- Lynnwood PFD rebating at 0.036 percent
- Cowlitz County PFD rebating
 - 0.033 percent for Conference Center
 - 0.02 percent for Columbia Theater

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***Survey* - Responses**

Termination of Sales Tax Rebate

- Earliest 2021 Yakima Regional PFD
- Latest 2039 Asotin County PFD
- 8 PFDs Terminate between 2025-2028

Association of Washington State Public Facilities Districts *Survey* - Responses

Plans *after* Sales Tax Rebate Expires

- Nearly half: UNKNOWN
- Local Government General Fund / Local Taxes
- Operating Revenue / Lease Payments
- Real Estate Development
- Private Donations

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Conclusions

- PFDs collect economic data differently making quantifying their overall TOTAL impact difficult
- PFDs are integral parts of their communities beyond public facilities
- PFDs are contributors to state taxable sales including ticket sales, leases, concessions and novelties

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Conclusions (continued)

- Most PFDs are heavily dependent upon 0.033 Sales Tax Rebate for debt retirement
- About half of PFDs surveyed maintain a reserve for maintenance and repair
- Most all PFDs are 13 years or less away from losing their existing state revenue stream
- Planning for post termination of sales tax rebate is not well defined

Association of Washington State Public Facilities Districts *Survey*

Next Steps

- Refine Survey
- Expand Participants
- Develop Economic Impact
- Make Legislative Contacts
- Make Business, Community Contacts
- Make 3rd Party Stakeholder Contacts (AWC)
- Develop Message

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Thank You

Discussion

Questions