MINUTES OF THE
DOWNTOWN REDEVELOPMENT AUTHORITY
THURSDAY, February 21, 2013
COUNCIL CHAMBERS, CITY HALL

MEMBERS PRESENT: Ward Cook, Christine Wamsley, Jack Onder, Dick Pokornowski, Deborah Ewing
MEMBERS ABSENT: Richard Keller, Marc Fazio
STAFF PRESENT: Lloyd Tyler, Brent Boger

APPROVAL OF MINUTES
MOTION MADE BY DEBORAH EWING, SECONDED BY DICK POKORNOWSKI AND PASSED UNANIMOUSLY TO APPROVE THE MINUTES FOR JANUARY 17, 2013.

FINANCIAL REPORT

APPROVAL OF CLAIMS
Christina Smith noted no unusual claims for January, 2013.

MOTION MADE BY CHRISTINE WAMSLEY SECONDED BY DICK POKORNOWSKI AND PASSED UNANIMOUSLY TO APPROVE CLAIMS AS SUBMITTED FOR JANUARY, 2013 ($975,846.52).

ASSET MANAGER’S REPORT
Arnie Gustafson, Warnick & Company, reported that while total revenues for January fell below the $1 million dollar mark, they were at their highest level for a January since 2008. Seasonal factors affect financial metrics in the winter months and the Hotel has never hit the $1 million revenue hurdle in January.

Occupancy and RevPAR were at their highest points ever for a January at $63.43, an increase of 25 percent over prior year. Costs increased due to peaks and valleys in January business volumes, which were related to group business patterns. The Hotel experienced support from both group and transient market which helps support profits. GOP was $128,000 for January, an increase over prior year.

Relative to market performance in the competitive set for December, the competitive set experienced occupancy, rate, and RevPAR growth. For December, the competitive RevPAR grew 5.8 percent year-over-year. For calendar year 2012, occupancy growth was 9.1 percent for the competitive set. A modest rate growth for the year allowed the competitive set to increase its RevPAR by 9.6 percent. The Hotel continues to outperform the competitive set. During the previous 12 months, the Hotel experienced a RevPAR of $76.89 and a RevPAR yield index of 119.2 percent.

There were 735 group room nights added to the books in January. The group backlog remains strong through the second quarter but is showing some weakness later in the year.

HOTEL MANAGER’S REPORT
Eric Walters, General Manager, stated the February is on track to achieve budget which is slightly up to prior year. March will be a good month, up to budget and prior year due to strong group bookings.
First quarter is on track to achieve targets which for revenues is $2.8 million, up 2.4 percent to budget and up 13 percent to prior year. Currently business and leisure travel is up approximately 10 percent. Group bookings for the first quarter are up 54 percent. Banquet and Catering are up 26 percent. GOP is on track to achieve targets and up to prior year.

The Hotel has approximately 97 percent of budgeted group business on the books for the first quarter of 2013. The group backlog remains strong through the second quarter but is showing some weakness later in the year. Economic indicators show that this year will be an improvement to last year thus budgeted bookings should be achievable. Future group bookings look good, through 2014 group pace is up 23 percent, 2015 is down slightly, 2016 and 2017 are up. Confidence is shown with organizations booking that far out.

Market performance, the past 3 months has gained approximately 8 points of market share in the Hotel. This is remarkable considering the amount of business that was put into the focus service hotels for construction business that the Hilton Hotel was not able to participate with as well as the business development that is on the east side of Vancouver. The Hotel experienced an average room rate growth of 3.7 percent but concern is with low or negative growth for average daily rates with the competitive set.

Arnie reported that the Hotel is going through its quality assurance inspection today and he will report the results at the April Board meeting.

Arnie reported that the Hotel recently became a Clark County Green Business.

Dick asked if deposits are taken for bookings that are made for 2017.

Arnie stated that a deposit is not made but there is a nominal fee and as the booking gets closer to 2017 that escalates and they are responsible to almost 100 percent if there is a cancellation.

**2013 Capital Request**

Lloyd directed board members to the memo and information on three capital items and the memo relating to Sprint Migration Agreement included in their meeting material.

Eric provided a brief overview of the request for $53,307.24 for computer upgrades, a point-of-sales computer system replacement for $40,526.42, and $25,188.37 for Gray’s carpet replacement.

MOTION MADE BY JACK ONDER, SECONDED BY CHRISTINE WAMSLEY AND PASSED UNANIMOUSLY TO APPROVE THE CAPITAL REQUEST FOR COMPUTER UPGRADES ($53,307.24), POINT OF SALES SYSTEM REPLACEMENT ($40,526.42) AND GRAY’S CARPET REPLACEMENT ($25,188.37).

Eric provided a brief overview of the request for a Sprint Migration Agreement.

MOTION MADE BY DEBORAH EWING, SECONDED BY DICK POKORNOWSKI AND PASSED UNANIMOUSLY TO APPROVE THE SPINT MIGRATION AGREEMENT.

**PUBLIC TESTIMONY**

Ward Cook opened the floor for public comment.
• Tia Sells, Hilton housekeeper and union shop steward – Tia stated that she and the other housekeepers want to express sincere gratitude for the new vacuums. The new vacuums are much easier to operate and maneuver for staff which reduces physical strain as well as improving efficiency.

Tia stated that she has noticed a positive change in the last few months where the individual departments at the Hilton have been working together by utilizing team members of another department based on workload capacity and needs. Tia stated that the City has partnered with the Hotel and she intends to keep the City informed on both the positive and negative as well as keeping the City accountable for its purpose in its partnership in this Hotel.

**EXECUTIVE SESSION**
Ward Cook requested Executive Session to discuss pending litigation. Executive Session was called to order at 11:58 A.M.

The DRA board reconvened at 12:28 P.M. Brent Boger reported discussion on the settlement in the Lehman Brothers Holdings Inc. bankruptcy situation where the Downtown Redevelopment Authority executed a forward purchase agreement with Lehman Brothers Special Financing Inc. and guaranteed by Lehman Brothers Holdings Inc. with action to recommend approval of the Termination Agreement which settles the amount of the Downtown Redevelopment Authority’s claim in the bankruptcy estate for the amount of $756,000.

**MOTION MADE BY JACK ONDER, SECONDED BY DEBORAH EWING AND PASSED UNANIMOUSLY TO APPROVE THE TERMINATION AGREEMENT SETTLING THE FORWARD PURCHASE AGREEMENT CLAIM WITH LEHMAN BROTHERS HOLDINGS INC.**

**NEXT MEETING**
There being no additional business, the meeting adjourned at 12:30 P.M.

The next meeting will be held March 21, 2013 at City Hall, Council Chambers.

Approved: _____________________________

Ward Cook, President