

WSCC Board Addition Committee
Minutes
February 25, 2020
10:30 a.m.
WSCC Room 208

WSCC Board Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Deryl Brown-Archie, WSCC Board Addition Committee (by phone)
Bob Flowers, WSCC Board Addition Committee
Nicole Grant, WSCC Board Addition Committee
Jerry Hillis, WSCC Board Addition Committee
Craig Schafer, WSCC Board Addition Committee

WSCC Staff / Consultants in Attendance:

Jeff Blosser, WSCC President / CEO
Linda Willanger, WSCC VP Administration/AGM
Jon Houg, WSCC VP Operations
Chip Firth, WSCC CFO/Treasurer
Michael McQuade, WSCC Director of Sales
Krista Daniel, WSCC Director of Event Services
Paul Smith, WSCC Director of Information Systems
David Cononetz, WSCC Acting Director of Operations
Daniel Johnson, WSCC Administrative Services Manager
Michael Murphy, WSCC Project Coordinator
Matt Hendricks, General Counsel (by phone)
Matt Griffin, Pine Street Group
Jason Foley, Pine Street Group
Ashley Lippincott, Pine Street Group
Gary Smith, Clark-Lewis
Ben Eitan, Clark-Lewis
Chris Raftery, Raftery CRE (by phone)
Margery Aronson, Art Consultant

Chairman Finneran called the meeting to order at 10:30 a.m. Following unanimous approval of the consent agenda, Finneran asked PSG to lead the project review. With Lewis, Libby, and Rosauer out of town, Griffin made the reports shown below.

He explained that the steel erection continues to fall behind schedule. The good news is that it has the attention of senior management at American Bridge (AB) and Clark-Lewis (C-L). AB has addressed its safety issues, which should provide the necessary platform for working on the schedule. C-L will review a revised schedule this week.

Finneran raised the issue of supply of materials coming out of countries affected by the Corona virus outbreak. While the last shipment of steel from China isn't needed until about Labor Day, providing about six months of float, PSG asked C-L to review the other materials over the next

couple weeks to give PSG a status of other items from China. Looking forward, there is still the unknown of what will be found in the dirt north of Olive.

The permits are being granted on an acceptable schedule. The childcare documents were being completed and Libby would work with Firth to complete the letter of credit. Finneran asked if this was a requirement of the sale to HPP. Griffin said there were other ways to satisfy the HPP requirement, but this was a preference for the neighborhood. The completion of these documents will allow processing of the Floor Area Ratio (FAR) Declaration for Site C (the office site), which is a requirement of the sale. The team expects the last trip to the Design Commission on 3/19/2020.

Gary Fluhrer has helped PSG resolve the security language for paying approximately \$13.5 MM to the City for the vacated land, which will be completed shortly.

There weren't many changes in the costs this month, but the team has concluded that the change order contingency will need increasing. Finneran asked if the C-L and subcontractor contingencies could be consolidated with the project contingency, which they can't because of contractor rights to those amounts.

PSG and Fred Eoff started the discussions for subsequent bond offerings with the underwriters on 2/14/2020 and expect a second call in the next 10 days to formulate a recommendation for WSCC. The expectation is one bond issuance in early 2021 and one near the end of 2021 or in early 2022.

On co-development, the work with Hudson Pacific Properties is progressing well, with office demand very strong. The residential market is lagging but showing signs of improvement.

The A&E team will meet with Finneran and Blosser on 2/27/2020 for the final material selections in the ballroom. The other submittals are keeping pace.

The work on outreach continues to progress on plan. The team is completing a scholarship program with Tabor 100, which is now assisted by Kevin Washington.

Johnson confirmed that the contract with Chihuly Studio for the marketing artwork is nearing completion. If the final draft is accepted by the Studio, it will proceed through the WSCC approval process.

The contracts are up to date, with the caveat that the team needs to continue to complete the Potential Change Items (PCIs).

Blosser said that WSCC had received an offer for the old marshalling yard and would be making a counter offer closer to the asking price.

There being no further business, the meeting was adjourned at 11:08 a.m.