

WSCC Board Addition Committee
Minutes
March 24, 2020
10:30 a.m.
WSCC Glacier Peak Room (Admin offices)

WSCC Board Attendance:

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

WSCC Staff / Consultants in Attendance:

Jeff Blosser, WSCC President / CEO (in person)
Linda Willanger, WSCC VP Administration / AGM (in person)
Jon Houg, WSCC VP Operations (in person)
Chip Firth, WSCC CFO / Treasurer (in person)
Michael McQuade, WSCC Director of Sales (by teleconference)
Krista Daniel, WSCC Director of Event Services (by teleconference)
Paul Smith, WSCC Director of Information Systems (in person)
David Cononetz, WSCC Director of Facilities (by teleconference)
Earl Taylor, WSCC Director of Operations (by teleconference)
Daniel Johnson, WSCC Administrative Services Manager (by teleconference)
Michael Murphy, WSCC Project Coordinator (by teleconference)
Lorrie Starkweather, WSCC Executive Assistant to President & Board (in person)
Matt Hendricks, General Counsel (by teleconference)
Fred Eoff, Public Financial Management (by teleconference)
Becky Bogard, Bogard & Johnson (by teleconference)
Matt Griffin, Pine Street Group (by teleconference)
Matt Rosauer, Pine Street Group (by teleconference)
Jane Lewis, Pine Street Group (by teleconference)
Armeta Libby, Pine Street Group (by teleconference)
Gary Smith, Clark-Lewis (by teleconference)
Jason Foley, Pine Street Group (by teleconference)
Ashley Lippincott, Pine Street Group (by teleconference)
Ben Eitan, Clark-Lewis (by teleconference)
Chris Raftery, Raftery CRE (by teleconference)
Margery Aronson, Art Consultant (by teleconference)

Chairman Finneran called the meeting to order at 10:35 a.m. with most members participating by teleconference. At the Chairman's request, Mrs. Starkweather performed a roll call of the Board members to ensure a quorum, and then a roll call of meeting attendees. Following unanimous approval of the consent agenda, Finneran asked Griffin to lead the project review.

Griffin started by highlighting three big issues:

1. Schedule issues based on American Bridge (AB) inability to keep pace.
2. Questions from the Governor's announcement the previous day about work continuing.
3. Current difficulties in bond financings.

As has been true over several months, AB has not kept pace with its schedule. As it finishes erection in Zone 1, the Clark-Lewis (C-L) project team and executives are working with the senior people at AB for a different program on Zone 2, which starts mid-April. Establishing pace there will be key for the remaining zones. Currently, C-L projects the Temporary Certificate of Occupancy (TCO) in January 2022.

Because the Governor's message on Monday was not clear about the effect on projects like the Addition, Bogard contacted Lisa Brown, Director of WA Department of Commerce, for clarification. Griffin had been contacted by the City that morning about the possible delegation to local governments on the ability of specific construction projects to continue. At the end of the meeting, this was still an open question.

Griffin said the project continues to receive permits in time for the work. The Child Care documents are about complete, which will allow for completion of the Floor-Area-Ratio (FAR) Declaration, providing for all the FAR for the office co-development. Once we receive the wire instructions from the City, we will send them the funds to purchase the vacated land and lock in the cost.

On Budget/Finance, Griffin said the costs haven't changed much, but the costs of delays are always possible. The additional costs for construction will require more funds. He noted that the Financing Plan showed \$232 MM more in financing, but the financing team is looking for \$300 MM.

Griffin summarized the project financing discussion from the Finance Committee earlier that morning. Currently, the market to purchase municipal bonds is very thin. The financing team will prepare for a bond financing as early as this July, realizing the markets need liquidity and some rebound in the hotel/motel tax revenues to make this viable. In the meantime, the financing team will explore other forms of financing for \$300 MM.

As part of the sources, while PSG expects the two co-development sales to proceed in mid-2021, both have some risk of closing.

Nicole Grant joined the meeting in session.

Rosauer explained that most of the design issues relative to quality have been approved by Finneran and Blosser. He said the team was working to get the DAS (system to enhance cell service) completed in the existing convention center this year. On Outreach, Lewis said that the apprenticeship numbers had reached 15%.

The contracts are up to date. Murphy explained that the recent offer for the old marshalling yard fell apart, and the brokers were looking for other buyers. Because the yard was valuable over the past year to the Addition Project, WSCC had not pursued leasing it for other uses.

There being no further business, the meeting was adjourned at 11:05 a.m.