

WSCC Board Addition Committee
Minutes
May 26, 2020
10:30 a.m.
WSCC – by remote access via MS Teams

WSCC Board Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Deryl Brown-Archie, WSCC Board Addition Committee
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
Daniel Johnson, WSCC Administrative Services Manager
Michael Murphy, WSCC Project Coordinator
Lorrie Starkweather, WSCC Executive Assistant to President & Board of Directors
Matt Hendricks, General Counsel
Fred Eoff, Public Financial Management
Becky Bogard, Bogard & Johnson
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Jane Lewis, Pine Street Group
Arnetta Libby, 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

Guests in Attendance:

Stefan Moritz, Unite HERE Local 8

Chairman Finneran called the meeting to order at 10:30 a.m. with all Committee members participating by MS Teams videoconference / teleconference, and public access by teleconference. At the Chairman's request, 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, with Rosauer discussing schedule.

Rosauer said that Clark-Lewis had made little progress on the critical path during the past month, caused by the performance of the steel subcontractor and COVID-19. This caused the TCO to slip into April 2022, and the team is worried that it will move into May.

Lewis explained that we have pivoted to change from the Child Care option in the office co-development to retail, as requested by HPP. The square footages are being reconciled. This will cause the project to pay about \$750k for affordable housing, which will be reimbursed by HPP.

For the Financing Plan, Griffin said the general contingency is only about \$9 MM and the construction change order contingency is about \$11 MM. As has been stated in the monthly reports, he noted this won't be enough. The current focus is the work with DC to help in the remaining financing, which will be covered in more detail at the Finance Committee. Without help on the financing, WSCC will need to close down construction in spring 2021.

PSG said that the pieces are progressing for HPP's closing as soon as the podium is completed. After the 2008-09 downturn, Griffin said it took 10-12 quarters for residential rents to recover to the level prior to the downturn. WSCC and the NewResi owners are discussing timing changes that satisfy the WSCC requirements and delay the opening until rents could recover.

Rosauer said that most of the finish items have been approved. The team plans to arrange for the alternate wood flooring to be approved in June. He and Lewis said that C-L has reached the apprenticeship level of 15% and is achieving about 25% hiring from priority zip codes against a goal of 19%.

Lewis reported that Finneran had asked PSG to evaluate pausing the art program until more is known on the financing, and PSG is assembling the data. She also said that the Art Committee would ask the full board later today for conceptual approval on three artworks by Native American artists that will be part of a collection of Indigenous artworks at the building entries.

On contracts, PSG reported they were in good shape, other than the need to complete more of the Potential Cost Issues (PCI) with C-L.

As expected, Murphy reported that there hadn't been any interest in the original marshalling yard in the past month.

There being no further business, the meeting was adjourned at 11:10 a.m.