

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
July 21, 2020

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) at 2:00 p.m., by video conference via Microsoft Teams. At the chairman's request, Mrs. Starkweather conducted a roll call of Board Directors to ensure a quorum in attendance, as well as to identify meeting attendees.

MEETING ATTENDANCE

Board Directors in Attendance (by video conference)

Frank K. Finneran, Chair
Deryl Brown-Archie, Vice Chair
Susana Gonzalez-Murillo
Nicole Grant
Jerry Hillis
J. Terry McLaughlin
Denise Moriguchi

Board Directors Absent

Robert Flowers
Craig Schafer

Officers in Attendance (by video conference)

Jeffrey A. Blosser, President / CEO
Linda Willanger, Vice President of Administration / AGM
Chip Firth, Director of Finance and Administration / CFO
Jon Houg, Vice President of Operations

Consultants / Vendors in Attendance (by video conference / conference call)

Keith Hedrick, ARAMARK
Becky Bogard, Bogard & Johnson, LLC
Matthew Hendricks, Hendricks - Bennett, PLLC
Donica Young, Edlen
Matt Rosauer, Pine Street Group
Jane Lewis, Pine Street Group
Cath Brunner, Addition Art Project
Margery Aronson, Addition Art Project
Tom Norwalk, Visit Seattle
Kelly Saling, Visit Seattle

Staff in Attendance (by videoconference / conference call)

Michael McQuade, Director of Sales
Paul Smith, Director of Information Systems
Lorrie Starkweather, Executive Assistant to the President & Board
Daniel Johnson, Administrative Services Manager
Michael Murphy, Project Coordinator

Guests in Attendance (by conference call)

Mary Clare Kersten

II. APPROVAL OF MINUTES

May 26, 2020 WSCC PFD Board Regular Meeting

Mr. Hillis made a motion to approve the minutes of the May 26, 2020 Regular Board meeting, as presented. Ms. Gonzalez-Murillo seconded the motion and it was carried by the unanimous affirmative vote of all Directors present via videoconference.

III. PUBLIC COMMENTS

Mr. Finneran advised that anyone wishing to speak before the Board, either as an individual or as a member of a group, may do so at this time. Individuals desiring to speak shall give their name, address, and the group they represent, if any. There were no public comments.

IV. CHAIRMAN'S REPORT

A. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. The following action items and informational reports had been sent to the Board for review prior to today's meeting:

Action Items:

1. Ratification of Additional Facility Project Contract List (June 2020)
2. Ratification of Additional Facility Project Contract List (July 2020)
3. Approval of Additional Facility Project Draw Schedule Payments, #67 (June 2020)
4. Approval of Additional Facility Project Draw Schedule Payments, #68 (July 2020)

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. WSCC Parking Report
4. Food Service Report
5. WSCC Social Media Recap – June 2020
6. WSCC Mid-Year Retail Report

Mr. Hillis made a motion to approve the Consent Agenda as presented. Mr. McLaughlin seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

B. Board 2020 Strategic Planning Retreat Update

Mr. Finneran reported he and Mr. Blosser are reviewing the proposed format for the Strategic Planning Retreat and are now suggesting 2 half days as opposed to the 1-day format (8 hours) format previously suggested. The meeting will be condensed to be held on the morning (4 hours) of Monday, October 26, and the morning (4 hours) of Tuesday, October 27, 2020. The meeting will be held in the virtual Microsoft Teams format. As in past Retreats, no decisions will be made during this Strategic Planning Retreat meeting. Mr. Hillis thought moving to 2 half days was a good idea. Mr. Finneran will provide more information soon.

V. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran advised the Addition project continues to deal with schedule issues affected by COVID-19 related concerns, as well as the steel erection. However the biggest issue facing the project is financing, and the most recent reports from Pine Street Group (PSG) indicate that there is approximately \$420 MM possible shortfall due to lack of funding resulting from the economic impacts as a result of COVID-19 and the loss of hotel/motel lodging tax revenues and the economic impact resulting from the almost total shut down of the economy. The Addition Committee continues to discuss possible funding scenarios and options for a potential solution.

Mr. Finneran requested Mr. Rosauer to provide the Board with a brief presentation of the status of the Addition Project items. Mr. Rosauer advised the project team and the construction team have regained some momentum on the schedule. The construction and project teams are working with the added safety protocols required with COVID-19 and are cautiously optimistic that the schedule will be more predictable moving forward. Steel erection does remain the critical path and the path will eventually transition to enclosure. The project's enclosure recently began which is a big step forward. Prior to COVID-19, there were approximately 300 workers. That number dropped to 100 and has ramped back up to 350 onsite workers. Mr. Rosauer anticipates that number to roughly double by the end of 2020, with a peak manpower count of over 1,000 people on site likely next summer. The quality component for the project remains in a good place. The Addition project is currently exceeding outreach goals. PSG is pleased with the work that Clark-Lewis (GC/CM) are doing, and PSG will continue to monitor their efforts. Mr. Rosauer advised that they are thankful the teams are working through these unusual times.

B. Government Affairs Committee

1. Government Relations Consultant Report

Ms. Brown-Archie advised that the consultant update report from Ms. Bogard is contained within the Board packets.

2. Washington Safe Meeting & Convention Coalition

Ms. Brown-Archie advised that WSCC participated with Ms. Bogard, Visit Seattle, major group hotels, and several convention centers in Spokane, Lynnwood, Bellevue, Tacoma, Tri-Cities, and Columbia Hospitality to create a safe opening document that was submitted to the Governor's Office on July 13, 2020, as well as several different county health organizations. The Coalition's document outlines how we, as convention centers, can open safely in Phase 3 with utilizing a percentage of our occupancy in meeting spaces instead of by specific head count. The report outlines the type of business to be booked and how the details can be easily monitored with respect to the required physical distancing, with the buildings providing the necessary elements for ingress and egress to protect those attending, in addition to the new cleaning protocols all of these buildings will be following to provide safe spaces for shows, their attendees, and staff. The Coalition has not yet received a response to their request.

3. Update

Ms. Brown-Archie reported that WSCC received approval from the Seattle Department of Construction and Permitting for the WSCC to remain closed to the general public for the remainder of 2020. As the Board may recall, WSCC submitted a request to the City for a variance to the land-use requirements to maintain the WSCC facility as closed to the general public for the remainder of 2020, even when it may be permitted to have events in the building, so that staff can concentrate on the State and County's new safety and health requirements that will be required for meetings and event. This will provide the ability to monitor the correct management of COVID-19 related requirements for face coverings, occupancy and use of elevators/escalators, restroom usage, social distancing and other items. Mr. Blosser to follow up with Mr. Torgelsen in October to review the situation.

Ms. Brown-Archie advised that the Committee reviewed the mid-year report for the 2020 Operating goals for the Government Affairs Committee, and are satisfied, under the current pandemic circumstances, that staff are doing the best they can.

C. Finance Committee

1. Update

In Mr. Flowers' absence, Mr. Blosser reported that the Finance Committee met on July 17 and requested Pine Street Group to provide the Committee an update on the financing plans for the Addition Project.

The Finance Committee also reviewed the WSCC amended operating budget submitted by staff. With the shutdown of the building on March 25, all events cancelled through September, restrictions on meetings by the Governor, and very reduced transient lodging taxes, to put together a budget amendment

to detail where the operation is projected to land for the remainder of 2020. Staff will monitor the month-to-month situation and the event schedule and will report back to the Board with any changes.

The Finance Committee reviewed progress made on the Committee's operating goals and agree with the progress to date.

2. Approval of the 2020 Revised Budget, Resolution #2020-05

A RESOLUTION by the District Board Revising the 2020 Operating Budget for the District, amending and rescinding Resolution 2019-13.

WHEREAS, the Board of Directors (the "Board") received a recommendation from the Finance Committee on November 26, 2019 that the District Board adopt an Operating Budget for 2020 in order to control spending and promote financial security within the District operations; and

WHEREAS, the Board believed it to be in the best interest of the District to adopt the Operating Budget as recommended by the Finance Committee for 2020; and

WHEREAS, circumstances beyond the control of the District related to COVID-19 impacts have negatively affected the hospitality industry and drastically reduced transient lodging taxes and operating revenues for the District, the Finance Committee is recommending a revision to the Operating Budget for 2020 to better reflect the anticipated business impact to the District, amending and rescinding Resolution 2019-13.

Mr. Blosser advised that the revised 2020 Operating Budget was approved by the Finance Committee and the Committee is recommending Board approval.

Mr. McLaughlin made a motion to approve Resolution #2020-05 to revise the 2020 Operating Budget as set forth in Exhibit A of the Resolution. Ms. Moriguchi seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

D. Outreach Committee

1. Update

Ms. Moriguchi advised that the Outreach Committee met on July 15 and covered several different topics with the Addition Project outreach program. Pine Street Group presented the Clark-Lewis outreach efforts, the Intelligent Partnership reports on zip code workforce on the job and apprenticeship program tracking, MWBE report which is tracking at \$108 million contracted to a goal of \$80 million, as well as the LMN and Pine Street Group tracking reports. Pine Street Group reported that the Tabor 100 Hospitality Culinary Arts Scholarship applications are out for three \$2,500.00 awards and it is anticipated they will be returned in August. Discussion occurred regarding the MWBE breakdown by contractor with percentages tracking with City of Seattle numbers, as well as discussion of the work force training updates from Clark-Lewis.

2. WSCC Commitment to Equality

Ms. Moriguchi advised that the Outreach Committee and WSCC staff have been working on a Racial Injustice / Social Equity Policy as an important element as we look to re-open the building and a significant step by the WSCC PFD to have this public policy statement. The Outreach Committee have reviewed the document which was provided to the Board prior to today's meeting in their packets, and the Committee is recommending Board approval of this policy statement to be published on the WSCC website.

Ms. Moriguchi made a motion to approve the WSCC Racial Justice / Social Equity Policy Statement. Mr. Hillis seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

3. Outreach Committee Operating Goals, Mid-Year Review

The Outreach Committee reviewed progress made on the Committee's operating goals and agree with the progress to date.

E. Marketing Committee

1. Marketing & Sales Mid-Year Reports for Visit Seattle and WSCC

In Mr. Schafer's absence, Ms. Gonzalez-Murillo reported that the Marketing Committee met earlier today and received updates from Visit Seattle on 2020 goal progress and the effect of COVID-19 impacts on business cancellations for 2020 and 2021. Mr. Norwalk also discussed Visit Seattle staffing changes based on no transient hotel tax dollars going to Visit Seattle with hotel occupancy being so low, a significant number of hotels being closed, and WSCC's funding going towards the payment of debt service. Mr. McQuade also reported on the status of WSCC event cancellations, bookings for the remainder of 2020 and work being conducted to book 2021 with local and regional business once the Center is permitted to re-open. Ms. Willanger provided an update on the WSCC Marketing and Communications Plan progress for the first six months of 2020 which covered many areas of communications, messaging, and social media. Ms. Willanger also advised that the Center's Rebranding Project has been put on hold. The Marketing Committee reviewed the 2020 committee Operating Goals and find, under the circumstances, that progress is acceptable for the first half of the year.

F. Art Committee

1. Update Report

Ms. Gonzalez-Murillo reported that the Addition Art Advisors met on June 16, 2020, and the Art Committee met following that meeting. As a reminder, in May 2020, the Addition artwork had been put on pause due to WSCC and the Additions project's financial situation as a result of the COVID-19 pandemic, and that Chairman Finneran had asked for an evaluation of the Art Program's financing. An evaluation of the artwork pieces was to take place and a report to be provided to the Art Committee.

Ms. Gonzalez-Murillo advised that, as all Board members of the Art Committee could not be in attendance for a discussion regarding the Addition Art budget on June 16, the item was tabled to a subsequent Art Committee meeting held July 9, 2020. At this meeting, with Ms. Gonzalez-Murillo, Ms. Grant and Ms. Moriguchi in attendance, an in-depth discussion occurred regarding the Addition Art budget being over-budget and the need for reduction in costs to bring the Art projects back to be within the approved budget. After much consideration, the Committee made the difficult decision to cancel one of the large public benefit art pieces, the Pendulum, which is included in the \$1.8M budget. The Addition Art Advisors met on July 14th and upon receiving the Board Art Committee's recommendations, the Art Advisors were very opposed to the reduction in the artwork. The Art Advisors believe that there are other areas where costs can be cut or reduced to remain as close to the budget amount as possible. Ms. Gonzalez-Murillo, while disheartened with having to make the decision to cancel the Pendulum piece that would give new life to the existing Arch building, felt the Committee made the correct decision under the circumstances. The Art Advisors remain very opposed and the Art Committee requested the advisors go back to the artists for the Olive Way side of the Summit building and request their assistance in finding creative ways to reduce their budgets.

2. Discussion and Potential Approval of Addition Project Art Concepts

Ms. Gonzalez-Murillo advised that today the Art Committee is recommending approval of three Addition Project Art concepts:

- Final approval: Boren Avenue – Artist Sheila Klein, Bow, WA
- Final approval: Boren & Olive Avenues, Garage Door
 - Urban Design Merit Site A: Boren Avenue Garage Door Vertical Lift – Artist, Sheila Klein, Bow, WA
 - Urban Design Merit Site A: Olive Way Garage Door Vertical Life – Artist, Lauren Iida, Seattle, WA
- Conceptual approval: Entry Art – WSCC Entries Concept Presentations
 - Artist – Danielle Morsette - Stó: lō | Suquamish, Poulsbo, WA
 - Artist – Malynn Foster – Squaxin Island | Skokomish, Olympia, WA

Ms. Gonzalez-Murillo introduced Ms. Lewis and Ms. Brunner to present the highlights of the artwork being presented for Board approval.

a) Boren Avenue - Final Approval: Artist – Sheila Klein

Ms. Brunner advised that the Board has seen the Boren artworks several times. The Boren Avenue artwork activates the entire streetscape for both pedestrians and motorists which is one of the City's concerns. The piece is active both day and night, provides seating, and includes other elements requested by the City that some of the "back of house" elements, like the garage doors and fire exit doors, be treated as more of an art feature. Ms. Brunner advised that this artwork meets all those requirements and has received a good reception from the Seattle Arts Commission, the Addition Art Advisors, and the Board Art Committee. Ms. Brunner advised that the project team has worked through all the budget concerns as well as the necessary changes to the building to provide lighting. The Boren Avenue artwork is past final design and the team is ready to issue an implementation contract to the artist, Sheila Klein. The design itself has not changed fundamentally since the Board's review, both during the concept phase and during the presentation at the Board Retreat last year. Ms. Klein began working on the design iterations in 2018, has appeared before the Addition Art Advisors several times with the last presentation being provided at the end of 2019/beginning of 2020. Ms. Gonzalez-Murillo advised that the Art Committee is seeking the Board's concurrence with the Committee's recommendation, as presented, that the Boren Avenue artwork receive final approval and may move forward.

Ms. Gonzalez-Murillo made a motion to approve the final concept for the Boren Avenue artwork, artist – Sheila Klein. Ms. Grant seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

b) Garage Doors Final Approval: Artists – Sheila Klein and Lauren Iida

Ms. Lewis advised that, as the Board will remember, there are 7 artworks in process in Urban Design Merit category which was determined in our work with the Seattle Design Commission. Today we are asking for final approval on the Site A Garage Doors, which are ready to go into production. These are custom cut steel doors, and there are two different artists:

- Urban Design Merit Site A:
Boren Avenue Garage Door Vertical Lift – Artist: Sheila Klein.
This garage door continues the pattern of Ms. Klein's Public Benefit Artwork including the oval panel experience.
- Urban Design Merit Site A:
Olive Way Garage Door Vertical Lift – Artist: Lauren Iida
The second concept is on Olive Way, by artist Lauren Iida. Her concept focuses on the flora and fauna of the Pacific Northwest and the relationship it had on her Japanese heritage. Ms. Iida grew up watching her grandmother in the kitchen and has included a depiction of her hands in the upper left person of the image.

Ms. Lewis advised that these are the two Garage Doors for final Board approval.

Ms. Gonzalez-Murillo made a motion to approve the final concept for the Urban Design Merit Site A: Boren Avenue Garage Door Vertical Lift and Olive Way Garage Door Vertical Lift. Ms. Grant seconded. Mr. Finneran called for any questions. Mr. Finneran asked, given the current situation in the downtown area with protests, graffiti, damage to properties, etc., had any consideration been given to protecting these artworks, as these two particular pieces are to be located at street level and could be wide open for someone to defile them with graffiti. Ms. Lewis thanked Mr. Finneran for this question and advised that the architects had reviewed this. These garage doors are to be made of metal and then have a highly durable powder coat applied as well as an anti-graffiti coating. These doors should be cleanable and protected from reasonable graffiti damage. Mr. Finneran thanked Ms. Lewis for the response to the question. Being no further questions, the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

c) Entry Art Concept Approval: Artists - Danielle Morsette and Malynn Foster

Ms. Brunner reminded the Board that five Native American artists have been selected in order to acknowledge that we are on Indigenous land, the traditional territories of the Coast Salish people, at both the Olive Way entry and the 9th and Pine Street entry to the Summit building. The Board has previously seen and approved 3 of those 5 artists, and today we are seeking approval of the final two artist concepts.

- Danielle Morsette - Stó: lō | Suquamish, Poulsbo, WA

Ms. Brunner advised that Ms. Morsette is a Coast Salish weaver and showed a sample of her weaving work. Ms. Morsette is a Master Weaver and not only uses wool in her work but also uses cedar bark weaving, rabbit fur, shells, and beads, and is considered an extraordinary talent. Ms. Morsette will be working at the Olive Way Entry and this entry art concept is a large-scale woven blanket and will be exhibited inside the building in the glass enclosed, climate-controlled entry vestibule. The piece itself is very large: 8' wide X 20' tall with 4' of fringe. It is the largest weaving this artist has undertaken, and she will use handwoven contemporary ideas with age-old techniques. The weaving will take approximately 14 months and the team plans to document its creation.

- Malynn Foster – Squaxin Island | Skokomish, Olympia, WA

Ms. Brunner advised that Ms. Foster is proposing a series of carved stone petroglyph forms in several locations, all of which have been very consistently reviewed by the Convention Center staff to ensure no impediment to entry or exiting. There will be a large sculpture near the entry door on the Pine Street side, as well as 3 other smaller petroglyphs, and she will have 1 small petroglyph located on the Olive Way side of the building. Examples of Ms. Foster's past work and carving of these petroglyph forms was shown, and it was explained that these forms of both art and communication in the Coast Salish area. Some of the carving techniques to be utilized were explained. There will be a large entry sculpture near the entrance to the facility has been coordinated with the signage, and will include two forms, a petroglyph base with a carved element on the top that references the sea form and life of the Coast Salish sea.

Ms. Brunner advised that these are the two Entries Concepts for Board approval.

Ms. Gonzalez-Murillo made a motion to approve the concepts for the Entries Artists: Danielle Morsette and Malynn Foster. Ms. Moriguchi seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

Ms. Gonzalez-Murillo noted that the Addition Art project is overbudget in some areas and Ms. Brunner was very clear in saying it is not the artists, but it was the construction integration costs. Ms. Gonzalez-Murillo has been working closely with Mr. Blosser and Ms. Willanger to gather feed-back to bring back to the Art Advisors and the Art Committee on how we can, moving forward, remain within budget. Ms. Gonzalez-Murillo extended her appreciation to Ms. Lewis and Ms. Brunner for assisting with this important process.

G. Facility Committee

1. Mid-Year Report

Mr. Hillis advised that the Facility Committee met on June 11, 2020 to review Capital Projects progress. The Committee discussed finalizing Capital Projects that would benefit the WSCC's operations when re-opening is permitted, as well as those that provide cost-savings for facility operations, and all other projects to be put on hold for the remainder of 2020 due to COVID-19 impact issues. This would permit approximately \$3.7 million of approved funds for 2020 Capital Projects to be reallocated for the Addition project, operating needs, debt service support, or any other option that the Board deems necessary.

The revised 5-year plan will be created and reviewed by the Facility Committee in the fall, with the 2021 Capital Projects to be presented to the Board for approval along with the 2021 Operating Budget.

H. Long-Range Planning Committee

1. Update Report

Mr. McLaughlin advised that the Long-Range Planning Committee met on July 15, 2020 to understand how, in these very unusual and trying times because of COVID-19 impacts, long-term planning as we know it can be undertaken. The Committee did determine that we need to focus our attention as an organization on navigating the challenges that are less long-range and that are actually today and in the foreseeable future. The Committee will reconvene in the fall, and as soon as we can see, or begin to see, some light at the end of the COVID-19 tunnel that is affecting us all, we need to begin to assemble information that will emerge as we proceed through it, and be useful in a way that we can return to looking more long range. A lot of the things that we were focused on previously in our Operating Goals are things that we will relook at in the fall.

2. Review and Approval of WSCC Re-Opening Plan

Mr. McLaughlin advised that during the meeting on July 15, 2020, the Long-Range Planning Committee reviewed the WSCC Safety First Reopening Plans that were provided to the Board in their packets. This is a framework of how to reopen and do it safely in the time of COVID-19. The detail of that plan will get considerably more in-depth in any one of the principle items laid out in the plan. Convention Center staff are currently hard at work developing those plans. The Long-Range Planning Committee are recommending Board approval of the Safety-First Reopening principles and to authorize the staff to continue to develop details that are necessary for us to open as soon as we possibly can.

Mr. McLaughlin made a motion to approve the Safety-First Reopening Plan. Mr. Hillis seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.

I. Benefits Committee

1. Mid-Year Update

Mr. McLaughlin reminded the Board that the WSCC Benefits Committee is comprised of WSCC non-represented employees and Mr. McLaughlin as Board Liaison. The Benefits Committee has met quarterly with a representative from RBC to review materials, including a market review, performance reports, cash flow report, fund scorecard, and fund analytics. The required Form 5500 was filed on February 14, 2020, and the Summary Annual Report was distributed to all Participants on January 17, 2020. On April 7, 2020, the Benefits Committee voted to recommend to the WSCC Board to accept all the retirement plan provisions provided by the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES Act implements retirement plan provisions, including coronavirus-related provisions, relaxed plan rules, delay of loan repayments and waiver of required minimum distributions. This was approved at the May 26, 2020 Board meeting. During the Benefits Committee meeting on April 27, 2020, the Committee voted on the approval of the automated processes for loan applications and other distribution processes through Milliman. On May 5, 2020, the Benefits Committee voted to extend the contracts with Milliman and RBC for one year. The current term will expire on June 30, 2021. In the next few months, the Benefits Committee will review any impacts of the recent layoffs and any impacts to the current retirement plans.

VI. VISIT SEATTLE & WSCC Sales Reports

A. Visit Seattle Destination Overview & Sales Report

Mr. Norwalk reported on the Smith Travel Research (STR) Select Competitive Set numbers for June 2020. The Seattle Downtown market, along with our tracked competitive set, continue to make slow progress with low occupancy rates (from 13% in Seattle and Vancouver Downtown, up to 37% in Phoenix Central), average room rates (from \$90 in Phoenix Central to \$141 in Boston CBD/Airport), and RevPar (from \$14 in Vancouver Downtown to \$37 in San Diego CBD). Most decision dates for reopening of businesses continue to be dependent on reaching Phase 2 or Phase 3 in the Governor's Safe Start

Washington program. Across the country, occupancy levels are slowly rising, and Seattle's occupancy numbers are projected to increase slowly throughout the summer and fall, and into 2021/2022. Mr. Norwalk advised that with the lodging tax collections of average rates, it will take all of us a long time to rebuild and regrow.

Mr. Norwalk provided a COVID-19 Travel Industry update. The travel industry in Seattle and King county are seeing small, gradual improvement in performance, but are set against the backdrop of growing COVID infection rates regionally and nationally. According to Tourism Economics / STR, the U.S. hotel demand is not expected to fully recover until 2023. Travel at SeaTac International Airport continues to grow, averaging 15,500 passengers per day (week of June 28th), but still down 75% compared to last year. In King County, 21 hotels remain closed (4,880 hotel rooms). For the period March through June 2020, King County hotel revenues declined by 83%.

Mr. Norwalk provided an update on the Washington Meetings and Convention Coalition and the Safe Re-Opening Plan and extended thanks to Ms. Bogard and Mr. Blosser for their continued efforts. As the Board may recall, a group comprised of 12 statewide organizations and businesses formed the Coalition to seek changes to Governor Inslee's phasing in of events, focusing on how business events are differentiated from festivals, concerts, and sporting events, and are suggesting Phase 4 modifications to allow for 75 to 100% of available space for events. The Coalition redefined guidelines to a percentage of available space opposed to the number of permitted guests/attendees, being mindful of safety and best practices for workforce, employee training, infection control, event organizer and guest requirements, partner and contractor requirements, all to be in compliance with CDC guidelines. Mr. Norwalk advised that, as an industry, we are proposing to require GBAC-STAR accreditation or compliance with a comparable program before a facility can operate for events described in the request by the Coalition.

Ms. Saling provided a snapshot of Visit Seattle's website updates and advised the site has been refreshed with more of an informational focus and not just travel related, to share information pertaining to national, safety, and civic information.

Ms. Saling provided a recap of the Convention Sales efforts for booking progress for the Summit and Arch looking into the future for definite bookings, tentative bookings, and then also the pace targets for years 2022 to 2026, with 2022 looking good as we move forward. Ms. Saling reported on WSCC groups impacted due to COVID-19. For 2020, at the time of this report, there were 36 cancellations; three groups have formally cancelled for 2021; one for 2022; and one for 2023. There are, at the time of this report, seven pending cancellations: three groups in 2020 and four groups in 2021. These seven pending cancellations represent the potential loss of \$3.9M in rent and food & beverage revenues, \$18M in economic impact, 18,333 attendees, and 46,749 total room nights.

B. WSCC Sales Report

Mr. McQuade provided the Board a brief update on a staffing change on the WSCC Sales team, advising Mr. Bruce Gyger, a long-time WSCC employee, will be leaving WSCC and the Seattle area to move closer to family. Mr. Gyger has held the position of National Sales Manager for the past four years, and prior to that was with the Event Services team for 10 years, and in Operations for the Convention Center for several years.

The WSCC Sales & Services staff are working hand in hand with the Visit Seattle staff on groups that are seeking future dates, and Mr. McQuade reported that two of the groups have requested preliminary license agreements and the team is in the process of working with the client to finalize those agreements.

Regional business, just like the national business, finds meeting planners hesitant to make decisions due to so many unknowns. Booking progress to date is lighter than normal, but it is encouraging to see the groups who have made the commitment to confirm dates in 2021. During May/June, WSCC Sales staff booked six events into the Center for 2020/2021, with three of these being returning legacy programs. Cumulatively, these six WSCC booked events represent over 3,520 in estimated attendance,

85 forecast room nights, and combined topline revenues of over \$230,408 for rent, food & beverage, parking, and subcontractor services.

Working with Mr. Smyton and the team at Visit Seattle, we have started to identify dates in the re-booking process right now as we attempt to solidify the Fall 2021 event schedule. There are several tentative Visit Seattle programs throughout the calendar year, but heavily in the fall, and we are making some progress on finding dates that some of our larger legacy programs will confirm.

VII. PRESIDENT'S REPORT

A. COVID-19 Update

Mr. Blosser reported that events at WSCC have been cancelled through September 2020 and the building will remain closed. He advised that the majority of the activities at WSCC currently involve the safety and protection of the building and we are in survivor-mode as much as possible as we reduce the costs of the operation while ensuring we maintain the integrity of the building. Our Security, Trades and Custodial teams are doing a great job. We continue to have graffiti tagging almost every night, as well as people trying to break into the building. Mr. Blosser stated that the budget adjustments that were approved today will allow for WSCC management and the Board to reflect on what the actual operation will look like for the remainder of 2020. Mr. Blosser reported that convention centers across the county are experiencing much the same as WSCC, except for a few buildings that have opened recently for events. For the most part, all other centers are closed or are being utilized as a field hospital or type of shelter to assist their communities during the pandemic / COVID-19.

Mr. Blosser provided an update on staffing advising that, due to the event schedule the open National Sales Manager position would not be refilled at this time, and that four additional staff members will be laid off effective August 3rd. The layoffs reflect the lack of business in the building going forward into 2021, and we are sad to see these valuable employees leave the organization. Mr. Blosser is hopeful that 2020 4th Quarter will have events back in the building. Mr. Blosser advised that we are working hard to stay connected with the Visit Seattle team and our WSCC team, with weekly meetings (both virtual group meetings and virtual one-on-one meetings) along with a weekly President's update to WSCC staff to keep everyone up to speed as most staff are working remotely, with the exception of Security, Custodial and the Trades. Mr. Blosser reported that WSCC is working towards GBAC STAR Accreditation which will be key towards our goal of re-opening with a safe and clean facility for our staff and those who want to attend an event at WSCC in the future. We are hoping to achieve this GBAC STAR Accreditation in the next few months.

B. 2020 Operating Goals Progress Report

Mr. Blosser advised that his operations status report for the mid-year is contained in the Board packets and was distributed to the Board prior to this meeting. Mr. Blosser verbally provided some highlights of his written report.

C. 2019 Annual Report Update

Mr. Blosser reported that staff continue to work on the 2019 Annual Report and have now received the audited financials. The draft document will be provided to the Chairman for his review shortly, and then to the Board members for their review prior to finalizing the document for posting to the website and an electronic version distributed in August.

VIII. FINANCIAL REPORT

Mr. Firth advised that the Financial Report for June 2020 had been reviewed by the Finance Committee on July 17, 2020 and had been sent to the Board for review prior to today's meeting. June is the third consecutive month the building has been totally shutdown except for the parking garages and some retail rent. Freeway Park Garage was open to the public the entire month, while the Main Garage re-opened on June 22. The Main Garage generated \$6,575 in public parking and the reserve garage \$3,395. In contrast, Freeway Park Garage occupancy was near or over capacity on some days. Virginia Mason Hospital parking generated 49% of the parking revenue; Construction early bird parking generated

50%; and paid parking 1%. The Addition construction project had over 190 no-charge monthly parkers in Freeway Park Garage. Starting July 1, Virginia Mason Hospital parkers were moved to the Main Garage and with that move, their rate increased to \$8. This allowed July occupancy in Freeway park Garage to drop to 45% to accommodate additional construction workers and monthly parking in the coming weeks. Operating revenues for Building Rent, Food Service, Facility Services were earned from service fee charges on deposit funds. Retail revenue was \$11,972, from 3 retail tenants and construction tenants. Operating expenses continue to be slashed, with Utilities 42%. Repair and Maintenance 66%, and Other Services is 40% of normal. Operating Loss is \$696,570, down \$239,561 from April which was the first month of total shutdown. In-house Marketing expenses were \$59,206, which primarily included Sales and Marketing Salaries, and WSCC portion of salary for the Senior Director of Convention Strategy position at Visit Seattle. Capital Improvements for the month of June were \$76,240, and YTD \$1,230,047. Addition Project expenditures for June were \$20,878,009. Mr. Firth reported that June Lodging Revenue collections were \$2,866,050 compared to last month \$515,000. The Department of Revenue and the State Treasurer's report on Additional Lodging collections for June was \$568,422 compared to zero last month. Smith Travel Research (STR) reports average June occupancy at 13.6%. Extended tax for June was \$35,496. With regards to the Cash Flow Report, cash activity in June dropped \$45.5MM due to a combination of low Lodging tax collections, Capital Improvements and Project expenditures. Mr. Firth spoke to the Use of Funds graph, advising that 73% of the funds are Project investments (bond funds), and that 66% of the funds are invested in Agencies/US Treasuries. Mr. Firth reported that there is no event revenue forecasted through September. As the uncertainty of when employees can come back to their offices downtown continues, Mr. Firth is forecasting flat parking revenues for July through September.

IX. ADJOURNMENT

Mr. Hillis made a motion to adjourn the July 21, 2020 Board meeting at 3:38 p.m. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference.