

Minutes

Washington State Convention Center
Public Facilities District

Special Meeting of the Board of Directors
April 27, 2021

I. Call to Order

Frank K. Finneran, Board Chairman, convened a special meeting of the Washington State Convention Center Public Facilities District Board of Directors at 12:45 p.m. by video conference / conference call via Microsoft Teams. At the chairman's request, Mrs. Starkweather conducted a roll call of Board Directors to ensure a quorum in attendance.

MEETING ATTENDANCE

Board Directors in Attendance (by video conference / conference call)

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

Officers in Attendance (by video conference / conference call)

Jeffrey A. Blosser, President / CEO
Linda Willanger, Vice President of Administration / AGM
Jon Houg, Vice President of Operations
Sam Hecker, Chief Financial Officer / Treasurer

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

Margery Aronson, Addition Art Project
Matthew Hendricks, Hendricks - Bennett, PLLC
Matt Griffin, Pine Street Group
Arnetta Libby, Pine Street Group

Staff in Attendance (by video conference / conference call)

David Cononetz	Krista Daniel
Daniel Johnson	Michael McQuade
Michael Murphy	Lorrie Starkweather
Loni Syltebo	Earl Taylor

II. Discussion and Potential Action regarding Resolution 2021-09, Purchase & Sale Agreement for the Sale of Property at 150 South Horton Street, Seattle, WA

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District") approving the sale of real property located at 150 South Horton Street.

Mr. Finneran stated that the District has an opportunity to complete the sale of the marshalling yard property at 150 South Horton Street, a project that has been in the works for approximately one

year. He requested Mr. Murphy to provide a recap of the process and the recommendation being brought before the Board for approval.

Mr. Murphy advised that a potential buyer approached the District late last year with an offer for the 150 South Horton Street property. Negotiations have gone back and forth over the past few months and agreeable terms have now been reached. The purchase offer is \$9.8 million, to include a lease-back option for the District for twelve (12) months with a 60-day termination clause. This lease-back option is advantageous for the Addition project as currently the curtain-wall subcontractor is utilizing the space for storage potentially through the end of September. Mr. Murphy advised there may be other opportunities for the use of this yard, however we do have the 60-day termination clause option as the seller; the buyer does not have the termination clause option. The lease-back option is at an amount below current market rate.

Mr. Finneran advised that the Purchase & Sale Agreement (PSA) was provided in the Board packets for this meeting and the document has been vetted by legal counsels, Mr. Fluhrer and Mr. Hendricks. Mr. Hendricks advised that Resolution 2021-09, while approving the PSA, also authorizes the Chairman to execute the PSA along with any ancillary documents related to the PSA that require signatures.

Ms. Gonzalez-Murillo requested clarification on what Mr. Murphy referred to as “below market rate”, with Mr. Murphy providing explanation that if the District was to go out and lease a parcel of property of the size of the Horton parcel, it would most likely cost more than \$45,000 per month. At the negotiated lease-back rate, the District would pay \$35,000 per month; a cost-saving of \$10,000 per month.

Ms. Brown-Archie asked if the property being sold is the property by the train tracks, and are we selling one side or both sides in its’ entirety. Mr. Blosser replied that this is the 150 South Horton property where the tracks bifurcate the parcel of land, and it is the parcel in its entirety being purchased.

Ms. Moriguchi asked if this is the same purchase price that had been discussed at an earlier meeting or if this amount had gone up or down? Mr. Finneran requested Mr. Murphy to provide some of the benchmark information. Mr. Murphy advised the initial offer was \$8.5 million; the District countered at \$10.5 million; and agreement was reached at \$9.8 million. Mr. Blosser reminded the Board that the District initially purchased the property for \$8.4 million.

Ms. Grant asked if the purchase price is at market rate? Mr. Finneran advised that we have not done an appraisal of the property, but given the advice of our brokers, the purchase price is within the realm of being market sensitive.

Mr. Flowers requested to know if there are any liabilities to the District as the seller; are we selling this property with no contingencies? Mr. Murphy believes there are no contingencies and that Mr. Fluhrer had reviewed the language very carefully. Mr. Griffin stated that the PSA is subject to the buyer doing their due diligence, and so the buyer can do their due diligence and determine that this does not fit.

Ms. Brown-Archie requested to know if we are selling the property “as is” and Mr. Murphy replied that that is correct.

Ms. Moriguchi requested to know if the District will need to purchase additional property later that would be more conducive for use by the Convention Center. Mr. Hillis advised that an alternate marshalling yard site had been purchased a few years ago.

Mr. Flowers made a motion to approve Resolution # 2021-09, to enter into the Purchase & Sale Agreement for the sale of 150 South Horton Street, and authorizing the Chairman to sign the document, along with any other ancillary documents related to the Purchase & Sale Agreement. Mr. Hillis seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference / teleconference (9 to 0).

III. Adjournment

Mr. Hillis moved to adjourn the April 27, 2021, Special Meeting at 12:55 p.m. Ms. Moriguchi seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference / teleconference.