

WSCC Board Addition Committee
Minutes
May 25, 2021
10:30 a.m.
WSCC – by remote access via MS Teams

WSCC Board in Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Deryl Brown-Archie, WSCC Board Addition Committee
Bob Flowers, 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 / A.G.M.
Michael McQuade, WSCC Director of Sales
Krista Daniel, WSCC Director of Event Services
Tony Sheehan, WSCC Director of Information Services
David Cononetz, WSCC Director of Facilities
Lorrie Starkweather, WSCC Executive Assistant to President & Board of Directors
Matt Hendricks, General Counsel
Becky Bogard, Bogard & Johnson
Fred Eoff, Public Financial Management
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Jane Lewis, Pine Street Group
Armeta Libby, Pine Street Group
Chris Raftery, Raftery CRE
Gary Smith, Clark Lewis
Ben Eitan, Clark Lewis
Margery Aronson, Art Advisor

Chairman Finneran called the meeting to order at 10:30 a.m. with Committee members participating by MS Teams videoconference/teleconference and public access via telephone. Following unanimous approval of the consent agenda and comments on continued focus on finances, with additional sources still to be finalized, Finneran asked Griffin to lead the review.

On Schedule, the Temporary Certificate of Occupancy (TCO) remains scheduled for July 1, 2022. The next 13-14 months are very busy with \$400 MM to \$500 MM of work to be put in place, which the team is working to facilitate. American Bridge (AB) has been disassembling the large Ninth Avenue crane, taking longer than expected, but the removal will help the neighborhood. The fire protection and Street Improvement Plans (SIP) permits are now in hand, although the team awaits authorization to begin some SIP work. Entitlements are complicated some of the Public Benefits being on Sites B and C. Currently, all the Public Benefits need to be in place prior to Site A Certificate of Occupancy (CO) and

completion of the alley vacation process. It may not matter, but the team wants to uncouple the Public Benefits on Sites B and C from Site A, to simplify the Site A CO.

On Budget and Finance, costs held steady over the past month. C-L is working with AB to resolve project compensation for AB schedule deficiencies. Another critical source is potential compensation from the state for COVID-19 impacts. The state has funds to distribute and will allocate them either through a Special Session or during next year's Legislative session. This COVID-19 funding is one of the biggest remaining holes in the financing puzzle.

On the co-developments, the amendment with the Site C buyer has been executed, giving them the right to delay start of construction for a year after closing and allowing the project to elongate completion of the podium, if advantageous. The goal is to close with the buyer as soon as complete. The buyer has ordered the material for the steel structure. After a planned budget update, the buyer will refine its plan and potential start date.

For Site B, the residential market remains unsettled. Market recovery will be key to finalizing a plan and construction start for this project.

On Quality, the focus is resolving remaining design issues and limiting future changes. Resolution of the handful of remaining items is expected in the next few weeks. An issue has arisen with compatibility of the Mixing Hall flooring and the radiant heat, which requires additional coordination.

On Outreach, the overall contracted WMBE total is now about \$135 million, due to recent approximately \$6 million in increases in contracts with existing C-L subcontractors. Apprentices now constitute over 18 percent of the workforce. C-L expects this to grow as 300 to 350 workers join the job this summer and then plateau. There are many young men and women who are getting a strong start in the construction trades due to the convention center project. The fourth class of the C-L Strategic Partnership Program in Seattle will graduate in June.

On Art, the team is busy re-starting artists on projects that have been dormant during the financing crisis. Due to the delay, additional costs and coordination are anticipated.

Contracts are in good shape in general. AB issues will ultimately result in contract changes and the C-L contract, which expires in June, will need to be renewed.

Sale of the marshalling yard is under contract. Due diligence expires in early June unless the buyer does a Phase 2 environmental study. Sale of the yard will add an additional \$1.5 MM to \$2 MM to project contingency.

A vaccination program at WSCC for the project workforce and WSCC employees, as well as family members 18+ years of age will take place on June 4, 2021. For vaccinated workers, raffles of Seahawks tickets are planned as an incentive.

PSG is planning a series of construction tours for elected officials, business influencers, City and County officials and others to generate excitement about the project, as well as help inspire the resurgence of downtown Seattle and the related hotel/motel tax. First up will be WSCC team tours.

The steel structure for the project will top out on June 11, 2021. COVID-19-safe worker recognition is planned as well as photo opportunities to provide WSCC with marketing tools for trade publications and customers.

Fred Eoff and others are exploring a direct exchange of newly issued bonds with 2018 bonds to achieve a reduction in near-term debt service, saving potentially up to \$10 MM.

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