

WSSC Board Addition Committee
Minutes
June 22, 2021
10:30 a.m.
WSSC – by remote access via MS Teams

WSSC Board in Attendance:

Frank Finneran, Chair - WSSC Board Addition Committee
Deryl Brown-Archie, WSSC Board Addition Committee
Bob Flowers, WSSC Board Addition Committee
Jerry Hillis, WSSC Board Addition Committee
Craig Schafer, WSSC Board Addition Committee

WSSC Board Absent

Nicole Grant

WSSC Staff / Consultants in Attendance:

Jon Houg, WSSC VP – Operations
Sam Hecker, WSSC CFO
Michael McQuade, WSSC Director of Sales
Tony Sheehan, WSSC Director of Information Services
David Cononetz, WSSC Director of Facilities
Loni Syltebo, WSSC Director of Communications
Lorrie Starkweather, WSSC 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
Arnetta 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 schedule and costs, Finneran asked Griffin to lead the review.

The contractor issued a new project schedule in June which will be the new contract baseline. While it still shows the Temporary Certificate of Occupancy (TCO) in July 2022, more activities have been delayed, condensing trade work. The team is still confirming this is the right plan. More workers are needed to alleviate schedule pressure, potentially growing to 1,200 on-site workers, but the market is tight. Construction hiring dropped during the pandemic but has since

rebounded. Raftery is helping strategize.

The schedule shows completion of the office podium off by a few days, but the actual delay may be up to a month; the team is evaluating. The residential podium also slid due to various constructability issues. Neither of these appear to be problems for the purchasers.

The Street Improvement Permit is now in hand. Coordination with the City is under way on sequencing of construction sidewalk closures, TCOs, Certificates of Occupancy, and delivery of public benefits for Sites A, B, and C.

On Budget and Finance, caution remains about costs. There was little erosion in contingencies in the past month, but the team does not know if this is the start of a positive trend. The primary outstanding source is State funding for COVID-19 relief from the American Rescue Plan. Bogard leads this effort.

On the office co-development, buyer HPP seems more bullish now about starting earlier and has ordered the steel. Key indicators about the volume of leasing activity and foreign investment in the market are positive. The market for the residential co-development is improving but more slowly and will follow job growth.

Hendricks and WSCC staff are requesting release of retainage from the State, which could happen in the next few weeks. The retainage is for work completed for King County under separate contract early in construction.

On Quality, the outstanding issues have been reduced to a handful from about 30 in recent months. The team is progressing on MEP and retail issues, with the mixing zone flooring the largest remaining item. This is time sensitive, and Rosauer expects resolution in the next few weeks, requiring meeting with the manufacturer in North Carolina today. It is critical to contain any additional changes until post-TCO.

Outreach contracts remain at about \$135 million; little new is expected as the project nears TCO. On June 8, 19 graduates completed the Clark Lewis Strategic Partnership Program, the fourth Seattle-area class. Thanks to WSCC Board member Denise Moriguchi for participating in the virtual program. About 19 percent of the workforce is apprentices, including 36 percent minority and 11 percent women.

On art, artists are being asked to engage in implementation contracts, following the design contracts under which they have been working. Additional costs and coordination issues are arising as expected from artworks that have been on hold during the financing crisis. Flowers asked if Lewis foresees any of the artists bringing their contract concerns to the WSCC Board, with Lewis responding that she believes not.

On Contracts, sale of the 150 South Horton Street marshalling yard property is under contract with completion of feasibility review expected about July 23.¹

The development team is organizing small construction tours that will include appointed and elected officials, to address objectives including permits still due from the City, receivables from the County, and potential COVID-19 recovery from the state. Lewis is coordinating with the WSCC Board Government Affairs Committee on tours with elected officials.

Being no further business, the meeting was adjourned at 11:00 a.m.

ⁱGriffin, reporting on behalf of Murphy, provided a date of July 10, and following the meeting was advised that the date should be noted as July 23.