

WSCC Board Addition Committee
Minutes
August 24, 2021
10:30 a.m.
WSCC – by remote access via MS Teams

WSCC Board in Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Bob Flowers, WSCC Board Addition Committee
Jerry Hillis, WSCC Board Addition Committee
Craig Schafer, WSCC Board Addition Committee

WSCC Board Absent:

Deryl Brown-Archie, WSCC Board Addition Committee
Nicole Grant, WSCC Board Addition Committee

WSCC Staff / Consultants in Attendance:

Jeff Blosser, WSCC President / CEO
Jon Houg, WSCC VP – Operations
Sam Hecker, WSCC CFO
Michael McQuade, WSCC Director of Sales
Krista Daniel, WSCC Director of Event Services
Earl Taylor, WSCC Director of Operations
Tony Sheehan, WSCC Director of Information Services
Krista Daniels, WSCC Director of Event Services
Loni Syltebo, WSCC Director of Communications
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, which included approval of the minutes of the July 27, 2021 Addition Committee meeting and the August 10, 2021 Special Meeting of the Addition Committee, Finneran asked Griffin to lead the review.

On schedule, the team is full speed ahead toward the July 1, 2022, Temporary Certificate of Occupancy (TCO). The plan is to grow the jobsite workforce to 900 people by the end of August,

1,000 in September, and maxing out at 1,100. The schedule has slipped for the co-developments north of Olive. Manpower is an issue and union negotiations affecting concrete deliveries is a risk.

There are no permits on the critical path now. Seattle's Department of Construction and Inspections has assigned Bryan Stevens to guide the project toward TCO. Stevens is very senior at the City and shepherded the project's entitlements process. Stevens is one of several senior managers at the City who have or will participate in the jobsite tours.

On budget, the primary cost issue is resolving American Bridge (AB) schedule deficiencies, which PSG and C-L are pursuing together. The primary outstanding source is the \$30 million request from the state for COVID-19 relief. Becky Bogard reported little progress on this yet, as the legislature's return to session has not been scheduled. In the meantime, she is making the case with various legislators.

The financing plan has shown sources from financing Furniture, Fixtures and Equipment (FF&E) procurement and sale of the Horton Street South property, previously purchased for marshalling yard usage. However, Sam Hecker is looking into the possibility to secure the FF&E loan with parking revenue.

Tender/Exchange of the existing bonds is expected to close on August 25. Chairman Finneran requested a projection on the use of WSCC unrestricted funds for the remainder of 2021 and 2022.

Construction of the office co-development podium is taking longer than hoped, but buyer HPP is bullish on the market and preparing to start construction on the tower. HPP is expected to close at the first of the year. The residential market is improving, although there is significant new supply coming online in the short term. The plan is to create more timing flexibility for the residential tower.

On quality, the Mixing Zone flooring compatibility with the radiant heat has been resolved with a new product. An issue with the curtain wall expansion joints is being addressed. The team continues to refine the punch list plan.

On outreach, workforce inclusion data remains strong. More than 900 apprentices and 1,300 workers from economically disadvantaged ZIP codes have worked on the job. On artwork, the team continues to work through cost and schedule issues stemming from delay during the financing crisis. In September, a panel will be convened to select artists for what should be the last two commissioned artworks.

Major contracts are complete, with the exception of contracts related to AB negotiations. The 150 Horton Street marshalling yard due diligence period has been extended to September 13, to enable the buyer to address environmental items. Closing is anticipated for September 23. The difference between the sale price of the marshalling yard and the purchase of the less expensive second marshalling yard property on Martin Luther King Jr. Way S will be added to project contingency.

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