

**WSCC Board Addition Committee
Minutes
November 23, 2021
12:00 p.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.
Jon Houg, WSCC VP – Operations
Sam Hecker, WSCC CFO
Michael McQuade, WSCC Director of Sales
David Cononetz, WSCC Director of Facilities
Tony Sheehan, WSCC Director of Information Services
Earl Taylor, WSCC Director of Operations
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
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 12:00 p.m. with Committee members participating by MS Teams videoconference/teleconference and public access via telephone. Finneran advised that this Committee is now comprised of 5 Board members, instead of 6, with the departure from the WSCC Board of Nicole Grant. Finneran stated that there are concerns with the Owner-Controlled Insurance Program (OCIP) to be addressed during this meeting, and any resulting recommendation from this Committee will be taken to the full Board for approval. Following unanimous approval of the consent agenda and comments about the focus on schedule, and costs, Finneran asked Griffin to lead the review.

Griffin advised that the goal of July 1, 2022, Temporary Certificate of Occupancy (TCO) will be a sprint to achieve. Issues remain the same as in past months, including the crew size; there are currently about 1,000 workers on the site but at least 1,100 are desired. The open Teamster contract remains a risk but isn't affecting the critical path. Curtain wall completion is on target by end of December, except for storefronts, providing climate control critical to the finish work, including installing about 70,000 sf of drywall per week. In March, the team anticipates starting equipment testing in Zone 1, a significant milestone.

On the co-development, the target for completing the podium for the Site C office building is end of December, but it may slip into January given concrete delivery issues stemming from Teamster negotiations. The deadline to deliver the completed podium is in early February. Target for the Site B podium delivery for the residential is late-March.

On permits, efforts are still under way with the City of Seattle to uncouple the Sites B and C public benefits from the Certificate of Occupancy for the Addition. This isn't required but would simplify completion.

Final selections on the Furniture, Fixtures and Equipment (FF&E) are under way, with intention to place orders late in the first quarter. Blosser reported that there is one offer to finance the FF&E, which is about sufficient.

On Budget and Finance, after discussion of PSG's memorandum on extending the OCIP (Owner-Controlled Insurance Program), the Committee unanimously agreed to recommend to the full Board approval of the OCIP plan as proposed.

In general, the contingencies in the finance plan are holding. One of the big source risks is the request of the state for \$30 MM in COVID-19 relief funds; Becky Bogard is managing this request.

HPP is targeting an April 4, 2022, construction start on the office co-development and is working with the contractor on the GMP. On the residential, there is a large amount of supply coming on the market and rents are uneven, factors to be re-evaluated in the first quarter. Griffin still believes this is still the right project for the neighborhood; it is just a question of timing. Options to renew the residential agreement run through 2022. The Site B proceeds are a source of approximately \$16 MM for the Addition project.

On Quality, solutions for the faulty curtain wall joint should be determined next month. It is a weather protection issue rather than a structural issue. Rosauer advised the punch-list "plan" that outlines the schedule and sequence of the punch-list walks is expected to be complete by the end of year (2021). This is separate from the curtain wall expansion joint issue. The team is documenting the inspections plan with the City and Fire Department, and then it will align with operations for testing and training. There are very few remaining design choices to complete with LMN.

On Outreach, there is now more than \$140 MM contracted or committed against the \$80 million WMBE goal, and the job site is composed of more than 20 percent apprentices. On Art, the first on-site installation of artwork framing is happening in November.

Blosser reported that a Purchase and Sale agreement for the 150 S. Horton St. marshalling yard is in hand and a second party may also be interested. If the sale closes, it will provide a net gain of about \$750k over the purchase price of the yard.

Being no further business, the meeting was adjourned at 12:40 p.m.