

**WSCC Board Addition Committee
Minutes
December 21, 2021
12:00 p.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 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
Krista Daniel, WSCC Director of Event Services
Tony Sheehan, WSCC Director of Information Services
David Cononetz, WSCC Director of Facilities
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
Jane Lewis, Pine Street Group
Deborah Ross, Pine Street Group
Chris Raftery, Raftery CRE
Gary Smith, Clark Lewis
Ben Eitan, Clark Lewis
Margery Aronson, Art Advisor

Guests in Attendance

Noelle Cuoto, Seattle Southside Regional Tourism Authority
John Beardmore, Fidelity Investments

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. Following unanimous approval of the consent agenda and comments on schedule and costs, Finneran asked Griffin to lead the review.

On Schedule, the contractor's target for the Temporary Certificate of Occupancy (TCO) remains July 1, 2022, but achieving that is not getting easier. Among other issues, the Teamsters' strike and its effect on concrete deliveries is becoming more problematic – especially for the work north of Olive. At the same time, COVID-19 impacts continue. The national mandate to require

companies with more than 100 employees to implement tougher COVID protocols has withstood a court challenge, but implementation has been postponed until February. The team is working on a program to incentivize more workers on the jobsite to get vaccinated.

Closing the office co-development transaction with HPP is planned for January 2022. To close, the team needs to deliver the podium. Then, the WSCC team's responsibility is to complete other necessary work prior to the April 4, 2022, construction start.

There is conceptual approval with the City for separating the public benefits on Sites B and C from the Certificate of Occupancy for Site A (the main convention center block). This will expedite the vacations process with the City and unencumber Site A from the others.

On Budget and Finance, PSG is organizing around a leave of absence by Arnetta Libby and expects to smooth out the bumps in the Funding Request process next month. Project costs are relatively stable, with the exception of settling delay costs relative to American Bridge's (AB) steel erection. There have been no significant demands on project contingencies in the past few months.

On sources, the primary issue is COVID relief funds from the state. The project's request was not in the Governor's budget last week, which means the path will be through the legislature without the Governor leading.

On the co-developments, the residential project is more complicated than the office, as rents have not rebounded from the pandemic yet as much as hoped. Major local employers focusing new growth in Bellevue, as well as the political climate in Seattle, have been headwinds.

On Quality, the architectural and engineering issues are diminishing. LMN and Blosser are working on Furniture, Fixtures and Equipment (FF&E) within the ticket line and expect to bring the plan to the Addition Committee in the next few months. PSG, LMN, and Graham Baba are working on the FF&E outside the ticket line.

On Outreach, apprentices comprise about 20 percent of the job site; there have been about 1,100 apprentices on the job thus far. The Project Labor Agreement stipulates five cents per hour worked on the site will be set aside to support pre-apprenticeship programs. With 2.8 million labor hours to date, the fund is now \$144k. Matt Rosauer will report back on discussions with ANEW on how and when best to deploy this resource.

Contracts are in reasonable shape, although revisions to major contracts will be needed with resolution of the AB delays. The project has entered into 850 agreements with 175 vendors, thus far.

On the sale of the 150 S. Horton St. marshalling yard property, Blosser will bring Resolution 2021-23 to the full Board today for approval of a purchase and sale agreement with a sales price of \$9.4 million (anticipated net proceeds \$9.1 million). Board approval will start the 65-day due diligence period with buyer Prologis. The Addition Committee recommends Board approval of this resolution. The difference between \$9.1 million in proceeds and the purchase price of the replacement yard (on Martin Luther King Jr. Way South) of \$7.6 million will be a source for the project budget.

Blosser will send to the Addition Committee later today a dedication plaque for their approval.

Being no further business, the meeting was adjourned at 12:25 p.m.