

WSCC Board Addition Committee
Minutes
February 22, 2022
11:00 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

WSCC Board Absent:

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
David Cononetz, WSCC Director of Facilities
Earl Taylor, WSCC Director of Operations
Loni Syltebo, WSCC Director of Communications
Tony Sheehan, WSCC Director of Information Services
Lorrie Starkweather, WSCC Executive Assistant to President & Board of Directors
Matt Hendricks, General Counsel
Becky Bogard, Bogard & Johnson
Matt Griffin, Pine Street Group
Jane Lewis, Pine Street Group
Armeta Libby, Pine Street Group
Chris Raftery, Raftery CRE
Gary Smith, Clark Lewis
Margery Aronson, Art Advisor

Chairman Finneran called the meeting to order at 11:00 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 funding sources at the State and the Teamsters strike, Finneran asked Griffin to lead the review.

The construction schedule now shows TCO at the end of August 2022. The schedule does not include February delays for the Teamsters strike against the sand-and-gravel companies, so further slippage is anticipated. The strike has sidelined tens of thousands of workers, including about 150 on the Addition site. PLAs are not protecting the Addition or other projects around the region, because they do not cover offsite. Griffin was asked to participate with the City, County, WSDOT, Sound Transit, and the Port to seek a resolution. The next step is a meeting this afternoon with U.S. Labor Secretary Walsh.

Permits are being received just in time, although there has been a delay at the City in issuing an extension on the major permit for the residential co-development, which expires March 1. Griffin expects this to get resolved, but it's a high priority in the next week.

On Budget and Finance, the most recent monthly report did not include an updated Financing Plan. An update will be provided next month, after Griffin and Libby reconcile their approaches. Material changes are not expected. The biggest issues are the costs from the delayed steel erection and efforts under way at the State legislature to secure \$35 million in COVID-19 relief funds -- \$30 for the Addition project and \$5 MM for WSCC Operations. Currently, the \$35 million request is in the Senate's supplemental budget but not in the House's. The lobbying team, headed by Marty Loesch and Thomas Bates with assistance from Becky Bogard, is encouraging House members to accept the Senate position. Tom Norwalk and his team have been quite helpful in securing support from destination marketing organizations around the state.

On the Co-developments, closing on the office project with buyer Hudson Pacific Properties (HPP) has been delayed due to the Teamsters strike. Closing is now expected in March, but concrete is needed to complete the podium for sale to HPP. For the residential project, the option has been extended to the end of March as discussions continue on next steps. While rents have remained relatively flat over the past two years, construction costs are rising, upsetting the necessary revenue and cost balance. Local appraiser Brian O'Connor, who specializes in residential properties, believes rents will grow but isn't seeing it yet.

On Quality, no major design issues remain open. Final decisions are being made on the FF&E package, so the operations team can seek bids.

On Outreach, through the PLA, the project has set aside \$.05 per labor hour to fund pre-apprenticeship programs. The funds are supporting an ANEW Trades Rotation Program, composed of 14 women, 50 percent of whom are people of color. They will graduate mid-April.

The Art Program currently has 26 artworks under way by 19 artists. Recent new initiatives include acquisition of artworks for interior walls, signage, identifying a system for storytelling and engaging the services of an audio consultant to create content for the Sound Garden.

Contracts are in good shape, with the residential co-development agreement requiring resolution and future changes required from the delays.

End of the due diligence period on the sale of the marshalling yard at 150 S. Horton St. is this week, but Blosser anticipates the buyer will exercise its rights for 30-day extension to complete the Phase II environmental testing.

Being no further business, the meeting was adjourned at 11:30 a.m.