

**SCC Board Strategic Planning Retreat
October 26, 2022**

Washington State Convention Center Public Facilities District
(dba) Seattle Convention Center (SCC)
Board of Directors Strategic Planning Retreat
October 26, 2022
SCC Room 2AB

Wednesday, October 26, 2022, 9:00 a.m. to 5:00 p.m.

Board Members In attendance (in-person and by videoconference / conference call):

Frank K. Finneran	Chairman, SCC Board of Directors	
Deryl Brown-Archie	Vice-Chair, SCC Board of Directors	
Robert Flowers	Director, SCC Board of Directors	(by Microsoft Teams)
Susana Gonzalez-Murillo	Director, SCC Board of Directors	
J. Terry McLaughlin	Director, SCC Board of Directors	
Craig Schafer	Director, SCC Board of Directors	

Board Members absent:

Jerry Hillis	Director, SCC Board of Directors
Taylor Hoang	Director, SCC Board of Directors

Officers in Attendance:

Jeffrey A. Blosser	President & CEO, SCC
Linda Willanger	Vice President – Administration / A.G.M, SCC
Jon Houg	Vice President – Operations, SCC
Sam Hecker	Chief Financial Officer, SCC

Staff in Attendance

Michael McQuade	Director of Sales, SCC
Krista Daniel	Director of Event Services, SCC
David Cononetz	Director of Facilities, SCC
Tony Sheehan	Director of Information Services, SCC
Earl Taylor	Director of Operations, SCC
Loni Syltebo	Director of Communications, SCC
Melina Bermudez	Director of Human Resources, SCC
Derek Forare	Director of Public Safety & Security, SCC
Jules Miller	Accounting Manager, SCC
Lorrie Starkweather	Executive Assistant to the President & Board of Directors, SCC
Andrew King	Information Services Support Technician, SCC
Brent Grant	OneStop Manager, SCC
Dan Hammett	OneStop Manager, SCC

Consultants / Vendors in Attendance:

Matthew Hendricks	General Counsel to SCC, Hendricks & Bennett
Keith Hedrick	General Manager, ARAMARK
Melinda Altamirano	District Manager PNW/Western CN Sports & Entertainment, ARAMARK
Dashawnda Brown	Director of Strategic Partnerships, ARAMARK

Brian White	Alliant Insurance
Kevin Miller	Alliant Insurance
Tammy Canavan	President & CEO, Visit Seattle
Ali Daniels	SVP / Chief Marketing Officer, Visit Seattle
Kelly Saling	SVP / Chief Sales Officer, Visit Seattle
Troy Anderson	Director of Sales, Visit Seattle
Peter Andersen	Senior Director - Convention Strategy, Visit Seattle
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Arnetta Libby	Pine Street Group
Jane Lewis	Pine Street Group
Margery Aronson	Addition Art Program
Emelie East	CBE Strategies
Eileen Sullivan	Sullivan Advocacy
Jacob Rose	A/V Technician, LMG Inc.

Guests / Guest Speaker (12:00 p.m.)

Jon Scholes	President / CEO, Downtown Seattle Association
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1. Chairman’s Welcome

At 9:00 a.m., Board Chairman Frank Finneran welcomed attendees to the SCC Board of Directors 2022 Strategic Planning Retreat meeting, with attendees participating in-person and by telephone conference call via Microsoft Teams.

Mr. Finneran provided an overview of the meeting schedule and flow of the agenda, reminding the group that as a quorum of Directors were in attendance, the meeting is considered a “special meeting” under the Open Public Meetings Act. Mr. Finneran advised that there would be no public commentary nor Board actions taken at the meeting. Any decisions would be moved to the November 22, 2022, Regular meeting of the SCC Board.

Mr. Finneran took an opportunity to do around-the-room introductions for the Board, SCC staff, contractors, and guests to understand who we all are, our history with the Center, and our roles.

a. Review Mission and Vision

As is the custom at the annual Board Retreat meeting, Mr. Finneran requested Ms. Willanger to present the Mission and Board Values to the Board:

Mission / Board Values 2022
Mission Statement (revised 11/24/2020)

Through the professional actions of our staff, we will provide our guests with a distinctive level of service excellence while maintaining a safe and fiscally responsible, self-sustaining operation that contributes economic and other civic benefits for the people of the City, County, and Washington State.

Mr. Finneran advised that it may be appropriate for the Board to update the Board Mission Statement with the addition of the Summit campus, and we will defer any proposed changes to the Marketing Committee. Board members were requested to send their suggested changes to Mr. Schafer, Chair of Marketing Committee.

Ms. Willanger read the SCC Board Values:

Board of Directors Values (revised 11/27/2018)

- *Guide the operation of the Center with quality as our foremost objective*
- *Continue to be financially self-sustaining*

- *Generate economic benefits and other civic benefits for the people of the City, County, and Washington State*
- *Provide a safe environment throughout the Center for clients, guests, and staff*
- *Consistently provide a superior level of maintenance throughout the facility*
- *Actively participate as a partner in our community*
- *Contribute leadership in coordinating the destination sales effort.*

Mr. Finneran suggested that a review of the Board Values also be undertaken by the Marketing Committee, with outreach with the Long-Range Planning Committee, to be brought back to the full Board for review and approval.

Ms. Willanger advised that the SCC Staff Service Vision, contained in our Quality Service Program (QSP), has been a timeless program for SCC since the 1990's and is a good blueprint that has gotten us to where we are today with our staff, and continues to help us create that kind of engagement and culture with our new staff for the two buildings. It's a simple statement to allow all our staff to remember it in their daily work:

Staff Service Vision from the Quality Service Program (QSP)

- *By doing ordinary things in an extraordinary manner, we will earn the privilege of serving our guests again.*

2. Addition Update / Overview

Mr. Finneran advised that there have been some difficulties as it pertains to the Temporary Certificate of Occupancy (TCO) date, mostly due to the fire/life safety inspections. The TCO has now been pushed to late November, and SCC Operations are doing their best to plan and conduct opening events. The Addition Committee and Executive staff continues to monitor the situation. As has been reported previously, there is the possibility of a \$30M shortfall for Operations and the Addition Project and plans are being discussed for potential solutions.

Mr. Finneran requested Mr. Griffin and Mr. Rosauer to provide comment and a progress report. Mr. Rosauer advised that, as has been reported in the monthly report, the TCO has slipped to November 18, 2023. PSG is in regular communication with the superintendent on site. The critical path to TCO is the fire and life safety systems and the Fire Department's testing and approval of the systems. Mr. Griffin gave a more detailed description of the complicated process for the installation and testing of the fire and life safety systems. Mr. Finneran advised there is another minor issued currently under review by the contractors and SCC staff, and that is some concrete cracking in the ballroom flooring. Mr. Griffin provided a brief update on the sources & uses, the co-development construction, and the financial plan.

Mr. Rosauer provided a presentation of photographs with commentary to show the current stages of completion in some of the areas at the Summit site, for example, the 9th & Pine Entry, the Summit Bakery & Bakery Retail areas, the Summit Ballroom, some exterior Art, the Summit ExHall, Summit Kitchen, Summit Meeting Room, Mixing Zone, and some exterior shots showing Summit lit up at night.

Ms. Lewis provided an overview of Outreach successes, advising that 116 WMBE contractors (MBE, WMBE, WBE) have participated on the job; with \$150 million in work scopes (to a goal of \$80 million). Thirty percent of the workforce priority hire (goal of 19%), distressed zip codes; 3,088 Priority Hire workers were dispatched in total (as of August 31, 2022); 34% minority workers; 6% female workers. Apprentices represented 23% of the workforce at the peak; 34% minority (goal of 15%) and 8% female (goal of 8%); Total number of apprentices (as of August 31, 2022) was 1,515; 261 pre-apprenticeship graduates (as of August 31, 2022); 999,462 apprentice hours worked (as of August 31, 2022). Ms. Lewis spoke on the project's Outreach partnerships such as Clark-Lewis's Strategic Partnership Program which was an 8-month professional training course, which saw 61 graduates over four years. Ms. Gonzalez-Murillo represented the SCC Board at this year's graduation event. The project also partnered with "What's Next Washington", which helps people with conviction histories achieve long-term economic stability; and ANEW, which provided financial support for pre-apprenticeship program, and assisted to enable women

to pursue careers in building trades. Ms. Lewis advised that continuous Project outreach has been done with Union affiliates, advocacy groups, trade organizations, community and business associations, Seattle Building Trades, other key union groups, Tabor 100 culinary scholarships, as well as King County's small-business-oriented Regional Contracting Forum.

On the Summit art program, Ms. Lewis advised that there are currently a diverse group of 23 commissioned artists; 13 female, 10 male; 14 people of color; a combination of emerging and established artists; with most of the artists from the Puget Sound region.

Mr. Blosser advised that the Summit Grand Opening events are not the first events that will take place in Summit. Redfin is booked into Summit in the middle of January (11, 12 and 13).

Ms. Garrow extended her kudos to the entire team for their work to date on this very important project, and she provided a reminder of the construction accident on the Summit site in September 2021 which took the life of construction worker Bryan Phillips, a member of the Cement Masons & Plasterers Local 528. Ms. Garrow understands that Ms. Lewis has been working diligently to have a memorial marker for Mr. Phillips installed on the site. Ms. Lewis advised that there will be memorial stone placed in the Sound Garden in Mr. Phillips memory.

3. Summit Building Grand Opening Program (Jeff Blosser, President/CEO)

Mr. Blosser provided an overview of Summit Opening Events being planned for January 25 to 27, 2023. On January 25th, the Ribbon Cutting Ceremony is being scheduled from 10:00 to 11:00 a.m., and invited guests to include area neighbors, convention center stakeholders, government officials, local agencies, and others. A Hospitality Industry event is also being scheduled for January 25th, from 3:30 to 7:30 p.m., with invited guests to include representatives from national and regional meeting planning industry. On January 26th, plans are underway for an invitation-only Summit Ballroom dedication celebration. A Public Open House is being planned for January 27th, from 1:00 to 6:00 p.m., with self-guided tours and food stations. Anticipated guests include SCC staff and their families, construction workers and their families, and the general public. An Art Celebration to showcase interior and exterior art will be scheduled at a later date (to be determined) once all artwork has been installed. Invited guests for the Art event to include the contributing artists, the Addition Program Art Advisory Committee, WSCC Art Foundation, as well as selected members of the art community. Mr. Blosser advised that the Board members' involvement in these activities is encouraged and very welcome, based on their availability.

Mr. Blosser gave an overview of the allocation of responsibilities for the event activities and advised that SCC staff are working with our contracted event planning consultant, Tolo Events, and the Visit Seattle team to coordinate the necessary components for each activity on the list, as well as the PR and Marketing tasks that are required.

4. Marketing Committee Report (Craig Schafer, Chair)

Mr. Schafer advised that the Marketing Committee met last week and were provided a presentation of the draft SCC Sales 2023 Goals and Plans, the draft SCC Marketing & Communications 2023 Goals and Plans, and a preview of the draft Visit Seattle 2023 SCC Scope of Work and the 2023 Goals and Initiatives. At that meeting, the Committee was advised that the proposed Visit Seattle goals and initiatives are contingent and scalable based on financial ability, timing of Summit opening, and any potential operational or travel constraints.

a. Visit Seattle 2023 Goals & Plans Discussion

Ms. Canavan advised that a brief overview of Visit Seattle's initiatives for 2023 will be provided today, and will come back to this Board with a more formal scope for approval at a regular Board meeting. The Visit Seattle report was contained in the Board packet, and Ms. Canavan and Ms. Saling walked through the information as shown on screen for the 2022 Goals regarding retention, SCC booking goals (long range and short term), and self-contained booking goals (short term). Ms. Daniels spoke to the 2022 Q4 advertising plan and the "Seattle Rain Booth" advertising video that was filmed in Arizona last summer. The video clip was shown to the Board and attendees.

Ms. Canavan presented the 2023 forecasts, with data provided by CBRE, STR, Tourism Economics, and Visit Seattle, and provided a Travel Industry Update. 2023 Key Tourism Economy Factors include: Summit opening; full year of normalized COVID; recovery of international markets; projected recession; slowing inflation; and continued workforce challenges. Ms. Saling advised that the 2023 goals are pending a Citywide Sales Strategy Project which is currently underway. This project is to develop a collaborative framework for the success of the expanded Seattle Convention Center. The goal of the framework will be to create alignment with the convention center and hotel partners to define success, key performance indicators (KPI's), and the criteria of "good business". Recommendations based on the data from this project are forthcoming in November and December. Ms. Saling provided an overview of some of the 2023 initiatives for Conventions and ways to introduce the Summit building to host industry events, board and team meetings, plus FAM tours. Ms. Daniels provided a brief summary of the Marketing & Public Relations initiatives being planned for 2023.

Ms. Canavan reported on the Visit Seattle 2023 initiatives for Public Affairs, as related to Diversity, Equity, and Inclusion (DEI), as well as advocacy at the City, County, and State levels. Visit Seattle will continue to partner with DSA, Chamber of Commerce, and Port of Seattle in addressing civility, safety, and economic growth in downtown. Ms. Canavan spoke of the significant investment in Visitor Services with the operation of 3 full-time staffed Visitor Information Centers in 2023, and the importance of partnership retention and development.

b. SCC 2023 Sales Goals and Plans Discussion

Mr. McQuade reported on the Sales Goals and Strategies for the SCC Sales staff for 2023, as contained in the Board packets. As it relates to 2023 National and Regional Sales Strategies, staff will be working to: maximize event bookings and revenue; increase awareness of the SCC facility in the region; and enhance the professional skills of the SCC Sales staff. An overview of the Sales Activations / Missions / Travel for 2023 was also provided.

c. SCC 2023 Marketing and Communications Plan

Ms. Syltebo reported on the SCC Marketing and Communications Plan for 2023, as contained in the Board packets. She provided an overview of the nine Marketing & Communications goals.

5. Operating Goals for 2023 (Jeff Blosser, President/CEO)

Mr. Blosser advised that the proposed 2023 Operating Goals were contained in the Board packets and were reviewed previously with each Committee. As the Board Committee structure for 2023 will be modified, the draft goals have been adjusted to align with the proposed Board Committee structure for 2023. Mr. Blosser provided an overview of the draft 2023 goals, highlighting some of the changes made and areas that will be discussed with the specific committees. The structure of the 2023 Operating Goals continues within the Board Committees which has been beneficial for staff to be able to talk to the Committees regarding the goals. The completed 2022 Operating Goals will be brought to the Board in January for discussion and approval.

Mr. Blosser advised the proposed 2023 Operating Goals will be brought to the Board for approval at the regular Board meeting in December.

6. Luncheon Speaker: Mr. Jon Scholes, President / CEO, Downtown Seattle Association (DSA)

Mr. Jon Scholes, President/CEO, Downtown Seattle Association, provided a presentation on the current status of the Downtown Recovery; MID Renewal process and importance; Downtown Safety/Homelessness and the City investments to assist efforts; and Seattle's Opportunities and Assets, looking to the future.

Mr. Finneran thanked Mr. Scholes for his presentation and taking time out of his busy schedule to be with us.

7. Finance Committee Report (Mr. Bob Flowers, Chair)

Mr. Finneran advised that Mr. Flowers was not able to stay for the full meeting and he requested Mr. Blosser to report out in Mr. Flowers absence.

a. Proposed Operating Budget – Fiscal Year 2023

Mr. Blosser advised that the draft preliminary budget for 2023 is contained in the Board packet. The document will be refined considerably and be brought to the Finance Committee for their review and recommendation to the full Board for approval in December. Mr. Hecker provided an overview of the 2023 WSCC PFD preliminary budget. Discussion occurred regarding the possible impacts of projected lodging tax amounts on the proposed 2023 budget and SCC's budget for Visit Seattle.

b. 2022 Budget Amendments Discussion

Mr. Blosser requested Mr. Hecker speak to the predicted budget adjustments for 2022 for line items that will go over \$100,000 of the approved line item. Mr. Blosser advised as the Board will recall, we bring a budget amendment for the line items expenses that staff predicts will go over \$100,000 of the approved line item. Staff are putting together the line item changes to bring before the Board in December and advised that the potential requested changes will most likely be in the Salaries, Wages, Benefits, Supplies, Utilities line items, and Visit Seattle – Outside Marketing line items. Mr. Blosser advised that we will do everything in our power to manage these items to limit the items that may go over budget by \$100,000.

c. Property Insurance

Mr. Blosser advised that insurance coverage for the Arch building, along with Summit, will be brought to the Board for review and approval at the November Board meeting. It is anticipated that, as the current Builders Risk Insurance coverage for the Addition project will expire at the end of October prior to TCO, it may be possible for Builders Risk Insurance to be added onto the SCC insurance package from Alliant.

Mr. Blosser introduced Brian White and Kevin Miller from Alliant Insurance Services, Inc., and advised that Alliant is SCC's contracted insurance brokerage firm. Mr. White and Mr. Miller provided an overview of the current property insurance market, earthquake modeling, and projections for SCC with estimated coverage limits and costs.

Mr. Blosser advised that the policies need to be renewed by the end of November and staff will be reviewing options with the Finance Committee and present a recommendation to the Board to approve coverages at the November Board meeting to meet that deadline. Mr. Finneran advised that further discussion by the Board will be conducted to determine the amount of earthquake insurance needed prior to the November Board meeting. Mr. Finneran thanked Mr. White and Mr. Miller for their presentation.

8. Discussion on 2023 Board Committee Structure (Jeff Blosser, President/CEO)

Mr. Blosser provided an overview of the proposed Board Committee structure for 2023. Discussion had taken place at last year's Board Retreat concerning the purpose/role of the nine (9) committees, and the number of committees assigned to each Board member. Mr. Blosser had been tasked with updating the current Committee structure and the draft goals for each Committee for 2023.

Mr. Blosser presented a proposed Committee structure with six committees and one Board liaison position to the Benefits Committee was presented for discussion, reduced from eight committees and one Benefits liaison position. Mr. Finneran provided some background/historical information pertaining to Board Committees, advising that the establishment of Board Committees, the selection of Committee chairpersons, and the assignment of Committee members fall under the Chair's responsibility. Mr. Finneran advised that we need to be mindful of the time spent by our volunteer Board members who sit on these important Committees, and that each of these Committee meetings also places a burden on staff on top of their already full slate of duties. Mr. Finneran advised that it made sense to eliminate the Addition Committee at the first of year with the pending TCO of the Summit facility, and as we transition to operating both Summit and Arch in January 2023, any remaining Addition Project facility items will fall

under the purview of the Facility Committee. As we transition towards 2023, Mr. Finneran noted that Mr. Hillis has made the decision to not seek reappointment for a new term (07-31-2022 to 07-30-2026).

Discussion occurred regarding the proposed committee structure and the amalgamation of the current Government Affairs and Outreach Committees into one Government Relations & Civic Outreach Committee. Mr. Finneran asked if Mr. Blosser knew how other convention centers structure their Board committees. Mr. Blosser replied that a number of convention centers are governmental agencies, and some are public-private entities so the structures will differ. Mr. Blosser will check with Houston and other centers to gather information. Mr. Blosser provided an overview of the Benefits Committee, and advised that this is a one-person “Liaison” Board position with the SCC Employee Benefits Committee. Mr. McLaughlin has been the Board Liaison to the Benefits Committee for a number of years. A question was asked if this Benefits Liaison could be an arm of the Finance Committee. Mr. Blosser will look at this option. Mr. McLaughlin provided a summation of the function of the Long-Range Planning Committee in response to a query by Ms. Garrow. Ms. Brown-Archie advised it is important to provide our new members with the various committee information, as we have an opportunity for a fresh look at the functions/roles of the committees. A resolution will be brought to the Board in December to approve the Committees for 2023.

9. Arch / Summit Operations Report: 2023 – 2024 - 2025

a. Revenues Projected (Jeff Blosser, President/CEO)

Mr. Blosser provided an overview of financial information in a 3-Year Roll-up based on the event schedule for major events in 2023-2024-2025, as we look at where the business is headed. He showed a more detailed list of events scheduled for the individual years outlining forecast attendance, forecast total room nights, forecast topline revenues, forecast rent revenue, and forecast F&B revenue, per event.

b. Hiring Update (Melina Bermudez, Director of Human Resources)

Ms. Bermudez provided an overview of Talent Acquisition Analysis, and advised that as of October 14, 2022, we have received 460 applications; minimum requirements met for 237 applicants; conducted 28 interviews; made 70 offers of employment; and have hired 57 employees. A breakdown of Summit staff additions, including backfills was provided by Department. Ms. Bermudez advised that there are a number of talent acquisition challenges being encountered: changing labor market; cost of living/inflation; compensation bands; flexible work schedules; work experience – aligning expectations; on the job training; brand awareness and social media. The SCC HR department have taken a number of actions this past year including revitalization of job descriptions across the organization; conducted department specific training for directors and hiring managers (Lominger Competencies); participated in hiring events in the Seattle area (MLK Labor & Veterans Groups); conducted the first ever Hiring Event at SCC on September 27, 2022; and engaged Compensation Connections to conduct a Compensation Market Study. Ms. Bermudez provided an update on SCC employee diversity by number of employees as of January 2022, and hiring statistics for Q1-Q3 of 2022.

c. Capital Plan, Operations, Training (Jon Houg, VP Operations)

Mr. Houg provided an overview of the 2022 Summit Capital Project Report as it relates to Summit FF&E, showing the balance remaining of the approved budget of just over \$7.1 million. He presented the Capital Projects appropriations for 2023, 2024, 2025, 2026, and 2027. These reports have been presented to the Facility Committee for review. Mr. Houg showed the schedule for upcoming WSCC Systems Training, and the various training components for Mechanical, Plumbing, Fire Protection, Electrical, Low Voltage, Food Service, and Vertical Transportation Training.

d. Financials (Sam Hecker, CFO)

Mr. Hecker provided a high-level overview of the revenues projected 2022 through 2028 for SCC PFD – Projected Lodging Tax, Debt Schedule, Reserve/Capital, and Surplus/Deficits.

e. Wayfinding / Signage (Linda Willanger, VP Administration / A.G.M.)

Ms. Willanger provided an update on the Wayfinding Project underway with our contractor, Applied Wayfinding., and showed the proposed locations for updated signage at Arch as well as new kiosks with directional information to be placed strategically throughout the Arch building. Signage on the exterior of the building will be updated to show the building (Arch or Summit) for parking and loading docks. Ms. Willanger also walked through the timeline for the wayfinding / signage project.

10. Chairman, Wrap-up Discussion and Finalize

a. Discussion of Retreat Issues and Strategies

Chairman Finneran thanked the Board, staff, and our guests for a productive meeting, and advised that the Board has provided staff with a lot of work to do. Mr. Finneran asked the Board members to take a moment to provide comment on the retreat meeting and proceeded to go round the table for any last comments. The Board members comments included:

- Mr. Scholes luncheon presentation was good and there is a definite need to implement the strategies he discussed.
- The Retreat was a very helpful experience to provide new Board members with an opportunity to meet each other, SCC staff, contractors, and guests, and gain a better understanding of the SCC Operations.
- Like having an “outside” speaker as the guest luncheon speaker; and liked the 4-person panel that presented the Arch / Summit Operations Report.
- Likes the previous Retreats’ 2-day format better, with day 1 being a half day meeting and day 2 being a full day meeting. Liked the opportunity meet again in person and to “see” everyone. The subject matter for today’s meeting was current and appropriate.
- Would like to have the Mayor invited to speak.

Mr. Blosser advised this feedback is very helpful. On behalf of the Board, SCC staff, and contractors, Mr. Finneran thanked the ARAMARK team for the foodservice at today’s meeting.

b. Board Officers Election and Discussion

Mr. Finneran announced that an election of the Board Officers (Chair and Vice-Chair) will be held at the November 22, 2022, regular meeting of the Board.

Mr. Finneran indicated his willingness to let his name stand for nomination for the position of Board Chair. Ms. Brown-Archie indicated her willingness to let her name stand for nomination for the position of Board Vice-Chair.

Board members can send any nominations by email to Chairman Finneran or to Jeff Blosser prior to the November Board meeting, or bring nominations to the Board meeting to fill these important roles for the upcoming two-year period.

c. 2023 Board Meeting Dates

A draft schedule of 2023 Board meeting dates was distributed in the Board packets for review by the Board. Mr. Finneran advised that Board members will be asked to approve the meeting schedule for 2023 at the Regular November 22, 2022, Board meeting.

11. Conclusion of 2022 Strategic Planning Retreat

Mr. Finneran thanked staff for their work on this meeting, and extended thanks to the ARAMARK team for their food service efforts today.

Mr. Schafer made a motion to adjourn the meeting, and Ms. Brown-Archie seconded. The meeting adjourned at 3:20 p.m.