

## Minutes

Washington State Convention Center  
Public Facilities District

Regular Meeting of the Board of Directors  
March 26<sup>th</sup>, 2024

### I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (SCC) at 1:00 p.m., by video conference via Microsoft Teams. At the chairman's request, Ms. Castle conducted a roll call of Board Directors to ensure a quorum in attendance, as well as to identify meeting attendees.

### MEETING ATTENDANCE

#### **Board Directors in Attendance (by video conference)**

Frank K. Finneran, Chair  
Deryl Brown-Archie, Vice Chair  
Tom Norwalk  
Craig Schafer  
Katie Garrow  
Susana Gonzalez-Murillo  
Robert Flowers  
Taylor Hoang

#### **Board Directors Absent**

J. Terry McLaughlin

#### **Officers in Attendance**

Jeffrey A. Blosser, President / CEO  
Linda Willanger, Vice President of Administration / AGM  
Jon Houg, Vice President of Operations

#### **Consultants / Vendors in Attendance**

Alison Birdwell, ARAMARK	Chris Connelly, Visit Seattle
Melinda Altamirano, ARAMARK	Eileen Sullivan, Sullivan Advocacies
Keith Hedrick, ARAMARK	Ryan Bayne, CBE Strategic
Danielle Lazor, ARAMARK	Margery Aronson, SCC Art Foundation
Matthew Hendricks, Hendricks - Bennett, PLLC	Cath Brunner, SCC Art Foundation
Tammy Canavan, Visit Seattle	Jane Lewis, Pine Street Group
Kelly Saling, Visit Seattle	Matt Griffin, Pine Street Group
Peter Andersen, Visit Seattle	Fred Eoff, PFM Advisors (retired)
Kaulani Robinson, Visit Seattle	Thomas Toepfer, PFM Advisors
	Maggie Marshall, PFM Advisors

#### **Staff in Attendance**

MacKenzie Gaspar	Earl Taylor
Katie Castle	Jules Miller
Michael McQuade	Hannah Ermi
Loni Syltebo	Renee Wasisco
Lorrain Kelley	

II. APPROVAL OF MINUTES

January 23, 2024, WSCC PFD Board Regular Meeting

Mr. Norwalk made a motion to approve the minutes of the January 23, 2024, Regular Board meeting, as presented. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference call.

III. PUBLIC COMMENTS

Mr. Finneran advised that anyone wishing to speak before the Board, either as an individual or as a member of a group, may do so at this time. Individuals desiring to speak shall give their name, address, and the group they represent, if any. There were no public comments.

IV. CHAIRMAN'S REPORT

A. Resolution Recognizing Fred Eoff for his many contributions, Resolution #2024-02.

A Resolution by the District Board Recognizing the Service of Fred Eoff.

Whereas, Fred Eoff has successfully helped clients over 49 years in public finance and became known to the Center in 1997 when modeling financing options for the Pike Street Expansion. The Board of Directors drew upon Fred's extensive knowledge in municipal infrastructure and project finance to enable 27 years of successful Center Projects.

Whereas, Mr. Eoff has provided distinctive leadership and partnership to the Board with his considerable experience in the development of financial models for the analysis of complex revenue and operating expense bond transactions as well as arbitrage. He was instrumental in milestone projects for the expanded space in 2001, 2010, and 2022 Summit opening; and

Whereas, Mr. Eoff's tireless efforts and unwavering advisory commitment to his work with various stakeholders ensured that his projects delivered solutions, including the \$313,575,000 Facility Acquisition Financing as part of the Public Facilities District Formation July 19, 2010, and Financing Closing November 30, 2010. Mr. Eoff has been a true friend and trailblazer for the Board in project finance in support of the District's Board mission; and

Whereas, the dedicated public service partnership of Mr. Eoff with the District's Board should be honored, recognized, and remembered.

Now, therefore, BE IT RESOLVED that the District Board expresses its gratitude and sincere appreciation to Mr. Eoff for his leadership, creativity, and unmatched dedicated service to enable the Board to achieve its goals and fulfill its mission.

Ms. Brown-Archie made the motion to approve Resolution #2024-02, recognizing the service of Fred Eoff. Mr. Schafer seconded, and the motion was carried by the unanimous vote of the Directors present via video conference call.

B. Presentation of Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. The following action items and informational reports had been sent to the Board for review prior to today's meeting:

Action Items:

1. Ratification of Additional Facility Project Contract List (March 2024) (*Motion*)
2. Approval of Additional Facility Project Draw Schedule Payment, #111 (February 2024) (*Motion*)
3. Approval of Additional Facility Project Draw Schedule Payment, #112 (March 2024) (*Motion*)

Informational Items:

1. SCC Sales Productivity Report
2. SCC Sales: Regional & Local Business – March 2024
3. Monthly Expenditures – Auditing Officer Certification
4. SCC Parking Report
5. Food Service Report (ARAMARK)

Mr. Norwalk made a motion to approve the Consent Agenda as presented. Ms. Hoang seconded, and the motion was carried by the unanimous affirmative vote of all Directors present, via video conference call.

V. PFD COMMITTEE REPORTS –

**A. Facility Committee**

1. Update

Mr. Finneran reported the Facility Committee met earlier today, March 26, 2024, and discussed a number of aspects relating to the project and the proposed capital improvements for the existing building. Mr. Finneran advised there is nothing of real consequence to report out on, as the capital expenditures were already approved as discussed during the last meeting and the project schedule & scope of work left to be done was covered during the last meeting. Mr. Finneran reminded the Board that the capital improvement wish list was shaved down due a shortage of funds and that those projects will be rescheduled to a later date.

**B. Finance Committee**

1. Cashflow Discussion

On behalf of Mr. Flowers, Mr. Blosser reported the income revenue stream for the first two months were better than projected. Mr. Finneran advised that the committee had asked Mr. Eoff to take a deep dive on projections for the future due to previous concerns with funds. About two months ago, there was a warning that funds would be depleted by July, following an earlier warning by October 2023. Although these predictions have not come true, the financial situation is still close to the margin. Mr. Finneran advised there have been significant spending cuts made in early 2024 and that this could continue until there is additional funding from King County. Mr. Finneran invited Mr. Blosser to provide any more additional details on the PFD cashflow.

Mr. Blosser advised that the draw schedules for January and February were slightly under the expected values, which is helpful. Mr. Blosser advised that there are plans to cash in 2024 maturing investments, which will also help with cashflow. June and July will require special attention, due to cashflow issues and will depend on the transfer to the project. Mr. Griffin added that a lump sum is showing in June projections due to the fact that we are in forced mediation with the steel subcontractor and that a payment could be due in June.

**C. Government Relations & Civic Outreach Committee**

1. Update

Ms. Brown-Archie reported that the Government Relations & Civic Outreach Committee met earlier today. The Committee received reports from Ms. East & Ms. Sullivan regarding City, County, and State activities. Ms. Brown-Archie reminded the Board of the strategy for getting in front of the new city council members and provided an update on tours scheduled. Discussion ensued.

Ms. Brown-Archie requested Mr. Bayne (for Ms. East) and Ms. Sullivan to provide brief updates of their consultant reports which were reviewed by the Board prior to the meeting.

2. Consultant's Report

Ms. Brown-Archie advised that the consultant update reports from Mr. Bayne (CBE Strategic) and Ms. Sullivan (Sullivan Advocacy) are contained within the Board packets.

**D. Art Committee**

1. Approval of donated art to the Art Foundation, Resolution 2024-03

A RESOLUTION by the Board of Directors of the Washington State Convention Center Public Facilities District ("District") approving the request from the Washington State Convention Center Art Foundation ("Art Foundation") to accept the artworks donated to the Art Foundation for display in the District's Facilities.

Ms. Gonzalez-Murillo advised that the SCC Board Art Committee met last Friday, March 22, 2024, to discuss and approve two items for recommendation to the full Board. The first item is the approval of two donated art pieces to the Board Art Foundation to be displayed at the Seattle Convention Center.

They are five (5) Whoppers donated by John E. Braseth and Andrea Selig, as reflected in “Exhibit A” of Resolution 2024-03, as contained in the Board packets. The second item is an oil on canvas painting donated by Elizabeth Sandvig and Spike Mafford, as reflected in “Exhibit A” of Resolution 2024-03, also contained in the Board packets.

Ms. Gonzalez-Murillo advised that the Art Committee is recommending Board approval of the Art Foundation receiving these donations. Ms. Gonzalez-Murillo made a motion to approve, Resolution 2024-03. Mr. Norwalk seconded, and the motion was carried by the unanimous affirmative vote of all directors present via video conference call.

## 2. Approval of Purchased Art for Summit, Motion

Ms. Gonzalez-Murillo advised that the second item taken up by the Board Committee was the purchase of Studio Works. Ms. Gonzalez-Murillo invited Ms. Lewis and Ms. Brunner to present the collection to the full Board and to discuss budget and other requirements by the City and County, as presented in the Board packets.

Ms. Gonzalez-Murillo made a motion to approve the purchase of the present Studio Works as part of the art budget and program for the Summit Project. Mr. Norwalk seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present via video conference call.

## **E. Search Committee**

Mr. Finneran provided a brief introduction as the Search Committee’s job has somewhat expanded since it was initially conceived. Since starting the process of finding Mr. Blosser’s replacement, the Committee determined it was necessary to scrutinize the organizational structure of the PFD to ensure its effectiveness and has since made the decision to hire a Chief Executive Officer (CEO) to guide the PFD and Chief Operating Officer (COO), to oversee daily operations. Mr. Finneran invited Mr. Norwalk, the Search Committee chair to provide further updates.

Mr. Norwalk advised that the Search Committee agrees that the current structure of the PFD needs to be re-evaluated for future needs and has hired a highly recognized search firm to assist with filling the President/CEO position and the Committee has been tasked with reviewing the positions of a COO and CFO hiring and timing. Mr. Norwalk shared that the hired firm has a strong reputation in industry travel, venue management, destination marketing, and hospitality. Mr. Norwalk advised that Mr. Finneran will be sending out a note to twenty to thirty key stakeholders with more information regarding a needs assessment that will help the search firm to understand expectations and desired skills for the recruitment process. While the needs assessment is taking place, the Search Committee will be working to update position descriptions and organizational charts and when this has been completed, the candidate search will begin.

## VI. VIST SEATTLE & SCC Sales Report

### A. Visit Seattle Destination Overview & Visit Seattle Sales Report

Ms. Canavan provided more information on what the funding reduction from the Convention Center means for Visit Seattle. Ms. Canavan explained that about one-third of Visit Seattle’s total funding comes from the Seattle Convention Center, while two-thirds come from the STIA and that the \$2MM cut has led to a reduction in incremental augmentation of initiatives aimed at breaking into new markets and sales acceleration. This has also impacted Visit Seattle’s ability to replenish a significant portion of their reserves that were used last year. Despite the reduction in their budget, Ms. Canavan advised that Visit Seattle is determined to achieve all of the objectives they laid out for 2024.

Ms. Canavan advised Visit Seattle has completed their resident sentiment study, with the help of an organization called Smari and provided a brief overview of the results as presented in the Board packets.

Ms. Canavan reported that Seattle Convention Center and Visit Seattle had recently been nominated for some accolades and awards; United States Best Convention Center & World Mice Awards Winner 2023. An overview of recent meetings media highlights and leisure media highlights were provided. Ms. Canavan gave an update on March advertising with ad & advertorials in Meetings Today, Smart Meetings, and The Atlantic.

Mr. Andersen provided a summary of Hotel Performance for the downtown Seattle area for year-to-date February 2024, YOY 2019, Occupancy up 17.6%; Average Daily Room Rate up 1.4%; RevPAR up 19.2%; Supply down 1.3%; Demand up 16.1%; Revenue up 17.7%.

Mr. Andersen reported on the Smith Travel Research (STR) Select Competitive Set numbers for February 2024. The Seattle Downtown market, along with our tracked competitive set, continue to make progress with occupancy rates (from 73.1.0% in Vancouver Downtown, to 58.4% in Seattle Downtown, and to 63.5% in Houston CBD), average room rates (from \$205 in Boston CBD, \$184 in Seattle Downtown, and to \$275 in Phoenix Central), and RevPAR (from \$134 in Boston CBD, to \$107 in Seattle Downtown, and to \$214 in Phoenix Central). STR reported Full Year 2024, Seattle Downtown occupancy rate of 53.4%, an 14.4% change over prior year; average room rate of \$180, an 1.0% change over prior year; and RevPAR of \$96, a 15.6% change over prior year.

Ms. Saling provided an update on booking progress for the two buildings (Summit and Arch) for years 2024 to 2030, for booked (definite) business in February 2024 and for sourced (tentative) business in February 2024. An overview of business on the books for Summit and for Arch for the years 2024 through 2034 was provided. Ms. Saling also reported on SCC room nights on the books compared to the target for 2024 through 2029. Ms. Saling also provided an overview of recent Sales Activities, as well as an overview of planned activities in Q2 2024.

#### B. SCC Sales Report

Mr. McQuade provided a year-to-date at-a-glance report for the period of January to February 2024. For this period, SCC & Visit Seattle Sales staff total combined top-line rent actualized was \$919,095 for Convention Center contracted bookings (9% of FY2024 goal), with total net rent actualized coming in at 7% of goal at \$575,301.

There were fourteen (14) events booked in January and February 2024, realizing 1,102 in forecasted hotel room night bookings, with 7,632 estimated delegates, and an estimated \$1,560,053 in top-line revenues.

There were twelve (12) events hosted in January and February, realizing 2,687 in hotel room night bookings, with 82,202 delegates, and with \$1,602,872 in top-line revenues (rent, food & beverage, services, and parking). Year-to-date actuals saw 82,202 delegates; 2,687 in hotel room night bookings; and combined top-line forecast revenues of over \$1,602,872 for rent, food & beverage, parking, and subcontractor services.

### VII. PRESIDENT'S REPORT

#### A. Dedication Wall Review

Mr. Blosser provided an update on the progress of the dedication wall over at Summit and advised that the team has been working hard on acquiring additional recognition plaques. Mr. Blosser advised that in addition to the original dedication plaque, there will be the Salmon Safe plaque, the LEED Platinum Award Plaque, the Groundbreaking shovel and scissor display, and the previously approved plaque expressing gratitude to Board members who were not on the Board at the time when the project was substantially completed but have played a role in seeing the Project realized. A mock-up of both the layout for the plaques on the dedication wall and the location of the dedication wall were presented and are contained in the Board packets, that were distributed to the Board prior to this meeting.

#### B. DEI Report from ARAMARK

Mr. Blosser introduced Ms. Birdwell, President of Aramark Entertainment and Ms. Altamirano, Aramark Regional Director to present their DEI Report, as contained in the Board packets.

### VIII. FINANCIAL REPORT

The Financial Report was distributed to the Board in their packets in advance of this meeting. Mr. Blosser announced that the Public Facility District will run operating deficits at the Convention Center for the first four months of the year and eight out of twelve months total in 2024. SCC operation is budgeted for a deficit of 10.4MM for 2024. Mr. Blosser spoke to the Budget to Actuals Report, Op Forecast, and the Lodging Tax data for February 2024, as contained in the Board packets. Mr. Blosser advised that the

February operating results were better than budget by 31.6% or \$1.1 million due to higher-than-expected operating revenues.

XI. ADJOURNMENT

Mr. Norwalk made a motion to adjourn the March 26, 2024, Regular Board meeting at 3:18p.m. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all Directors present, via video conference call.