

## Minutes

Washington State Convention Center  
Public Facilities District

Regular Meeting of the Board of Directors  
July 23<sup>rd</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 2:00 p.m., in person and 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**

Frank K. Finneran, Chair  
Deryl Brown-Archie, Vice Chair  
Tom Norwalk  
Craig Schafer  
Katie Garrow  
Robert Flowers

#### **Board Directors Absent**

J. Terry McLaughlin  
Taylor Hoang  
Susana Gonzalez-Murillo

#### **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**

|  |                                     |
|--|-------------------------------------|
| Keith Hedrick, ARAMARK                       | Chris Connelly, Visit Seattle       |
| Matthew Hendricks, Hendricks - Bennett, PLLC | Margery Aronson, SCC Art Foundation |
| Tammy Canavan, Visit Seattle                 | Matt Griffin, Pine Street Group     |
| Kelly Saling, Visit Seattle                  | Tim Ceis, CBE Strategic             |
| Peter Andersen, Visit Seattle                | Stacey Lewis, Pacific Law Group     |
| Troy Anderson, Visit Seattle                 | Chris Raftery, CRE                  |

#### **Staff in Attendance**

|                 |                   |
|-----------------|-------------------|
| Melina Bermudez | Hannah Ermi       |
| Katie Castle    | Renee Wasisco     |
| Michael McQuade | Krista Daniel     |
| Loni Syltebo    | Aubrey Rhoadarmer |
| Earl Taylor     |                   |

II. APPROVAL OF MINUTES

May 21, 2024, WSCC PFD Board Regular Meeting

Mr. Norwalk made a motion to approve the minutes of the May 21, 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. Approval of Tom Norwalk as Board Art Committee Chair for 2024 (motion)

Mr. Finneran made the motion to approve Tom Norwalk as Board Art Committee chair for 2024, replacing Susana Gonzales-Murillo who has asked to take a step back due to personal reasons. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all directors presented via video conference call.

B. Approval authorizing an amended promissory note of the District to be issued and delivered to King County, evidencing the District's payment obligations in connection with the acquisition of property; and delegating authority to execute the amended note (Resolution #2024-05)

C. Approval authorizing the incurrence of cash pool funds from King County and delegating authority to execute loan documents (Resolution #2024-06)

D. Approval of appointing the King County Treasurer as a treasurer of certain Public Facilities District funds and authorizing execution of an agreement for investment services and approving matter related thereto. (Resolution #2024-07)

Ms. Brown-Archie asked Ms. Lewis to give a quick overview of the three resolutions as presented in the Boardbook packets and sent out prior to this meeting. Ms. Lewis gave a brief recap of the resolutions presented and a discussion ensued. Ms. Brown-Archie made the motion to approve Resolution #2024-05, Resolution #2024-06, and Resolution #2024-07 as presented. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference call.

E. 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 (June & July) (Motion)
2. Approval of Additional Facility Project Draw Schedule Payment, #116 (April 2024) (Motion)

Informational Items:

1. SCC Sales Summary
2. SCC Sales: Regional & Local Business
3. Monthly Expenditures – Auditing Officer Certification
4. SCC Parking Report
5. Food Service Report (ARAMARK)
6. Mid-Year Retail Report
7. SCC 2024 Q2 Outreach Report

Mr. Norwalk made a motion to approve the Consent Agenda as presented. Mr. Flowers 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 advised that the Facilities Committee met earlier today before the Board meeting. Mr. Finneran reported that the key aspects of the Summit close out remain the same. Items to be completed include completion of additional financing with King County, finalizing artwork, and administrative dealings with the City with regards to the residential partial permit. Mr. Finneran advised the committee is still working on completing capital improvements that have been previously approved by the Board and that have to be completed for code compliance and to protect life and safety.

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

1. Update

Ms. Brown-Archie reported that the Government Relations & Civic Outreach Committee met on July 18<sup>th</sup>, 2024, and the Committee received reports from Ms. East & Ms. Sullivan regarding City, County, and State activities.

Ms. Brown-Archie requested Mr. Ceis to provide brief updates for Ms. East and Ms. Sullivan of the 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 Ms. East (CBE Strategic) and Ms. Sullivan (Sullivan Advocacy) are contained within the Board packets. Discussion ensued.

**C. Finance Committee**

1. Update

Mr. Flowers advised the Finance Committee met on July 18, 2024, and received an update from GPA on the investment portfolio and from Mr. Griffin on how project financing is going for the Summit Building. The Committee reviewed June financials and the progress on Operating Goals from Mr. Blosser. Mr. Flowers reported the Committee was able to approve the property insurance policy as it met all the Board requirements as defined in the May 21, 2024, Board Regular Board meeting.

**D. Search Committee**

1. Update

Mr. Norwalk advised that the Search Committee has been busy since the last Board meeting working with SearchWide to review a number of resumes for possible candidates for the position of the President and CEO. Mr. Norwalk advised that the Committee was able to select four candidates to move forward in the process. These candidates have been able to complete a DISC assessment (assessment of values and personality traits), background checks, and reference checks. Mr. Norwalk advised the Committee is quite happy with the candidates that they have selected to move forward.

VI. VISIT SEATTLE & SCC Sales Report

A. Visit Seattle Destination Overview & Visit Seattle Sales Report

Ms. Saling advised Visit Seattle has hired two new C-Level Executives and introduced Mr. Scott Bly, Chief Financial Officer, and Ms. Stephanie Byington, Chief Marketing Officer. Ms. Saling gave an overview of the progress on Visit Seattle's 3-Year Strategic Plan.

Mr. Andersen provided a summary of Hotel Performance for the downtown Seattle area for year-to-date June 2024, YOY compared to 2019, Occupancy up 3.9%; Average Daily Room Rate down 2.0%; RevPAR up 6.0%; Supply down 1.3%; Demand up 2.6%; Revenue up 4.7%.

Mr. Andersen reported on the Smith Travel Research (STR) Select Competitive Set numbers for June 2024. The Seattle Downtown market, along with our tracked competitive set, continue to make progress with occupancy rates (from 86.9% in Downtown Vancouver, to 87.1% in Seattle Downtown, and to 63.4.0% in Phoenix), average room rates (from \$333 in Boston CBD, \$276 in Seattle Downtown, and to \$149 in Phoenix Central), and RevPAR (from \$248 in Boston CBD, to \$137 in Seattle Downtown, and to \$186 in Phoenix). STR reported Full Year 2024, Seattle Downtown occupancy rate of 69.3%, an 9.9% change over prior year; average room rate of \$220, a 2.2% change over prior year; and RevPAR of \$153, a 12.3% change over prior year.

Ms. Saling provided an update 2024 Annual Sales Booking Goals and shared that as of the end of June 2024, they are at 59% of the annual combined center and in house booking goal as compared to

last year at 55% for 2023. Ms. Saling reported on booking progress for the two buildings (Summit and Arch) for years 2024 to 2030, for booked (definite) business in Q2 2024 and for sourced (tentative) business Q2 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 as compared to 2023. Ms. Saling shared results from the Maritz Registration Insights Reports, as contained within the Board meeting packets. Discussion ensued.

Ms. Saling provided a 2024 year-to-date recap on Visit Seattle's public relations and marketing efforts. Ms. Saling reported that the Seattle Convention Center and Visit Seattle were nominated for some accolades and awards in 2024 including, but not limited to, BizBash Event Experience Award, World Mice Awards North America's Best Mice Destination, and World Travel Award - North America's Leading Meetings & Conference Centre. An overview of recent meetings media highlights and leisure highlights were provided. Ms. Saling gave an update on April advertising with ad and advertorials in Fortune Magazine, The Business Journals, and Convene Magazine.

#### B. SCC Sales Report

Mr. McQuade provided a year-to-date at-a-glance report for the period of January to July 2024. For this period, SCC & Visit Seattle Sales staff total combined top-line rent actualized was \$5,400,268 for Convention Center contracted bookings (50% of FY2024 goal), with total net rent actualized coming in at 52% of goal at \$4,005,516.

There were twenty-three (23) events booked in May and June 2024, realizing 1,377 in forecasted hotel room night bookings, with 20,025 estimated delegates, and an estimated \$1,523,883 in top-line revenues.

There were thirty-three (33) events hosted in May and June, realizing 1,602 in hotel room night bookings, with 34,652 delegates, and with \$2,144,017 in top-line revenues (rent, food & beverage, services, and parking). Year-to-date actuals saw 15,219 delegates; 1,198 in hotel room night bookings; and combined top-line forecast revenues of over \$2,516,647 for rent, food & beverage, parking, and subcontractor services.

### VII. PRESIDENT'S REPORT

#### a. Recap of July 18, 2024, All-Staff Meeting

Mr. Blosser provided a recap of the Summer All-Staff meeting held on July 18, 2024. The meeting was held at Summit and included committee reports from the Employee Experience Committee, the and the Safety Committee. Staff heard presentations from the Security Team, the Event Services Team, and from Sales. There was a gender inclusivity training, and an inclusivity activity was performed in order to help our teams understand how to be inclusive and how to make others feel welcome and a part of the team. The All-Staff meeting concluded with a staff lunch on the Garden Terrace.

#### b. 2024 Operating Goals Progress Report

Mr. Blosser advised that the operations status report for the 2024 Operating Goals mid-year progress is contained in the Board packets and was distributed to the Board prior to this meeting. Mr. Blosser reported that the individual goals have been reviewed with the individual Board Committees, and he verbally provided some insights of the written report.

#### c. 2023 Annual Report Update

Mr. Blosser advised that the 2023 Annual Report was finalized and sent to the Chairman and the Board for their review. The 2023 Annual Report was released on July 1, 2024.

#### d. Board Retreat Update

Mr. Blosser reminded the Board of the Annual Retreat and advised that the date and agenda will both be finalized in the following weeks and shared out to the Board. Discussion ensued.

### 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 has reached an operating surplus at the convention center for the first six months of the year of \$955k. SCC operation is budgeted for a deficit of \$8M for

2024 after the \$2 million-dollar reduction from FF&E funds to reduce the parking garage debt service. Lodging Tax revenues are now reported on an accrual basis to expedite financial reporting. This will result in variances from the monthly budget. Mr. Blosser reported that given cash commitments over the next six months the PFD will prioritize debt payments and operating deficits before capital spending per bond covenants. Visit Seattle transfers are reduced \$2M through the end of 2024 (total \$10M). Mr. Blosser advised the IRS determined retroactively the PFD was not eligible for the Employee Retention Credit in 2023 and that the PFD will return \$1.2M to the US Treasury, of which \$400k plus interest is still due to the IRS. June operating results were higher than budget by 178.4% or \$1.3M due to high-than-expected operating results, primarily in food service. Mr. Blosser spoke to the Budget to Actuals Report, Ops Forecast, the Cashflow report for April 2024, as contained in the Board packets.

XI. ADJOURNMENT

Mr. Flowers made a motion to adjourn the July 23, 2024, Regular Board meeting at 3:48p.m. Mr. Norwalk seconded, and the motion was carried by the unanimous affirmative vote of all Directors present in person and via video conference call.