

Minutes

Washington State Convention Center  
Public Facilities District

Regular Meeting of the Board of Directors  
June 19, 2012

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSSC PFD) at 2:04 p.m. in Room 211 of the Convention Center.

II. ATTENDANCE

Board Directors in Attendance

Frank K. Finneran, Chairman  
Deryl Brown-Archie, Vice Chair  
Rick Bender  
Robert J. Flowers  
Susana Gonzalez-Murillo  
Jerome L. Hillis (via telephone conference)  
J. Terry McLaughlin  
Harry G. Sladich  
Karen Wong

Officers in Attendance

Jeffrey A. Blosser, President / CEO  
Linda Willanger, Vice President of Administration / AGM  
Ed Barnes, Vice President of Operations  
Chip Firth, Director of Finance and Administration / CFO

Consultants / Vendors in Attendance

Rebecca Bogard, Bogard & Johnson LLC  
Matthew R. Hendricks, Hendricks - Bennett, PLLC  
Tom Norwalk and Kris Cromwell, Seattle's Convention & Visitors Bureau  
Steve Kiely, ARAMARK.  
Fred Eoff, SDM Advisors Inc.

Visitors

Anita Nath, UNITE HERE Local 8

Staff in Attendance

Michael McQuade                      Krista Daniel  
Susnios Tesfaye                      Daniel Johnson  
Brian Baum                              Dennis Galloway  
Lorrie Starkweather

III. APPROVAL OF MINUTES

A. May 15, 2012 Regular PFD Board Meeting

Ms. Brown-Archie moved to approve the minutes of the May 15, 2012 Board meeting. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present in person and by way of teleconference.

IV. PUBLIC COMMENTS

There were no public comments.

V. CHAIRMAN'S REPORT

A. Board of Directors Retreat

The Board will hold a working retreat to establish the WSCC PFD Corporate Goals & Objectives and Budget for fiscal year 2013. The date for the retreat will be determined by Board member availability, and staff will canvas members for their availability. Staff has recommended to the Chairman that the retreat be set as one half day plus one full day which would incorporate a Board of Directors meeting. It is recommended that the retreat be held at a venue outside of the Convention Center.

B. WSAE Honor to Ms. Emily Hoyt, OneStop Manager

The Washington Society of Association Executives (WSAE) nominated and awarded the *2012 Associate Member of the Year* honor to Ms. Emily Hoyt, OneStop Manager at WSCC. As Ms. Hoyt was unable to attend today's meeting, Chairman Finneran requested it be noted for the record that the Board of Directors congratulate Ms. Hoyt on receiving this award, and extended sincere appreciation and a round of applause to her for her exemplary representation of the Washington State Convention Center.

C. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. No action items were included, and the following informational reports had been sent to the Board for review prior to today's meeting:

1. Seattle's Convention & Visitors Bureau Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. Government Affairs Consultant Report

Mr. Flowers moved to accept the Consent Agenda as presented. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

VI. PFD COMMITTEE REPORTS

A. Future Expansion Committee

WSCC executive staff are continuing discussions with representatives of King County relative to potential expansion of the Convention Center and an option agreement on the possible site. The dialogue to date has been positive from both sides. A document will be provided to the Future Expansion Committee members this week for review, after which the Committee will provide direction to Convention Center executive staff.

B. Art Committee

Ms. Wong, Chair of the Art Committee, provided an update on damage that occurred to loaned artwork ("Windsong") on display in the public Galleria Level 3 of the Convention Center. Damage to the work appears to be accidental as there is no evidence to suggest vandalism. The gallery owner was notified, and a gallery representative inspected the damage to the painting. All fine artwork at the Convention Center is covered by WSCC's property insurance policy, though an insurance settlement would be subject to a \$5,000.00 deductible. Recommended conservators have assessed the damage to the artwork and estimated repair at approximately \$2,800.00.

WSCC galleries are open to the public with well over 600,000 local, national and international visitors enjoying the opportunity to view the collection each year. WSCC staff has consulted with three of the Convention Center's senior Art Advisors, who are of the opinion that in a restored condition the work has both artistic and economic value to WSCC. The Art Advisors therefore recommend that WSCC purchase the artwork, commission a restoration by a recommended conservator, and return the work to the Convention Center's collection.

Ms. Wong moved that the Washington State Convention Center Board authorize the President to purchase the painting entitled "Windsong" by Kenneth Callahan from the Woodside/Braseth Gallery in the amount of \$12,000.00 plus tax and to take steps to restore the work and add it to the Convention Center art collection. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

The WSCC Art Foundation Articles of Incorporation and Bylaws, and the Agreement for Services between the WSCC and the WSCC Art Foundation are under review by legal counsel for the two entities, to ensure that the documents are updated with regard to the PFD transition. An updated Service Agreement will be brought back before the Board at a future meeting.

## VII. SEATTLE'S CONVENTION & VISITORS BUREAU REPORT

Mr. Norwalk provided an update regarding *Tutankhamun: The Golden King and the Great Pharaohs* exhibit currently on view at Pacific Science Center. Seattle is the final U.S. stop of the exhibition, running through January 6, 2013. This is the largest King Tut exhibition ever shown on the West Coast – more than twice the size of Seattle's 1978 King Tut exhibit – and features new objects never before seen in the United States. This event opened less than one month ago and has already surpassed 155,000 in ticket sales.

Sales production in May 2012 for the Bureau's Seattle office reached 40.92% of overall booking goal for the month and 59.40% overall booking goal year-to-date. Year-to-date, the Washington, DC, satellite office is at 112.37% of WSCC goal and the Midwest office is at 121.00% of WSCC goal through May 2012.

Year-to-date, January through May 2012, groups that did not select Seattle for reasons that include lack of suitable dates, not enough convention space, hotel rates, or because they made a different city choice, represent an estimated loss of roughly \$244,136,981 in overall economic impact for the Seattle region. Waived business is event business that SCVB did not pursue because there were absolutely no viable date options available to offer to the group. The regional loss of economic impact for waived business year-to-date through May 2012 is estimated at \$225,762,450.

## VIII. PRESIDENT'S REPORT

### A. WSCC and SCVB Team Meeting Update

Mr. Blosser provided an update on the recent Sales Team Meetings between WSCC and SCVB and expressed appreciation to Mr. Norwalk and the SCVB sales team, and to Ms. Willanger, Mr. McQuade and the WSCC sales team for their efforts to create a successful joint sales unit for our organizations. Both organizations are striving to ensure that the sales teams are united in bringing business to Seattle that meets the Convention Center's objectives, along with making sure the customer experience is seamless and goes beyond their expectations.

A key objective of the Joint Sales Team is to book business that meets or exceeds annual room night and revenue goals of the SCVB and WSCC for the Convention Center and for the City of Seattle. The two sales teams will meet quarterly to continue discussions on developing joint objectives, improving internal and external communications, and to develop best practices procedures and methods to meet team goals.

### B. 25<sup>th</sup> Anniversary Task Force Update

WSCC staff is working to put together Convention Center 25th Anniversary Celebration Activities and related budgets. It is anticipated that a Task Force meeting will take place in July to finalize ideas.

### C. Labor Discussions Update

Labor negotiations began on April 16, 2012, and are continuing in good faith. WSCC staff will provide updates to the Board as negotiations move forward.

### D. All Staff Summer Picnic

Mr. Blosser extended an invitation to the Board to attend a WSCC All-Staff Summer Picnic on July 10, 2012, to be held at the Convention Center.

### E. Ungerboeck Western User Alliance Conference

WSCC was the host venue for the 2012 Ungerboeck Western User Alliance Conference. An annual conference, program sessions included user-training and discussions on Ungerboeck software for areas such as operations, sales, and finance. The Roosevelt Hotel was the host hotel with 150 associated room nights booked over the 3-day event, which drew attendees from the western United States and Canada. Mr. Blosser and Ms. Willanger extended their appreciation to the WSCC team for a job well done in organizing this important conference.

## IX. STAFF REPORTS

### A. WSCC Parking Report

Mr. Tesfaye reported that parking revenues for May 2012 were down approximately 2.0% as compared to the same period last year. WSCC historically sees a slower demand for commuter parking during the summer

months. Monthly spaces are available in Freeway Park Garage but there continues to be a waiting list for the main Convention Center Garage.

**B. WSCC Sales Report**

Mr. McQuade reported that in May 2012, WSCC sales staff exceeded their 2012 booking pace goal for tentative bookings. The top line rent for events booked to be held at WSCC during this year reached 107.7% of goal. Overall for May 2012, new WSCC staff bookings added represents \$132,375 in rent and \$489,871 in food and beverage sales for the Convention Center. As of May 2012, 231 events have confirmed or contracted to use The Conference Center since its' opening in June 2010, representing over \$1,868,000 in rent for TCC space.

July 2012 marks the 2<sup>nd</sup> anniversary of the opening of The Conference Center (TCC). The business community is embracing the space for small meetings, with groups like American Library Association returning in February 2013 and again in 2018 as a result of this space availability.

**C. ARAMARK Food Service Report**

Mr. Kiely reported top-line food service revenues of \$1,294,855 for May 2012. WSCC PFD profit for May totaled \$522,719. While Starwood's Rendezvous meetings were not held at the Convention Center, Chef Alex Shroff and his team participated in a culinary activity with a group of the attendees. Over thirty dozen cupcakes were baked onsite and the Rendezvous participants decorated them. The cupcakes were then delivered to Neighborhood House Seattle for distribution.

ARAMARK's new community partner is Neighborhood House Seattle (NHS). The mission of Neighborhood House is to help diverse communities of people with limited resources attain their goals for self-sufficiency, financial independence, health and community building. Every year, Neighborhood House touches the lives of more than 13,500 adults and children through the agency's comprehensive web of social services. These include employment and adult education, community health programming, family and social services, early childhood education, transportation services and youth education. Mr. Kiely advised that ARAMARK is hosting a "Building Community" event to be held at the NHS High Point Center in September 2012.

**X. FINANCIAL REPORT**

Mr. Firth reported that revenues for May 2012 totaled \$3,099,064. Revenues exceeded budget by 15.5%; overall, and revenues year-to-date were up 23.4% as compared to May 2011. Operating expenses for May 2012 totaled \$2,846,698, which was under budget by 0.9%.

Operating Surplus for May 2012 totaled \$252,366. Year-to-date, Operating Surplus through May 2012 is \$747,962. Operating Surplus year-to-date through May 2012 is up 209.5% over the same period last year. Non-Operating Revenues for May, for regular and additional lodging taxes, totaled \$4,213,247. Non-Operating Expenses during the month, for transfer of additional lodging tax and debt service, totaled \$1,988,282.

**XII. ADJOURNMENT**

Mr. Sladich moved to adjourn the June 19, 2012 Board meeting at 3:43 p.m. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.