

**WSCC PFD Board Strategic Planning Retreat  
October 27 – 28, 2015**

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Meeting Notes

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 27 – 28, 2015  
Seattle Marriott Waterfront Hotel

**Tuesday, October 27, 2015, 1:00 p.m. to 5:00 p.m.**

In attendance:

Frank K. Finneran	Chairman, WSCC PFD Board of Directors
Deryl Brown-Archie	Vice-Chair, WSCC PFD Board of Directors
Robert Flowers	Director, WSCC PFD Board of Directors
Susana Gonzalez-Murillo	Director, WSCC PFD Board of Directors
Jerome L. Hillis	Director, WSCC PFD Board of Directors
J. Terry McLaughlin	Director, WSCC PFD Board of Directors
Craig Schafer	Director, WSCC PFD Board of Directors
Karen Wong	Director, WSCC PFD Board of Directors
Jeffrey A. Blosser	President & CEO, WSCC PFD
Linda Willanger	Vice President – Administration / A.G.M, WSCC PFD
Ed Barnes	Vice President – Operations, WSCC PFD
Chip Firth	CFO / Treasurer, WSCC PFD
Michael McQuade	Director of Sales, WSCC PFD
Ron Yorita	Director of Operations, WSCC PFD
Krista Daniel	Director of Event Services, WSCC PFD
Paul Smith	Director of Information Systems, WSCC PFD
Stephen Kiely	Director of Food Services / Resident Dist. Manager, ARAMARK
Dawn Wheeler	General Manager, ARAMARK
Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Kathleen Smith	Office Services Supervisor, WSCC PFD
Michael Murphy	Project Coordinator, WSCC PFD
Matthew Hendricks	Legal Counsel, Hendricks & Bennett
Tom Norwalk	President & CEO, Visit Seattle
Rob Hampton	Senior Vice President, Convention Sales & Services, Visit Seattle
David Blandford	Vice President of Communications, Visit Seattle
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Fred Eoff	Financial Consultant, Public Financial Management, LLC
Gary Fluhrer	Legal Counsel, Foster Pepper PLLC
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Jane Lewis	Pine Street Group
Arneta Libby	Pine Street Group
Chris Eseman	LMN Architects

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Mark Reddington	LMN Architects
John Chau	LMN Architects
Roland Metzler	Seattle Marriott Waterfront – Audio Visual Services
Abby Lawlor	Unite HERE Local 8
Inger Johnson	CBRE
Laura Karassik	Foster Pepper, PLLC

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A. Chairman’s Welcome

Board Chairman Frank K. Finneran welcomed attendees to the WSCC PFD Board of Directors Strategic Planning Meeting, and provided an overview of the schedule and agenda. No action is scheduled to be taken by the Board at this meeting.

Retreat attendees introduced themselves and noted their relationship to WSCC.

B. Addition Overview

Chairman Finneran asked Pine Street Group to provide a progress report on the Addition Project. Mr. Griffin reported that there are a number of items on track to be completed by the end of 2015:

- An agreement with Sound Transit is anticipated by year end;
- The mediation between the Kollias Family LLC and the WSCC concerning the Howell Street property may occur in November or December;
- The *Draft* Environmental Impact Statement (EIS) is anticipated to be published in November 2015, and open for a 6 month comment period. (Final EIS anticipated for May 2016.)

Mr. Griffin advised that the property at the SE corner of Pine and Boren is on track for completion of State Environmental Policy Act (SEPA) and National Environmental Policy Act (NEPA) impact studies in early 2016. Washington State Department of Transportation (WSDOT) is considering leasing the triangle property to allow WSCC to create a better pedestrian experience in that area. Pine Street Group (PSG) is working to move forward on entitlements, which is a lengthy process. PSG is considering pursuing permitting as a planned community development (PCD). Including the three Addition Project sites in a PCD would provide advantages to move development rights between blocks. A PCD requires negotiation with the Seattle Department of Planning and Development (DPD) for public benefits such as low-income housing, public open space, a neighborhood plan or improvements in pedestrian circulation. Overall, five vacations of the public right-of-way are required, including three alleys. PSG will work with DPD on the process with a goal to get this done by or before 2017.

Mr. Griffin reported that the review process for a Master Use Permit (MUP) may take six months or more. Process includes public notice, a comment period, and the ability to appeal the decision if necessary.

Mr. Griffin advised that the HVS report to analyze the anticipated financial operations for the Addition is due within a few weeks. The Washington State Department of Commerce (DoC), as required by statute, is preparing a review regarding the cost of bond financing, the report from HVS, and the development project. Part I of the DoC review is scheduled to be released in early November; Part II will be released in late 2016.

Mr. Rosauer advised that the Addition Project will move to Design Development stage at the end of November. PSG & WSCC are working through contract terms with Skanska-Hunt, selected as general contractor/construction manager (GC/CM) for the Addition Project. The Addition

Committee has been discussing co-development options and the proposed co-development on project might include a 375 unit residential building and a 28 story (500,000 square foot) office tower.

Ms. Lewis reported that the Addition Outreach draft goals are expected to be ready for review before the end of 2015. A Communications Plan is underway and will be a tool for meeting with groups representing the local area and will address the frequently asked questions (FAQ). An updated Web presence is anticipated for December. Chairman Finneran requested that the Addition communications plan be distributed to the WSCC Board members as soon as it is available.

Mr. Griffin advised that PSG has engaged the services of Margery Aronson as consultant to help guide the artworks program for the new facility.

Mr. Griffin reported that it is anticipated that the Addition will create construction jobs as well as steady year-round demand for Seattle's hotels, restaurants, stores and entertainment venues, which is key to keeping the region economically healthy. The project also provides a unique opportunity to improve the urban environment northeast of the existing center and strengthen the downtown-to-Capitol-Hill connections.

Chairman Finneran provided an update on financial resources. It is anticipated that the WSCC will not seek a tax referral in 2016. Review of financing will take place after completion of Schematic Design phase.

C. Schematic Design Discussion: LMN Architects

Mr. Eseman, Mr. Reddington, and Mr. Chau were in attendance representing LMN Architects.

Mr. Eseman reported that schematic design for the Addition is 90% complete. Still under review are outdoor function spaces and integrated mixed use space around facility perimeter. At this stage it looks like rentable space will total roughly 440,000 SF, with parking for 750 cars.

Mr. Reddington reported that LMN is working on vertical circulation systems, planning strategies for daylight - both horizontally and vertically. The design will take into consideration potential offsite developments that enhance urban experience for local and event attendees, such as a possible retail zone. Looking at possibilities for enhancements on the Boren side of facility, such as art or plantings. Pine Street will have lobby and windows. Grand escalator anticipated to have extensive view through glass wall.

The model of the proposed facility was on display in the meeting room. The LMN team provided a "tour" of the model and responded to questions.

D. Naming of Facility: Facility Committee

Mr. Hillis, Chair of the Facility Committee, advised that the Committee is recommending that naming considerations be taken up as soon as possible, including addressing wayfinding issues. Mr. Blosser reported that with three separate facilities, naming and wayfinding go together and are very important to our clients and attendees, as well as for freight and trucks delivering to the buildings. Mr. Blosser advised that staff have been given the go ahead on this process and will be working with GreenRubino, a full service marketing agency on how to make naming and wayfinding more intuitive. Staff will report back to the Facility Committee with proposed names,

with the intent that the Facility Committee bring their recommendations to the Board at the January 2016 board meeting.

- E. Chairman Finneran presented closing remarks for the first day of the Board of Directors Strategic Planning Retreat, and thanked Board, staff, contractors and guest speakers for their contributions to an informative afternoon. Meeting concluded at 4:25 p.m.

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Meeting Notes

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 27 – 28, 2015  
Seattle Marriott Waterfront Hotel

**Wednesday, October 28, 2015, 8:00 a.m. to 4:30 p.m.**

In attendance:

Frank K. Finneran	Chairman, WSCC PFD Board of Directors
Deryl Brown-Archie	Vice-Chair, WSCC PFD Board of Directors
Robert Flowers	Director, WSCC PFD Board of Directors
Susana Gonzalez-Murillo	Director, WSCC PFD Board of Directors
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Lorrie Starkweather	Assistant to the President, WSCC PFD
Kathleen Smith	Office Services Supervisor, WSCC PFD
Matthew Hendricks	Legal Counsel, Hendricks & Bennett
Tom Norwalk	President & CEO, Visit Seattle
Rob Hampton	Senior Vice President, Convention Sales & Services, Visit Seattle
David Blandford	Vice President of Communications, Visit Seattle
Ali Daniels	Vice President of Marketing, Visit Seattle
Kris Cromwell	Vice President of Finance, Visit Seattle
Kelly Saling	Director of Sales, Visit Seattle
Fred Eoff	Financial Analyst, Public Financial Management, Inc.
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Jane Lewis	Pine Street Group
Arneta Libby	Pine Street Group
Chris Eseman	LMN Architects

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Tom Hazinski	HVS Convention, Sports & Entertainment Facilities Consulting
Chris Kraus	CBRE Hotels   PKF Consulting, USA
Ash Patel	CBRE Hotels   PKF Consulting, USA
Stefan Moritz	Unite HERE Local 8

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A. Chairman's Welcome

Board Chairman Frank K. Finneran welcomed attendees to the second day of the WSCC PFD Board of Directors Strategic Planning Meeting, and provided an overview of the schedule and agenda. Mr. Finneran reminded the Directors and attendees that no action or decisions will be taken by the Board at this meeting. As well, as the agenda for the November Board meeting is slated to be very lengthy, some of the reports normally provided at the meeting will be contained in the consent agenda.

The WSCC Mission Statement, the Board of Directors Values, the Staff Service Vision from the Quality Service Program (QSP), and the Staff Service Promise were taken under review by the Board of Directors during this meeting, with no changes recommended.

B. Operating Goals Committee Report (Ms. Susana Gonzalez-Murillo, Chair)

Review 2015 Operating Goal Performance:

Committee Chair Susana Gonzalez-Murillo advised that action taken on 2015 Operating Goals to date met or exceeded the benchmark that had been set for these goals. Finalization of the 2015 Operating Goals to occur upon the closing of the year end financials in January and will be brought before the Board for approval at the January board meeting.

Preview of Draft 2016 Operating Goals:

A draft set of Operating Goals for 2016 was included in the Board packets for review. Ms. Gonzalez-Murillo requested Mr. Blosser to review the proposed 2016 Operating Goals with the Board as we look forward to next year. Discussion occurred regarding the possibility of creating a bakery along the lines of FareStart where training occurs and readies people for the workforce here at WSCC or with the local hotels. Chairman Finneran requested Mr. Blosser research this idea. Mr. Blosser advised that the Board will see big changes in marketing and sales as the teams prepare to market the Additional facility. A Strategic Blueprint for Sales & Marketing has been drafted by WSCC and Visit sales teams. The teams are working to better align their goals and objectives, and this is working well.

For Goal #10, which refers to Safety & Security, Mr. Blosser advised that staff participates in a number of outreach groups and improvements to the safety and security in the building have been made, specifically Pike Street, the removal of the planter box at the Convention Place entrance to the facility, the Level 1 restrooms, and additional bike patrols in the garages. Chairman Finneran requested that staff work with Mr. McLaughlin, Ms. Gonzalez-Murillo and Ms. Bogard to revise goal #10 to address WSCC leadership on the issues within the City that are affecting our business, our clients, and the community we are tasked with marketing and selling, especially as it relates to Seattle's reputation nationally, of which we are a part.

Mr. Blosser advised that Goal #11, the iEBMS system, has proven to be very effective. Currently we are seeing about 90% of our clients using the online ordering system. Staff will be developing a survey in February to track service ratings for our exhibitor customers.

The proposed 2016 Operating Goals, with the revised goal #10, will be brought to the Board for approval at the regular board meeting in November.

C. Facility Committee Report (Mr. Jerry Hillis, Chair)

Review of 2015 Unrestricted Reserve Projects:

Mr. Barnes reported on the status of the 2015 Unrestricted Reserve Capital Projects. After providing an overview of capital improvement projects underway or completed in 2015, Mr. Hillis emphasized the need to keep the existing facility in top-notch condition. The ongoing maintenance and upgrades to keep the building looking good come with an associated cost. Ed Barnes and his staff have done a great job with the facility.

Pike Street Sidewalk and 8<sup>th</sup> Avenue Tunnel Update

Mr. Barnes provided an update on the Pike Street Sidewalk project and the 8<sup>th</sup> Avenue Tunnel update. While we have been very disappointed in our ability to clean the concrete on our sidewalks, the cost to replace with granite is prohibitive. Staff will take a more aggressive stance on cleaning the sidewalks more frequently. The Pike Street Improvement and the 8<sup>th</sup> Avenue Tunnel are scheduled for completion in 2016. Ms. Brown-Archie requested that the wayfinding icons be repeated in this area.

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

Property & Liability Insurance:

Mr. Flowers advised that each year WSCC goes through the process to review the Property & Liability Insurance for the Center. Staff is reviewing information from Alliant Insurance Services, Inc., and will provide the Finance Committee with their recommendation.

State Auditor – Update:

Mr. Flowers advised that the State Auditors Accountability Audit Entrance meeting with WSCC was held on October 19. The State Auditors are performing an independent accountability audit of WSCC PFD in accordance with provisions of Chapter 43.09 RCW, for the period January 1, 2014 through December 31, 2014.

Proposed Operating Budget for Fiscal Year 2016:

Mr. Firth presented the WSCC proposed Operating Budget for 2016.

E. Marketing Committee Report (Mr. Craig Schafer, Chair)

Visit Seattle 2016 Metrics & Scope of Work and Goals:

Mr. Norwalk reported on 2016 draft metrics and Scope of Work for Visit Seattle. Mr. Blosser and Mr. Norwalk both spoke to the bundled goals between WSCC and Visit Seattle which will bring a true team effort to the 2016 and future years. Discussion occurred regarding the new strategies being deployed by Visit Seattle, in cooperation with WSCC, and the anticipated increased results.

WSCC Sales Goals & Strategies:

Mr. McQuade reported on the proposed Scope of Work for WSCC sales staff for fiscal year 2016, and looks forward to the combined efforts of the WSCC and Visit Seattle sales teams as the new strategies are implemented.

WSCC Marketing Strategies:

Ms. Willanger reported on the WSCC Marketing and Communications Plan. As outlined in the 2016 Operating Goals, the department will drive activities on consistent branded messages to engage with audiences in target categories such as Public Relations, Public Affairs, Outreach, Art, Sales, Marketing, Events, Administration, and the Addition. One of the key focuses in 2016 will be to develop integrated communications to assure we have consistent messages across marketing channels using various promotional methods to improve WSCC's visibility in the business market. These goals and activities are designed to support the sales teams of WSCC and Visit Seattle; support PSG endeavors to further the Addition project with the supporting information, data and messages as needed and in conjunction with Visit Seattle to assure continuity of messaging.

Addition Marketing and Sales Draft Blueprint:

Mr. Blosser advised that the 5-year Strategic Blueprint for Sales & Marketing encompasses the focus of most work for WSCC and Visit Seattle teams.

- F. A lunch break commenced at 12:00 p.m. Presentations were provided by Mr. Tom Hazinski, of the firm HVS Convention, Sports & Entertainment Facilities Consulting; and Mr. Chris Kraus, of the firm CBRE Hotels | PKF Consulting USA. Mr. Hazinski's presentation was on the 10-Year Financial Operations Analysis; Mr. Kraus provided a presentation on the 2015 Lodging Tax Forecast.

G. Government Affairs Committee Report (Deryl Brown-Archie, Chair)

Ms. Brown-Archie reported on the proposed 2016 scope of work for the Government Affairs Committee. Goals for 2016 include: The provision of necessary support to the Addition Committee and other legislative efforts by developing and delivering key messages to inform, persuade and gain support for the specific legislation and development/tax issues and priorities identified to seek favorable action/approvals needed to further the Additional facility feasibility and key decisions; and, Monitor, track and identify issues with possible impacts related to WSCC operations, statewide PFD'S, legislative topics or other governmental issues and formulate recommended messages for the Board's review to position the organization for a positive outcome. The committee will continue to participate with the Association of Washington State PFD's at meetings during 2016.

H. Committee Highlights

Board Committee Chairs presented committee proposed 2016 scope of work, along with an action plan for achieving their objectives.

Outreach Committee (Ms. Susana Gonzalez-Murillo, Chair)

Ms. Gonzalez-Murillo reported on the proposed 2016 scope of work for the Outreach Committee. Goals for 2016 include: Sustain a positive image for WSCC and develop a community connection through the organizational outreach objectives of community, inclusion, marketplace and staff; Create aspirational goals for expansion with MWBE vendors and suppliers and establish responsibilities with Pine Street Group to manage the process and goal achievement; and Create awareness for the expansion project within the marketplace of downtown public/private development business leaders to capitalize on potential civic benefit opportunities for the destination and future clients. Such outreach to be coordinated through Pine Street Group.

Art Committee (Ms. Karen Wong, Chair)

Ms. Wong reported on the proposed 2016 scope of work for the Art Committee. Goals for 2016 include: Support the work of the WSCC Art Foundation as it undertakes a renewed effort of services to sustain, grow and strengthen the WSCC collection through soliciting contributions to the public art program, commissioning or otherwise procuring art works, and using such contributions for the benefit and maintenance of the Center's public art program; Communicate art program features and exhibits to inform and connect with existing stakeholders and to engage new audiences; Refresh galleries with rotating exhibitions and placement of new or relocated works; Working with the Spoke and Kennewick convention centers, complete logistics for WSCC-produced HARVEST-themed exhibition; and, Carry out on-going WSCC artworks collection management responsibilities.

Benefits Committee (J. Terry McLaughlin, Benefits Liaison)

Mr. McLaughlin advised that the role of the Benefits Liaison is to oversee the staff's activities in the development and maintenance of a staff Benefits Program. The Benefits Committee has met three times in 2015 (February 19, April 27 and July 17) to discuss the retirement plans. The Committee will meet again on November 16. Mr. McLaughlin provided an update on plan administration. The Committee approved a one-year extension of the investment plan advisor (RBC) and qualified plan administrator (Milliman) on April 27. In 2016, an RFQ is anticipated to be issued. The 401(a) Plan document was reinstated in July to incorporate the provisions of the Pension Protection Act of 2006. The current Summary Plan Description (SPD) was also revised to adhere to the Plan changes. RBC conducted two educational meetings with staff in May and September. Mr. McLaughlin advised that WSCC has been a member of Association of Washington Cities (AWC) for three years as a public facilities district. The AWC rate for 2016 is a blended 6.7% increase. This is a good rate for WSCC and helps to remind us that as a smaller public facilities district, we are able to receive substantial savings by participating in the larger ACW pool. WSCC has done due diligence by cross-checking the marketplace for and report seeing a general increase of 8 to 9% for 2016. The committee took into consideration the historical increases over the past few years and a decision was made to accept the renewal rate with no changes to the plan. Going forward, the Committee will continue to ensure that employee wellness continues to be a workplace focus and that future increases are within a reasonable balance.

I. Chairman's Wrap-Up Discussion

Discussion of Retreat Issues and Strategies:

The Chairman thanked Board members for their contributions and requested that suggestions or comments regarding the retreat be forwarded to Mr. Blosser. A questionnaire/evaluation form was distributed to all participants for feedback.

2016 Board Meeting Dates

A draft schedule of 2016 Board meeting dates was distributed to the Board for review. Board members will be asked to approve a meeting schedule for 2016 at the Regular November 24, 2015 Board meeting.

J. Adjournment

The meeting was adjourned at 3:45 p.m.