

**WSCC PFD Board Strategic Planning Retreat
November 24 & 25, 2014**

Meeting Notes

Washington State Convention Center Public Facilities District Board of Directors
Strategic Planning Retreat
November 24 & 25, 2014
The Fairmont Olympic Hotel, Seattle, WA

Monday, November 24, 2014, 1:00 p.m. to 5:00 p.m.

In attendance:

Frank K. Finneran	Chairman, WSCC PFD Board of Directors
Rick S. Bender	Director, 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
Stephen Kiely	Director of Food Services / Resident Dist. Manager, ARAMARK
Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Kathleen Smith	Office Services Supervisors, WSCC PFD
Matthew Hendricks	Legal Counsel, Hendricks & Bennett
Tom Norwalk	President & CEO, Visit Seattle
Patrick Smyton	Senior Director of Convention Strategy, Visit Seattle
Ali Daniels	Vice President of Marketing, Visit Seattle
David Blandford	Vice President of Communications, Visit Seattle
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Cliff Webster	Government Affairs Consultant, Carney Badley
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Gary Fluhrer	Foster Pepper PLLC
Chris Eseman	LMN Architects
Mark Reddington	LMN Architects
Dale Clark	Hart Crowser, Inc.
Jason Foley	Pine Street Group
Doug Johnson	PSAV

For Discussion Purposes

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. President's Update

Chairman Finneran invited Mr. Blosser to provide a progress report on the 2014 'happenings' at WSCC since the 2013 Strategic Planning Retreat. Mr. Blosser reported that 2014 has been a very good year and provided a brief update on:

- Capital projects that were undertaken during 2014; projects completed, and projects still in progress.
- WSCC is on target for submission of the LEED application in 2015
- WSCC experienced a very good convention year in 2014. The partnership with Visit Seattle is helping to drive strong convention business. It is anticipated that 2014 will see record revenues going forward from Food & Beverage, Facility Services, and Parking.
- Hiring Patrick Smyton in the revenue manager role has been a positive step for WSCC to really put our best foot forward in determining the right kind of business for both WSCC and Visit Seattle.
- We are working to receive our GC/GM approval process in December/January in order that we can get underway with the project delivery method going forward.
- Mr. Blosser provided a shout out to WSCC staff. Staff did a great job this year with both customer service and managing expenses. Staff did an excellent job of making sure our clients and attendees had a great experience at WSCC, as well as managing towards the budget.
- The iEBMS online ordering system went live in June with the Parking department accepting online payments. Online ordering for the other services are scheduled to begin in January.

C. Expansion Overview

• Naming of Facilities

Chairman Finneran requested that the Directors start to think about what opportunities we might have to name any or all pieces of our building complex for someone or something that might be deserving, for example, Jim Ellis, and how that fits into our plans going forward. A discussion to be held at a later date once Directors have had time to reflect. The item to be put on the agenda of a future board meeting.

• Big Picture

Chairman Finneran advised that WSCC is in the process of assembling the appropriate team to lead/manage/orchestrate/implement the WSCC expansion project which will provide approximately 400,000 to 450,000 square feet of additional exhibition and meeting space and ballroom space on a site hoped to be convenient for us to operate. The WSCC's first preference for expansion site has been the CPS site at corner of 9th & Pine. Many pieces of the team have been assembled; in particular, Pine Street Group as project manager, and LMN Architects have potentially been selected as the apparent successful proposer for facility architecture and design services. Discussions are underway to begin the formal contract relationship with LMN and to finalize the contract with Pine Street Group.

Mr. Griffin advised that key focus for Pine Street Group is the project schedule:

- Starting with the process of how the building can be built in a timely manner
- Taking advantage of the current political will in the project's favor
- The bond rates in the project's favor

- A reasonable construction environment
- Potential construction start date of 2017
- Looking at controlling the land
- Ensuring that we move forward on entitlements; critical path on the entitlement process is hiring the architect, working to refine programming with the Convention Center, the conceptual design, and then start the EIS and Master Use Permit process.

- Land

Mr. Griffin provided an update on the property that is referred to as the Preferred Site and the parcels of land that make up this preferred site. He provided a snapshot of the ownership of the pieces including WSCC (Honda Property), King County / METRO, Sound Transit, Kollias family, WSDOT, and some of the steps to be taken to either purchase or lease parcels.

Discussion occurred regarding a street level pedestrian experience in the area of the new building that would benefit WSCC attendees/clients and workers/residents of the area. Mr. Griffin advised that to build on those properties, the preference would be to own/control them but basically in the meantime we need some predictive control to start the permitting process.

Mr. Griffin and Mr. Rosauer spoke to a question regarding potential bus layovers on the preferred site.

- Schedule

Mr. Rosauer advised that the first two years of the schedule would be the architectural side and the entitlement side. We are tracking to the first major milestone on the critical path, which is the selection of the architect. Early entitlement work will potentially begin in 2016 and then construction to start in 2017. Mr. Griffin spoke to the complicated entitlement process, especially with respect to street and alley vacations. A question was asked regarding co-development, and Mr. Griffin reported that a number of discussions have been held on this subject, and that we first must understand how the building is to be built and the freight in/out, then getting cars in/out of the garage, and buses in/out, and then from that point we will have more insight into where possibilities of co-development may fit into the project. A statement on co-development will be required for the Environmental Impact Statement (EIS) advising if co-development is included or something for the future.

- Budget & Financing

Mr. Griffin and Mr. Rosauer presented a draft expansion budget dated 9/16/2014. Mr. Rosauer advised that their budget is tracking. There are some nuances in the “Land” category that are yet to be determined or finalized. Categories such as “Architectural and Engineering” have been based on historic data from previous projects and will be updated as the negotiation process with LMN gets underway. The “Construction Costs” category is a place holder at the present time and was created as part of the feasibility package and will be refined late first quarter/early second quarter. The other categories are typical costs that are fairly stable, based on historical data from previous projects.

A question was asked why the dollar amount in the “Consultants” line item in the Architectural and Engineering category was so high (\$5.2 million). There are many consultants that will be working on the project. Example given of many consultants required to do the EIS study, acoustics, quality of air, parking, traffic, etc. Chairman Finneran advised that this a \$750 million building and it has a significant impact on the community and we’re going to have to prove due diligence throughout the process. That is why experts are required. Mr. Hillis stated that part of Pine Street Group’s role is to manage the many pieces of the project being conducted by the various consultants.

A question was asked if the costs for EIS would fall under the “Architectural and Engineering” category. Mr. Rosauer advised that this might come under “Land” although there is a category

for “Testing and Inspections” within the Architectural and Engineering category. Mr. Griffin advised that specific to the Honda Property acquisition, there was money set aside in escrow for the purpose of environmental studies.

Mr. Griffin, on Mr. Eoff’s behalf, presented an overview of financing options for the WSCC expansion project.

- Design & Quality

Mr. Rosauer provided an update on design and quality and advised that after a thorough process, the apparent successful proposer for the Facility Architectural Design and Engineering Services was deemed to be LMN Architects. Mr. Rosauer stated they are in the process of working through a design approach with LMN and will be bringing that to the Expansion Committee for review, as well as how that leads to the entitlement portion of the project. This will include the transportation plan which is very important to the Convention Center’s operations with respect to parking and the movement of freight. Meetings are being scheduled with the City of Seattle to work towards entitlement, and EIS consulting team will be brought on board in December. A LEED component will be included in the project design.

Mr. Rosauer advised that they are working with the WSCC Board Outreach Committee and several meetings have been held to share Pine Street Group’s approach to outreach to various target communities. It is hoped that the program will be refined and meet the approval of both teams in the next few months. Ms. Gonzalez-Murillo, Chair of the WSCC Board Outreach Committee, spoke to the concern that this task not create a job within a job, and thanked the Chairman for his support.

- Risk List

Mr. Griffin advised that they monitor a list of risks and review with the Expansion Committee on a monthly basis. The list currently contains approximately 15 items and work is being conducted to tick the items off the list one at a time.

D. Design Discussion

Mr. Rosauer introduced Mr. Eseman and Mr. Reddington from LMN Architects to provide a brief presentation on the preliminary design approach and process.

E. Chairman Finneran presented closing remarks for the first day of the Board of Directors Strategic Planning Retreat, and thanked Board, staff and guests speakers for their contributions to an informative afternoon. Meeting concluded 4:45 p.m.

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Meeting Notes

Washington State Convention Center Public Facilities District Board of Directors
Strategic Planning Retreat
November 24 & 25, 2014
The Fairmont Olympic Hotel, Seattle, WA

Tuesday, November 25, 2014, 08:05 a.m. to 3:45 p.m.

In attendance:

Frank K. Finneran	Chairman, WSCC PFD Board of Directors
Deryl Brown-Archie	Vice-Chair, WSCC PFD Board of Directors (by conference call)
Rick S. Bender	Director, 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
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Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Kathleen Smith	Office Services Supervisors, WSCC PFD
Matthew Hendricks	Legal Counsel, Hendricks & Bennett
Tom Norwalk	President & CEO, Visit Seattle
Kelly Saling	Director of Sales, Visit Seattle
Ali Daniels	Vice President of Marketing, Visit Seattle
Cliff Webster	Government Affairs Consultant, Carney Badley
Tim Boyd	Government Affairs Consultant, The TSB Communications Group
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Dale Clark	Hart Crowser, Inc.
Abby Lawlor	UniteHERE
Jason Foley	Pine Street Group
Sherilyn Anderson	Wells Fargo
Doug Johnson	PSAV

For Discussion Purposes

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. No action is scheduled to be taken by the Board at this meeting.
- 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.

B. Operating Goals Committee Report, Fiscal Year 2014 (Mr. Rick Bender, Chair)

- Review 2014 Operating Goal Performance

Committee Chair Rick Bender reviewed the Operating Goals that had been set for fiscal year 2014. Action taken on the goals to date met or exceeded the benchmark that had been set for these goals. Finalization of the 2014 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 2015 Operating Goals

A draft set of Operating Goals for fiscal year 2015 was presented for Board review. Discussion occurred regarding expansion messaging on the WSCC website, and the safety concerns regarding the transient drug activity and ongoing loitering in and around the WSCC. Board members were in agreement with the 2015 goals with the exception of #11. It was requested that staff work with Mr. McLaughlin to revise goal #11 to include a focus on security and safety concerns, both at the WSCC and in the downtown area, to assist where we can with downtown business and tourism destination street civility improvements and to assist in the development of long-range plans needed to address these ongoing issues. The remaining goals to be brought to the Board for approval at the regular board meeting convening at the conclusion of today's Strategic Planning Retreat meeting.

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

- Review of 2014 Unrestricted Reserve Projects

Mr. Barnes reported on the year end status of the 2014 Unrestricted Reserve Capital Projects. After providing an overview of capital improvement projects underway or completed in 2014, Mr. Hillis highlighted the continued work on Pike Street improvements, and advised that improvements to 8th Avenue would also be done. Mr. Barnes introduced Mr. Ron Yorita, Director of Operations, and Mr. Brad Kolodzaike, Project Manager, and thanked them for their work to date on the various ongoing projects around the facility.

- Bond Fund Projects Review

Mr. Barnes reported on the 2011 – 2013 revised Bond Financed Capital Budget and the status of the projects.

- Triangle Office Space Update

Mr. Barnes provided an update on the Triangle Office Space renovations. It is anticipated that the move to the new Administrative Offices will occur in March 2015.

D. Marketing Committee Discussion (Mr. Craig Schafer, Chair)

- Visit Seattle 2015 Metrics & Scope of Work and Goals

Mr. Norwalk reported on fiscal year 2015 draft metrics and Scope of Work for Visit Seattle. The draft plans include goals for the Seattle office as well as Visit Seattle satellite offices in the Midwest and Washington, DC.

- WSCC Sales Goals & Strategies

Mr. McQuade reported on the proposed Scope of Work for WSCC sales staff for fiscal year 2015. Opportunities for WSCC staff to fill the limited date and space available changes from year to year based on Visit Seattle's booking performance. Sales strategies behind the WSCC 2015 goals and objectives place an emphasis on developing new recurring business that can fill in between Visit Seattle bookings. Working in coordination with Mr. Smyton, the sales teams from Visit Seattle and the WSCC are seeking to build a foundation of excellent business and bookings around that business. The WSCC Sales team will continue to participate in appropriate meeting industry-related tradeshows and events where such participation will provide WSCC staff direct contact with event decision-makers and decision-influencers. Mr. McQuade reported on a re-launch of the semi-annual "Medical & Healthcare Meetings & Events Best Practices & Benchmarks" study and report. This report was developed in 2008, researched and produced by a leading industry publisher and sent to the national medical and healthcare meeting planners.

- WSCC Marketing Strategies

In Ms. Engelsberg's absence, Ms. Willanger reported on the WSCC Marketing and Communications Plan. The key focus is to create integrated marketing communications to assure we are consistently brand messaging across both traditional and non-traditional marketing channels and using various available promotional methods. The WSCC Marketing team will focus on issues such as:

- Connect with our local, regional and corporate neighbors to create awareness for WSCC and our value and services within the community.
- Inform through outreach with our local, regional and corporate neighbors with stories of our business practices for procuring Washington products, sustainability, farm to table initiatives, art programs, business operations, diversity and inclusion for small business and responsible role as a downtown neighbor.
- Collaborate and join conversations with our local, regional, corporate, national clients through the new web site with social networks.
- Develop the basic tools needed to advertise and promote WSCC offerings, services and enable us to deliver important messages to convey to our target markets, potential customers and community.

- Customer Advisory Board (CAB) Results

Mr. Blosser presented an overview of the Fall 2014 Customer Advisory Board (CAB) results, and reiterated the importance of these CAB meetings in order that the whole destination (Visit Seattle and WSCC) receive the advice and input from those that are using the destination (WSCC and Seattle). Highlights included input from the CAB members on their preferred choice of Plan A for the Hedreen Hotel project, input on their needs regarding the WSCC website, their insight and concerns regarding the naming and numbering system used at the current WSCC facilities (main campus & TCC), their enthusiasm for the potential upgrades to the immediate area surrounding the convention center (Pike Street upgrades, lighting on 8th Avenue), and ideas and suggestions for CAB involvement in promoting the expansion of the center.

E. Open Government Training Act (Mr. Matt Hendricks, General Counsel)

Mr. Hendricks provided a training session on the Open Government Training Act, as it pertains to the state of Washington and the Open Public Meetings Act, RCW 42.30. This is a required training for multimember public agency boards and commission governing bodies, and their committees within the state of Washington, and is required every 4 years. WSCC Board members who completed the training are: Frank Finneran, Robert Flowers, Susana Gonzalez-Murillo, Karen

Wong, Rick Bender, Craig Schafer, J. Terry McLaughlin, Jerry Hillis, Craig Schafer. Key points of the training session included:

- RCW 42.30.020 Definitions:
 - (2) “Governing body” means the multimember board, commission, committee, council, or other policy or rule-making body of a public agency, or any committee thereof when the committee acts on behalf of the governing body, conducts hearings, or takes testimony or public comment.
 - (3) “Action” means the transaction of the official business of a public agency by a governing body including but not limited to receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions. “Final action” means a collective positive or negative decision, or an actual vote by a majority of the members (quorum) of a governing body when sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance.
 - (4) “Meeting” means meetings at which action is taken.

Mr. Hendricks reminded the Board members that any meeting, luncheon, gathering, etc., where there is a quorum (5) in attendance constitutes a public meeting. A component of the training included Open Public Records and the scope and magnitude of this legislative. Any writing containing information, regardless of physical form or characteristics, are required to be provided upon official request. This includes all electronic media, paper records, electronic records (computer files – past and present), voice mails, emails, overheads, photographs, CDs, microfiche, etc. Withholding a public record or some information in a public record must be authorized by law; only the exempt information can be withheld; agency must cite basis and give brief explanation; exemptions from disclosure must be narrowly construed. Mr. Hendricks provided information on the enforcement and penalties enforced by courts, as per RCW 42.56.550, .565. Certificates were provided to board members who attended. Mr. Hendricks to provide Ms. Brown-Archie the training at a mutually scheduled opportunity.

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

- Property & Liability Insurance

Mr. Flowers provided an overview of the proposal for property and liability insurance for 2014-2015. The brokerage firm of Alliant Insurance Services, Inc. assisted with the selection process this year.

- State Auditor’s Report

An independent accountability audit of WSCC PFD was performed by the Washington State Auditor’s Office for the period January 1, 2013 through December 31, 2013. There were no audit findings reported.

- Mr. Firth presented the WSCC proposed Operating Budget for fiscal year 2015.

G. A lunch break commenced at 12:00 p.m. Mr. Gerry Johnson, of the firm Pacifica Law Group, joined the meeting as guest speaker during the lunch hour. Topic of Mr. Johnson’s presentation was “Seattle’s Post-Viaduct Waterfront”. The meeting reconvened at 1:25 p.m.

H. Government Affairs Committee (Ms. Deryl Brown-Archie, Chair)

Ms. Brown-Archie and Mr. Tim Boyd joined the meeting by conference call. Discussion occurred regarding the proposed 2015 scope of work for the Government Affairs Committee and the provision of necessary support to the Expansion Committee and other legislative efforts to ensure the consistency of key messaging going forward with respect to the expansion project. The committee will participate with the Association of Washington State PFD’s at meetings during

For Discussion Purposes

2015. Work continues with lobbying efforts by the team of Becky Bogard, Tim Boyd and Cliff Webster. WSCC staff will continue to support the efforts with necessary collateral to assist with delivering key messages.

I. Committee Highlights

Board Committee Chairs presented committee proposed 2015 scope of work, along with an action plan for achieving their objectives.

- Outreach Committee – Ms. Susana Gonzalez-Murillo, Chair
- Art Committee – Ms. Karen Wong, Chair
- Benefits Committee – Mr. J. Terry McLaughlin, Benefits Liaison

L. Chairman's Wrap-Up Discussion (Mr. Frank K. Finneran)

1. The Chairman thanked Board members for their contributions and requested that suggestions or comments regarding the retreat be forwarded to Mr. Blosser.
2. A draft schedule of 2015 Board meeting dates was distributed to the Board for review. Board members will be asked to approve a meeting schedule for 2015 at the Regular November 25, 2014 Board meeting, convening at the conclusion of today's Strategic Planning Retreat meeting.