

**WSCC PFD Board Strategic Planning Retreat  
October 30 – 31, 2017**

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Meeting Notes

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 30 – 31, 2017

Part “A” at the offices of LMN Architecture, 801 Second Avenue, Seattle, WA

**Monday, October 30, 2017, 11:45 a.m. to 1:30 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
Nicole Grant	Director, WSCC PFD Board of Directors
J. Terry McLaughlin	Director, WSCC PFD Board of Directors
Denise Moriguchi	Director, WSCC PFD Board of Directors
Craig Schafer	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
Michael Murphy	Project Coordinator, WSCC PFD
Chris Eseman	LMN Architects
Mark Reddington	LMN Architects
Lori Naig	LMN Architects
Tom Burgess	LMN Architects
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Brenda Baxter	Pine Street Group
Crystal Ng	Pine Street Group
Tom Norwalk	President & CEO, Visit Seattle
Rob Hampton	Senior Vice President, Convention Sales & Services, Visit Seattle
Kelly Saling	Vice President, Convention Sales, Visit Seattle
Susan Finneran	

A. Chairman’s Welcome (Board Retreat – Part “A”)

Board Chairman Frank K. Finneran stated that one of the most important items on the Board Retreat agenda is ability for the Directors to view the model of the Addition. As the model is too large to transport from the LMN offices, Mr. Finneran thanked LMN Architects for accommodating the request to view the model onsite. The Chairman reminded the group that as a quorum of Directors were in attendance, the meeting is considered a “special meeting” under the Open Public Meetings Act.

B. Addition Development Update: LMN Architects

Mr. Finneran introduced Mr. Eseman and Mr. Reddington to provide the Board an update on the Addition development. Mr. Reddington provided an orientation of the site using the model, and stated that the construction drawings are at the 60% completion stage. Discussion took place regarding:

- Footprint of parking locations
- Where is the front door?
- 4 types of curtain wall systems
- Discussion of color of exterior steel and question if it might look too dark
- Glass and indoor glare
- Outdoor terrace – discussion on guest flow
- Places accessible for the public inside the facility
- Security areas where building is closed off
- Food & Beverage strategies for outdoor terrace
- Accent lighting on rooftops of buildings across the street
- Wood in ballroom ceiling maintenance, cleaning, and operational access
- Ballroom acoustics and drapery colors
- Art plan
- Marketplace wood floor and maintenance

An opportunity was provided to view the model close up.

C. Part “A” Concludes

The Addition Development update concluded at 1:25 p.m.

Meeting Notes

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 30 – 31, 2017  
Part “B” - Sheraton Seattle Hotel, 1400 Sixth Avenue, Seattle, WA

**Monday, October 30, 2017, 2:45 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
Nicole Grant	Director, WSCC PFD Board of Directors
J. Terry McLaughlin	Director, WSCC PFD Board of Directors
Craig Schafer	Director, WSCC PFD Board of Directors
Denise Moriguchi	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
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
Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Michael Murphy	Project Coordinator, WSCC PFD
Matthew Hendricks	Legal Counsel, Hendricks & Bennett
Brian McFadin	Executive General Manager, ARAMARK
Keith Hedrick	General Manager, ARAMARK
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Cody Arledge	Government Affairs Consultant, Johnson & Arledge
Fred Eoff	Financial Consultant, Public Financial Management, LLC
Tom Norwalk	President & CEO, Visit Seattle
Rob Hampton	Senior Vice President, Convention Sales & Services, Visit Seattle
Kelly Saling	Vice President, Convention Sales, Visit Seattle
Patrick Smyton	Senior Director - Convention Strategy, Visit Seattle
Kris Cromwell	Vice President – Finance, Visit Seattle
Stacey Lewis	Pacifica Law Group
Deanna Gregory	Pacifica Law Group
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Jane Lewis	Pine Street Group
Arnetta Libby	Pine Street Group
Chris Eseman	LMN Architects
Simon Manikkam	PSAV, Sheraton Seattle Hotel
Margery Aronson	Art Consultant, WSCC Addition Project

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. The Chairman reminded the group that as a quorum of Directors were in attendance, the meeting is considered a "special meeting" under the Open Public Meetings Act. Retreat attendees introduced themselves and noted their relationship to WSCC.

Mr. Finneran introduced Ms. Keri Robinson, General Manager of the Sheraton Seattle Hotel. Ms. Robinson welcomed the WSCC Board and attendees to the hotel and extended her wishes for a successful meeting.

B. Addition Overview

Chairman Finneran provided a brief overview of some of the progress being made on the Addition Project, in particular;

- The Seattle Design Commission;
- Agreement reached with the Community Package Coalition which will be brought before the Board at the November Board meeting for discussion and approval;
- Mr. Eoff and his firm, PFM Financial Advisors, have gone out for RFQ's to assemble the financing team to assist with our borrowing over \$1 Billion dollars over the next few years to finance the project;
- The LMN team are working on the construction drawings, currently at the 60% stage, and Mr. Rosauer and his team are working to provide the pricing on those documents so that we have a basis of confirming the viability of this project from a sources and use point of view.
- Next big hurdle is the Seattle City Council and getting the necessary permits approved, for example, street & alley vacations, etc.
- Another item being followed is related to the TOT (Transient Occupancy Tax) on people who operate lodging facilities with 60 rooms or less; most of that is impacted by what is going on with Air B&B not being subject to the tax.

Chairman Finneran asked Pine Street Group to provide a progress report on the Addition Project.

Mr. Griffin advised that with regards to the schedule, the critical path continues to be getting through the entitlement process, including the street/alley vacations and Master Use Permit. Mr. Griffin provided an explanation concerning the large footprint for the 150,000 sq. ft. exhibit hall and the loading docks support. We are in the process now in the critical path at the Seattle Design Commission (SDC). We need to be approved by the SDC, and then move to the Council Transportation Committee, and then to City Council for voting. This has been a lengthy process, but a necessary step for the project.

Mr. Griffin reminded the Board that in May 2017 correspondence was received from Councilmember O'Brien regarding the need for an agreement with UniteHERE and an agreement with the Community Package Coalition. In September, an agreement was reached with UniteHERE to help fund a training program that should be beneficial to the region and for the Convention Center itself. We agreed that we would put in the capital and help fund this training program over 4 years. It's a training program for people in the hospitality industry to find employment, and to teach them the language skills necessary to receive their GED to progress in that industry. Mr. Griffin provided explanation on the agreement with the Community Package Coalition and a summary of the funding to be provided for the Community Package Projects (which includes monies for Freeway Park improvements and a significant amount for affordable housing) and the current estimate of the other Public Benefits (which include Pike-Pine Renaissance Pedestrian

Improvements and public art). We continue the process with the Seattle Design Commission (SDC) with meetings on November 2 and November 16. The focus of the SDC currently is the art component. Mr. Griffin stated that there are some direct benefits of the public benefits agreements that are in the works: an improved pedestrian connection from 9<sup>th</sup> Avenue up onto Capitol Hill; we'll get an improved Freeway Park; as well as some other items of benefit to the community and the Convention Center. Ms. Gonzalez-Murillo requested to know if the \$20 million over budget was caused by the project doing more with housing? Mr. Griffin replied yes, as we realized we had to do more or the project wouldn't progress. Ms. Bogard requested to know without passage of the State legislation, there is approximately \$14million of the \$29 million delayed for 10 years, is that correct? Mr. Griffin replied that it's \$11million of the \$29million that would be delayed for 10 years.

On the land, Mr. Griffin reported that work continues with King County Metro as we work to relocate the communications room and determine how we are going to share the site. Work continues on the lease agreement with the Washington State Department of Transportation (WSDOT) regarding the triangle parcel that is part of the I-5 right-of-way.

On the Sources & Uses, Mr. Griffin advised that the team is working to ensure that the difference in the timing for construction start (6 months later than previously approved) does not impact the construction numbers and that although an increase in cost is expected, that the construction numbers have not gotten away from us. The Sources & Uses document will be updated in November and brought to the Addition and Finance Committees for review.

On the co-development, Mr. Griffin advised there is nothing new to report at this time. We were fortunate to see that the markets have stayed strong. We are hoping again to be able to put those development opportunities out for a sale approximately three to six months after the start of construction.

Mr. Rosauer spoke on the quality of the project and advised that we were fortunate to hear from Mr. Reddington earlier today. What might not have been obvious from that discussion is that there are hundreds of people supporting the architectural and engineering development. Between the LMN team, the contractors, the sub-contractors, and the sub-consultants – it is a huge effort. We're at the 60% drawings milestone. Kudos to the team who are really focused on making sure we get a good set of documents, because ultimately it will pay big rewards when we get out in the field and actually get going. The next big step is the 90% drawings. We're working closely with LMN to establish a reasonable time period to publish those drawings, and estimate that this will happen early in 2018. Mr. Blosser requested to know when the Maximum Allowable Construction Costs (MACC) numbers will be put together? Is it at the 90% or past 90%? Mr. Rosauer advised that by law, we cannot enter into a MACC prior to having that 90% drawings; as a precaution so that the contractors don't get hung out to dry, or the public entity doesn't take too much risk. If we reach the 90% in the first part of the year, a phased MACC (sequential) may be undertaken to possibly occur over the next 4 to 6 months dependent on the start date and any other factors that are under consideration. After the 90%, the next goal would be 100% documents where we feel really comfortable that we've got it clearly quantified, possibly in June. Mr. Flowers requested to know if the target start date is still March 2018 (in 1<sup>st</sup> quarter 2018)? Mr. Rosauer advised that at present, we are targeting March 2018, and obviously we'll accommodate a slide if there is one. Ms. Brown-Archie wished to confirm that a decision had been made to not go out into the market and try to identify a co-developer or partner at this point until after the building is built. Mr. Griffin advised that no – once we have a confirmed start date and can be very specific for dates for the co-development, then shortly thereafter we will ask for proposals to purchase the co-development opportunities. We have the drawings for both the

office building and the residential project, both at about 90% construction documents. We would hope to close the transaction on that sale 3 to 6 months after the start of construction. It is necessary to be very specific for the timing for those two projects. Ms. Brown-Archie raised a question as it relates to the design and the challenges that we have had with our larger project, will the co-development partner be required to start from scratch in dealing with the Seattle Design Commission or has this been captured under our design approval process? Mr. Griffin advised that part of the value that we hope to bring to the co-development piece is that we've gone through all that process. The co-development drawings have been through the Design Review Board, the Seattle Design Commission, structural review, etc., which helps to alleviate those risks.

On Outreach, Mr. Rosauer advised that we were currently on track to set records in the Seattle area for the amount of monies placed towards outreach, both in our consultants and in our contractors. A Project Labor Agreement (PLA) is in place with the Trades and we're pleased with our relationship with the Trades. The PLA has a 15% apprentice goal, an 8% goal for women, and a 12% goal with minorities. All are large goals in themselves, but when you place it on this project in this market, it starts to become a very aggressive goal. He expressed that the team is still not satisfied with that and we are the first PLA to insert language to meet regularly and look to increase those goals as the project progresses, if we can. Mr. Rosauer noted that he was at a team event the other day and in his experience, believes this is one of the most diverse teams he'd ever been a part of in his career. He was quite pleased with the diversity in age, genders and ethnicity. The industry seems to be coming a long way and it is hoped that this project is setting an example for others to replicate.

Mr. Finneran requested PSG to provide an update on the co-development. Mr. Rosauer advised that LMN is involved in the design of all three components of the project. The components are intentionally complimentary, while intentionally different – they provide the appearance of a neighborhood and not just one gigantic project. The residential tower is approximately 290 ft., with approximately 400 units, intentionally fitting within a zone of the building code that maximizes the value of it. It is based off PSG's last residential project, VIA 6; smaller units with the intention of fitting in the middle of market rents and looking to drive community within the building as much as possible. On the office building, it's roughly 500,000 sq. ft., and is based off the bigger floor plate of the Russell Investment Center (formerly the WAMU Center), one of the earlier PSG projects. It will be 240 ft. tall. There is retail around the edges of all of components. Mr. Griffin commented that we've worked very hard on all the sidewalk street frontages to make sure that we're creating a great neighborhood; with plantings, canopies, retail uses, etc., in order to create a great neighborhood for both the city and also for the convention center and its customers. Part of the reason that the co-development is at 90% is because those buildings were easier to design and were not part of the public benefits negotiations. The team has been cut down to the bare minimum of what is required to go from here to the sale of those projects. Mr. Griffin spoke to the cost of building the project, with the convention center costing approximately \$1.6 billion to build; more with the community/public benefits. The cost for the two co-development pieces is close to \$300 - \$400 million for the development. Mr. Finneran pointed out that there is no low-cost housing within the apartment complex, but that our project will have market-rate housing. Both the City and the County wished to undertake the affordable housing on their own. Mr. Flowers asked if Pine Street Group will be selling the co-development rights or if a broker or someone else will be retained to do this? Mr. Griffin replied that Pine Street Group will handle the sale which will basically be done by auction. Mr. Tom Abbott at Colliers has been providing some advice on an hourly basis regarding assembling of documents. However, it is not a broker relationship. Mr. Finneran asked if Mr. Eseman could provide any visuals on the co-development pieces. Mr. Eseman will work with Ms. Starkweather to circulate to the Board.

C. Board Committee Structure / Responsibilities:

Mr. Finneran advised that the WSCC Board has conducted itself the same way for the better part of 30 + years, with the standing committees being set up over the years much as they are currently, with the exception of the Addition Committee. Mr. Finneran provided a brief rationale as to the how's and why's the WSCC (at that time WSCTC state agency) Board committee structure came to be and the reasoning the process of setting goals, evaluation of the goals, and the responsibilities of the Board members to be engaged in one or more committees is important to the success of the organization. However, as the Board has gone through this process of setting goals and evaluating the individual goals and the various Committees' work over the years, it has been brought to the Chairman's attention by Mr. McLaughlin, Chair of the Operating Goals Committee, that there is duplication of efforts being performed and perhaps it is time to reevaluate our process and productivity.

Mr. McLaughlin provided background for the Board members, advising this discussion was prompted as the Operating Goals Committee meets twice a year (mid-year and close to year end), to review operating goal progress and tracking at mid-year; again prior to year-end to ascertain the status of the goals as they track to year-end completion, and to set the goals for the next year for Board approval. As Mr. McLaughlin was preparing for the mid-year review, it struck him there are 12 goals and almost all of these goals fit within the structure of other Committees (Finance goal, Marketing goals, Art goal, Outreach goal, Addition goals, etc.) Mr. McLaughlin, upon reflection, came to realize the duplication of efforts being done as the Committees reviewed their specific goals and then the Operating Goals Committee reviewed them all again to report out. Mr. McLaughlin spoke with the Chairman and the President/CEO and suggested a review be conducted to realign the Board Committee's efforts to alleviate duplication and redundancy. The importance of developing goals each year and tracking the results is not being minimized. But those same goals that are developed every year in the other Committees can and ought to be reviewed very diligently by the respective Committees, thus eliminating the duplication of efforts by the Operating Goals Committee to review again and wrap up the process at the end of the year. There really is not purpose for the Operating Goals Committee if this process goes into effect. Mr. McLaughlin posed the question that perhaps this discussion may provide us an opportunity to review the committee structures to ensure alignment with the goals of the Board and WSCC operations are tracking, and if there are new Committees that should be formed to address some more important purposes of the organization.

Mr. Finneran reminded the Board that the Committees were formed being mindful of the major features and aspects of the WSCC enterprise, with committees being comprised of the Directors who could have a meaningful role in evaluation and working with the President/CEO in the establishment of procedures and mechanisms for conducting those parts of our business. Mr. Finneran directed the Board to the current Committee structure document which has 9 committees, including the Operating Goals Committees. With 9 Board members, this format provides a symmetrical method to assign responsibilities. There are specific committees that are integral to our operations, for example the Finance Committee and the Facility Committee. Mr. Finneran agreed with the current Operating Goals Committee's opinion to eliminate this particular committee due to redundancy, and sought discussion from the Board on the possible creation of a new committee. Discussion occurred regarding various components of the current committees that could possibly be moved to more applicable bodies, for example "public relations" should fall under the Marketing Committee; "Civility issues" and some of the "outreach" should fall under the Government Affairs Committee; a "Long-Range Planning Committee" could be established with goals for the current building, new facility, business model, Board succession planning, etc. There was consensus from the Board that the goals be pushed back to the individual Committees.

*For Discussion Purposes*

Mr. Finneran reminded the group of the Open Public Meeting rules regarding a quorum of the Board in attendance creating a public meeting; and that being one of the reasons the committees are structured with 3 directors plus the Chairman. At this time, only the Addition Committee is comprised of a quorum of the Board, making it a public meeting. Mr. Blosser advised that all of the existing Committees have had an opportunity to review & revise their specific Committee charges.

Mr. Finneran stated that he will take this discussion under advisement when appointing the Committees for 2018, which will be brought before the Board at the November meeting for approval.

- D. 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 4:38 p.m.



**WSCC PFD Board Strategic Planning Retreat  
October 30 – 31, 2017**

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Meeting Notes

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 30 – 31, 2017  
Sheraton Seattle Hotel, 1400 Sixth Avenue, Seattle, WA

**Tuesday, October 31, 2017, 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
J. Terry McLaughlin	Director, WSCC PFD Board of Directors
Craig Schafer	Director, WSCC PFD Board of Directors
Denise Moriguchi	Director, WSCC PFD Board of Directors
Jeffrey A. Blosser	President & CEO, WSCC PFD
Linda Willanger	Vice President – Administration / A.G.M, WSCC PFD
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Lorrie Starkweather	Assistant to the President, WSCC PFD
Michael Murphy	Project Coordinator, WSCC
Brian McFadin	Executive General Manager, ARAMARK
Keith Hedrick	General Manager, ARAMARK
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	Vice President, Convention Sales, Visit Seattle
Patrick Smyton	Sr. Director – Convention Strategy, Visit Seattle
Fred Eoff	Financial Analyst, Public Financial Management, Inc.
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Matt Griffin	Pine Street Group
Armeta Libby	Pine Street Group
Jane Lewis	Pine Street Group
Chris Eseman	LMN Architects
Jeff Eastman	President & CEO, Strategic Data Resources (by telephone)
Jon Scholes	President & CEO, Downtown Seattle Association

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.

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

Mr. Schafer advised that the Marketing Committee met to discuss goals and sales plan with Visit Seattle and the WSCC Sales teams for 2018. The final documents will be presented to the full Board in November and December for approval.

Visit Seattle 2017 Highlights

Mr. Norwalk, Mr. Hampton and Ms. Saling provided updates on the 2017 highlights for Visit Seattle, including a look at the reorganization of Visit Seattle; 2017 Convention Sales highlights; ASAE event in Toronto, ON; 2017 Public Relations and Public Affairs Highlights; 2017 Marketing Highlights; Sales Missions; Meetings & Conventions Advertising; Social Media Toolkit; a touchscreen device overview with a hands-on display in the room; 2017 Convention Sales Highlights; 2017 Convention Services Highlights; and a summary of 2017 WSCC Business. A review of the recent Event Innovation Forum (formerly known as the Customer Advisory Board) was also provided. Video highlights of campaigns from 2017 were presented.

Visit Seattle 2018 Metrics & Scope of Work and Goals:

Ms. Saling and Mr. Norwalk reported on 2018 draft metrics and Scope of Work for Visit Seattle. Ms. Saling spoke to the 2018 Sales Strategies and Challenges for the years 2018-2021 (In-house, prior to Additional Facility opening), 2018-2024 (Pre-Opening Selling of Both Facilities), and 2018-2024 (Post-Opening Selling of Both Facilities). A review of WSCC concessions 2011 through 2018 was provided. Discussion occurred regarding the new strategies being deployed by Visit Seattle, in cooperation with WSCC, and the anticipated increased results. Ms. Daniel spoke about the 2018 National Public Relations initiatives and Mr. Blandford commented on the 2018 Public Affairs & Community Relations initiatives.

WSCC Sales Goals & Strategies:

Mr. McQuade reported on the proposed Scope of Work for WSCC sales staff for fiscal year 2018, and looks forward to the continued efforts of the WSCC and Visit Seattle sales teams as we look forward to selling the two facilities.

WSCC Rate Schedule Revision Recommendation:

Mr. McQuade provided rate schedule history and an overview of the Convention Center 3 tier rate schedules: Convention Rate; a Local/Corporate Rate; a Commercial Rate; and provided recommendations for revising these rates. The recommendation has been reviewed by the Marketing Committee and will be brought before the full Board for approval by year-end.

WSCC License Agreement Revision Recommendation:

Mr. McQuade provided an overview of the background on WSCC's License Agreement for groups wishing to use the WSCC facility, and advised that the recommended revisions are designed to satisfy requirements, 1) that the License Agreement by which the convention facilities may be rented and operated be updated to reflect required changes; 2) That the Rules & Regulations by which the convention facilities may be rented and operated be updated to reflect corresponding changes; 3) That the License Agreement and Rules & Regulations be consistent with applicable laws. Mr. McQuade provided the Board with the history of the documents, advising the most recent update was approved in 2010 upon the WSCC changing to a Public Facilities District after review by legal counsel, minor modifications from the previous WSCTC version, and approval by the Board. There are two formats of the License Agreement used for events contracting the Convention Center, 1) a detailed License Agreement for national conventions, tradeshows, commercial events and consumer shows; 2) and a second, simpler License Agreement format used for the regional meetings, banquets and OneStop events. Mr. McQuade advised that after a thorough review of the documents by WSCC legal counsel, some clauses were identified as needing modification in both formats. Corresponding clauses in the Rules & Regulations, if any, will also be modified. These recommended modifications are for terms which WSCC frequently agrees to modify, with approval from WSCC's legal counsel, to satisfy client requests. The recommendation has been reviewed by the Marketing Committee and Mr. Hendricks and will be brought before the full Board for approval by year end.

WSCC Marketing Strategies:

Ms. Willanger reported on the WSCC Marketing and Communications Plan for fiscal year 2018, and looks forward to supporting the sales teams of WSCC and Visit Seattle, as well as Pine Street Group's 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:

The 5-year Strategic Blueprint for Sales & Marketing continues to be updated as necessary and encompasses the focus of most work for WSCC and Visit Seattle teams.

Branding and Naming Project Update:

Mr. Schafer advised that the Marketing Committee has met with WSCC's Branding & Naming consultant, Hornall Anderson, to discuss how to move this project forward with the approval by the Board to re-engage these efforts. The Committee reviewed options on how to proceed and gave the contractor direction on this effort. The Marketing Committee will provide a report to the full Board in January showing options and progress towards branding strategy, building names, and any logos.

Recognition of the WSCC by Northwest Meetings and Events Magazine:

Mr. McQuade announced to the Board that, for the 6<sup>th</sup> year in a row, WSCC was recognized by Northwest Meetings and Events Magazine readers as the "Best Convention/Conference Venue in Washington state". Copies of the article will be provided to the Board.

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

In Mr. Hillis's absence, Mr. McLaughlin reflected on the fact that we still have a Convention Center, and even though we're planning on building a \$1.6 billion building that will stun the planet, we still have a business to run in the existing building. Mr. McLaughlin stressed the

important function of the Board, by way of the Facility Committee, to keep our focus on what can be done to keep the facility popular enough, marketable enough, exciting enough that it continues to win awards like the recent “Best Convention/Conference Venue in Washington state” and continues to be one of the most successful convention centers in the country. As the Board may recall, a commitment was made some years ago to routinely budget on an annual basis something around \$4 million, that will be poured back into the current facility, and to maintain a 5-year capital plan that looks at key areas for improvement and take aspects of the facility that need to be upgraded or repositioned.

Review of Unrestricted Reserve Projects:

Mr. Blosser reported on the status of the 2017 Unrestricted Reserve Capital Projects, advising that there are basically three components to the capital expenses; lifecycle replacement, building enhancements, furniture/fixtures/equipment. Mr. Blosser provided a brief overview of these categories and an overview of the draft 2018 Capital Project List and 5-Year Capital Improvement Budget (2016 – 2020). Mr. Schafer asked if more monies would be allotted to the Capital Improvement Budget once the new facility has been completed, to maintain both facilities as it would require more than the \$4 million that has been allotted for the current facility because of the scope and size. Mr. Blosser replied that this will be reviewed, and that in most instances you get by for 2 years as most everything is still under warranty or normal lifecycle. It is felt that there won't be significant capital need for the new building for approximately 3 to 5 years. Mr. Finneran reminded the Board that the \$4 Million was an arbitrary number that was approved by the Board after some consideration. At some point in time the Board/staff will do the same exercise to establish a number and given that both buildings are of comparable size, it could possibly be \$4 million per building. This process will begin at approximately 24 months after the opening of the new facility.

First Floor (Level 1) Update:

Mr. Blosser presented an update on the Suite 110/114 design progress/concept photos and a summary of work in progress and to be continued in 2018.

Room 206 Sales Studio Update:

Mr. Blosser presented an update of the Room 206 Sales Studio project currently underway.

D. Mr. Jeff Eastman, President & CEO, Strategic Data Resources:

Mr. Eastman joined the meeting by teleconference and with Mr. Norwalk's assistance, provided a presentation on Seattle Demand, Competitive Set Comparison, and Future with New Hotel Inventory & New Facility Addition.

- E. A lunch break commenced at 12:00 p.m. A presentation was provided by Mr. Jon Scholes, President & CEO, Downtown Seattle Association. Mr. Scholes spoke to the topics of the MID work and expectations, City Park Management Program, DSA goals for the year, and provided an opportunity for Q&A.

F. Public Meeting Process Training (Mr. Matthew Hendricks, General Counsel):

Mr. Hendricks provided a training session on the Open Public Meetings, as required by the state of Washington and the Open Public Meetings Act (OPMA), 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, Deryl Brown-Archie, Robert Flowers, Susana Gonzalez-

Murillo, Craig Schafer, J. Terry McLaughlin, Nicole Grant, Denise Moriguchi. Key points of the training session included:

- History, intent, touchstone, scope of Open Public Meetings, and how it applies to the District.
- 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, and provided a review of:

- RCW 42.30.040 states that a member of the public shall not be required, as a condition of the meeting of a governing body, to register his or her name and other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.
- RCW 42.30.050, Interruptions – Procedure
- RCW 42.30.060 – Ordinances, Rules, Resolutions, Regulations, etc., states (1) No governing body of a public agency shall adopt any ordinance, resolution, rule, regulation, order, or directive, *except in a meeting open to the public* and then only at a meeting of which notice has been given according to the provisions of this chapter. Any action taken at meetings failing to comply with the provisions of this subsection *shall be null and void;* (2) No governing body of a public agency at any meeting required to be open to the public shall vote by secret ballot. Any vote taken in violation of this subsection shall be null and void, and shall be considered an “action” under this chapter.

Mr. Hendricks reviewed the rules regarding “Closing Meetings” and the required announcements. He spoke to the “unintentional public meeting”, for example – a reception, plane ride to a conference, “reply all” on an email. The Board members and meeting attendees were advised to contact Mr. Hendricks if questions concerning OPMA arise and pointed out that the Attorney General’s Office has appointed Assistant Attorney General for Open Government to provide information, technical assistance and training about the OPMA.

A component of the training included Open Public Records and the scope and magnitude of the Public Records Act (PRA) RCW 42.56. PRA applies to “any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.” This includes all electronic media, paper records, electronic records (computer files – past and present), voice mails, text messages, 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. The court shall impose statutory penalties to be awarded to the requestor; Up to \$100 a day PER document - \$5 minimum. The court can also order disclosure of all or part of a withheld record, or non-disclosure of part or all of a record.

With regards to Executive Sessions, Mr. Hendricks advised that earlier this year, the Attorney General responded to some questions regarding the confidentiality aspect of Executive Sessions. The AG's office wrote an opinion on this and Mr. Hendricks touched on some highlights. Basically, it's presumed that a discussion that is held in Executive Session is confidential; the question then went on to ask what happens if someone discloses information that was discussed in an Executive Session. The AG basically said that there could be a Code of Ethics for Municipal Officers violation under the Public Officials Section of the RCW's, and potentially that violation could result in a misdemeanor. Thus, disclosing information resulting from an Executive Session could be a criminal offense.

Mr. Hendricks to provide Mr. Hillis the training at a mutually scheduled opportunity.

G. Operating Goals Committee Report (Mr. J. Terry McLaughlin, Chair)

Mr. McLaughlin advised there would be one last report from the Operating Goals Committee at the January 2018 meeting. As discussed yesterday, the goals going forward will be integrated into the other various Committees: Finance, Marketing, Art, Outreach, Government Affairs, etc.

Review 2017 Operating Goal Performance:

Mr. Blosser reported that action taken on 2017 Operating Goals to date met or exceeded the benchmark that had been set for these goals. Goal #11, with regards to the naming and branding project, was put on hold earlier this year and a discussion was held in August with the Chairman's ad hoc taskforce. At the taskforce's recommendation, the project was moved from the Facility Committee to the Marketing Committee. The project work to proceed and be approved by the full Board no later than January 2018. Naming of the buildings and key spaces are required to prep marketing and sales tools/materials, as well as pricing and contract language. Pending Board approval, the staff and Visit Seattle would require at least two months to prepare for an active launch to sell and contract the new facility spaces. Finalization of the 2017 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 2018 Operating Goals:

A draft set of Operating Goals for 2018 was included in the Board packets for review. Mr. Blosser advised that, as was said during the discussion yesterday, the Operating Goals will be distributed to the specific Committees, with 2 specific Board goals, and specific staff goals. The two Board goals for 2018 are: 1) the Addition Project, with the Board to be focused primarily during this 2018 year on getting the final approval of street and alley vacations, necessary permits and finalization of bond funding needs for the project to move forward towards construction of the new facility in 2<sup>nd</sup> quarter of 2018; and 2) through its Outreach and Government Affairs Committees, identify issues that could affect the operations of the Center, discuss strategies and make recommendations to the Board to pursue actions that will assist to improve the downtown Seattle destination and the areas around the Center related to safety, homelessness encampments, housing and other civility-related areas. The Committee-related goals pertain to:

- Finance Committee: related to achieving the budget; recommendations regarding the selection of underwriters to the Addition Committee & then to the full Board for approval; financial audits.

- Facility Committee: approving the 2018 Capital Enhancement Plan, which includes updating the 5-year capital Projects plan and creation of a 20-year outlook for priority need projects with a goal of no deferred maintenance for the operations; finalizing the Level 1 Retail refurbishment plans within project schedule and on budget.
- Outreach Committee: support the Board committees with ongoing communication needs and implement message strategies to make sure the messages align and are accurate, timely and consistent across all the different areas of sales, marketing, outreach, Addition, PFD activities, art, and community to achieve and sustain a positive image for WSCC and to develop a community connection through the Committees objectives, Marketing, Art and Government Affairs Committees.
- Marketing Committee: Three goals, 1) Reviewing and overseeing actions needed to achieve desired outcomes related to Visit Seattle's scope of work including measurable sales goals and WSCC's facility revenue goals; 2) Review and oversee actions needed to achieve desired WSCC Sales and Marketing goals; and 3) Manage the activities of the re-naming and branding work with the contractor to create the new Convention Center Brand, potential new name, building names, new logo with appropriate roll-out process for all necessary marketing and promotion avenues to assure proper market, message, sell and engagement with customers and stakeholders of the new Convention Center product by the middle of 2018.
- Art Committee: Support the work of the WSCC Art Foundation in all their activities; communicate the WSCC Art Program features and exhibits to connect with stakeholders and new audiences; and support the Addition art program.
- Government Affairs: Work to achieve the desired support, outreach, messaging materials and lobbying efforts for creating a positive environment with state and local governments, like previous years. In 2018, the Committee will, as necessary, coordinate with Pine Street Group in local, state and county legislative efforts to achieve desired results for the success of the Addition Project.

The remaining Staff goal is more operational in focus to optimize business performance through the Employee Engagement Plan, to include updated standards, performance reviews, trainings which are equally important to the success of the Convention Center. Mr. Blosser advised the goals will be taken to the Committees for one last review and then proposed 2018 Operating Goals will be brought to the Board for approval at the regular board meeting in November.

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

Ms. Brown-Archie reported on the 2017 highlights and activities for the Government Affairs Committee. There were many Committee meetings to discuss strategies to support our needs primarily for financing the Addition. An effort was made during the Legislative Session to seek tax exemption, and the under-60 rooms legislation. In 2017 we expanded the lobbying team to include four (4) individuals (Ms. Becky Bogard, Mr. Cliff Webster, Mr. Tim Boyd, and Mr. Cody Arledge). We did not find the success we were hoping for during this session. The Committee convened to talk about the resources required for the 2018 Legislative Session. We determined that we were going to work with lobbyists, Ms. Bogard and Mr. Arledge. Mr. Joe Woods was working with WSCC earlier in the year, and he will continue to assist in efforts through Pine Street Group with local government entities. Testimonies were given at State committees, and at King County committees, and participated in a recent press conference with the City of Seattle. Ms. Brown-Archie wished to acknowledge the efforts of Mr. Schafer and Ms. Grant for their assistance. The Association of Washington State Public Facilities Districts were successful in their bid to have House Bill 12.01 passed in the legislature, and WSCC PFD supported AWSPFD on their efforts, and at the recent annual meeting of the AWSPFD meeting, Ms. Brown-Archie requested the association's support of our legislative efforts.

I. 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. The liability coverage policy turns over at the end of September, and the property coverage policy turns over at the end of November. Staff is reviewing information from WSCC's commercial broker, Alliant Insurance Services, Inc., and will provide the Finance Committee with their recommendation. Mr. Blosser reported that the Liability Coverage Policy has already been executed as it is in the President's authority to do so. Staff will bring the Property Insurance back to the full Board in November for approval.

State Auditor – Update:

Mr. Blosser advised that the State Auditors are currently performing an independent accountability audit of WSCC PFD in accordance with provisions of Chapter 43.09 RCW, for the period January 1, 2016 through December 31, 2016. Once complete, the State Auditors will schedule an Exit conference with members of the Board, possibly to be held in early 2018.

Proposed Operating Budget for Fiscal Year 2018:

In Mr. Firth's absence, Mr. Blosser presented the WSCC proposed Operating Budget for 2018. The Finance Committee has reviewed and discussed the draft budget and staff is in the process of finalizing the inhouse Marketing number. The Capital Projects numbers and Addition Project (Pine Street Group) numbers are also to be entered into the budget document and brought to the Finance Committee and the full Board in November.

J. Committee Highlights

Board Committee Chairs presented committee provided highlights of 2017 scope of work/goals.

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

Ms. Gonzalez-Murillo reported that the Outreach Committee had met twice during 2017 to review activities/progress on the goals set for the General Contractor (\$70 million). Outreach by the Clark-Lewis team has been very robust with attendance at meetings of the Korean American Chamber of Commerce, King County Hispanic Chamber of Commerce, Tabor 100 Gala, Coalition of Ethnic Chambers event, and the team will attend the WA Chapter of the National Association of Minority Contractors. Orientations have been conducted for 11 new small business trainings enrolled in the Clark-Lewis Partnership Program. There are currently 57 sub-contractors onboard with the project, or that have participated to date, representing minority, small business, veterans' business, disadvantaged and women-owned businesses. Participation to date is at 26.7%. Pine Street Group reported over 30 different outreach opportunities with local organizations, city officials, neighborhood groups, and the Community Coalition. Work continues on social media strategy, and a draft Board Policy, WSCC Procedures will be brought to the Board for approval by year end. The 3<sup>rd</sup> Quarter Outreach Report was published and provided to the Board in the October President's In-Between-Board-Meetings-Report.

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

Ms. Gonzalez-Murillo reported that the Art Committee has met 3 times to date and work is continuing:

- The Addition project work with PSG and the WSCC Art Advisors to support of the Addition art program and further the approval process with the Seattle Design Commission and others.



- Plans are in the works to honor Emeritus Board member, Ms. Phyllis Lamphere, at a December 14<sup>th</sup> luncheon to celebrate her and unveil the naming of the Level 2 Gallery as the Phyllis Lamphere Gallery.
- An opening reception for the art exhibition Walking the Neighborhood is scheduled for November 16<sup>th</sup>. The exhibition is on display on Level 2 and continues into March 2018.
- The WSCC Art Foundation have held a number of meetings in 2017, and are looking to schedule the next meeting soon.
- An Art Committee tour of the existing WSCC galleries is being scheduled by staff.

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 4 times in 2017 to review quarterly market and performance reports, cash flow reports, F1360 Fund Snapshot Scorecard, equity fund, bond fund, and retirement plan analytics. An educational meeting was held on October 24 and participants were able to learn more about the retirement plan.

K. 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 the Board members for feedback.

2018 Board Meeting Dates

A draft schedule of 2018 Board meeting dates was distributed to the Board for review. Board members will be asked to approve a meeting schedule for 2018 at the Regular November 28, 2017 Board meeting.

L. Adjournment

The meeting was adjourned at 2:45 p.m.