

**WSCC PFD Board Strategic Planning Retreat  
October 29-30, 2018**

---

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 29-30, 2018  
Sheraton Grand Seattle, 1400 Sixth Avenue, Seattle, WA 98101

---

**Monday, October 29, 2018, 1:30 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
Jerry Hillis	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
Chip Firth	Chief Financial Officer, 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
Shannon Leahy	Director of Security & Public Safety
Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Michael Murphy	Project Coordinator, WSCC PFD
Clare Canzoneri	Communications Specialist, WSCC PFD
Matthew Hendricks	General Counsel to WSCC, Hendricks & Bennett, PLLC
David Dolquist	Executive General Manager, ARAMARK
Keith Hedrick	General Manager, ARAMARK
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Fred Eoff	Financial Consultant, Public Financial Management, LLC
Tom Norwalk	President & CEO, 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
Holly Craven	Hornall Anderson
Chris Eseman	LMN Architects
Mark Reddington	LMN Architects
Matt Griffin	Pine Street Group
Matt Rosauer	Pine Street Group
Jane Lewis	Pine Street Group

---

---

Arneta Libby	Pine Street Group
Jason Foley	Pine Street Group
Brenda Baxter	Pine Street Group
Kyle Acheson	Pine Street Group
Margery Aronson	WSCC Addition Art Advisor
Cathy McClure	WSCC Addition Collaborating Artist
Cath Brunner	4Culture
Nathan Steele	PSAV, Sheraton Grand Seattle

---

A. Chairman’s Welcome

Board Chairman Frank 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. Mr. Finneran advised that there would be no public commentary nor Board actions taken at the Retreat meeting. Any decisions to be made would be moved to the November 27, 2018 Regular meeting of the WSCC PFD Board.

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

Retreat attendees introduced themselves and noted their relationship to WSCC.

B. Naming / Branding Discussion

Mr. Schafer, Chair of the Marketing Committee, introduced Ms. Craven from Hornall Anderson to discuss the new logo and lock-ups as well as the name change option for The Conference Center. Ms. Craven provided an overview of the presentation provided to the Marketing Committee and walked the Board through the options being recommended with respect to lettering, coloring, shapes, etc. Question arose regarding the colors and the acronym letters (SCC) being used by other organizations – how will we be recognized or distinguished from the other groups/organizations? Discussion followed regarding the assignment of the logo coloring, how it may be used in wayfinding between the buildings, staff apparel, branded items, and marketing. Mr. Blosser advised that we have secured the domain name of SeattleConventionCenter.com. Mr. Blosser stated that it is being recommended that we use “Seattle Convention Center (Building Name) at (Street Address)”, for example the main campus would be “Seattle Convention Center – Arch Building – at 705 Pike Street”; TCC would become “Seattle Convention Center – Arch Building – at 800 Pike Street”; and the new building, “Seattle Convention Center – Summit Building – has not been confirmed as yet, but perhaps 900 Pine Street. Mr. Blosser advised there are many different elements required as part of the process of changing to the new logos and he is working to coordinate next steps. We are looking at rolling to finalize lock ups by end of 2018, with a goal for the changes to be implemented by the middle of 2019. Funds are in the capital budget for 2019 for the signage, stationary, uniforms, and we can initiate some of these items once a style guide is in place.

Mr. Schafer stated that he appreciates all the work that has gone into this project to date, and the next important piece is the wayfinding process as the customer needs to be able to determine in a relatively quick time frame that they are not lost, they are in the right place, or on the way to the right meeting room. Use of wayfinding APPs was discussed. Mr. Flowers asked, as a point of wayfinding, if consideration was being given to ways of getting clients between the sites. Mr. Blosser advised there are currently no direct connection points between buildings except for the main campus via level 4. Further discussion occurred regarding pedestrian traffic between the

facilities, in particular along 9<sup>th</sup> Avenue, and if there were future possibilities of closing off 9<sup>th</sup> Avenue for special events. A question arose with brief discussion regarding a piece of property owned by Sound Transit that is in close proximity 9<sup>th</sup> Avenue and the Paramount Theatre.

Mr. Blosser advised that the adjustments to the naming/logos, in particular the outdoor signage, will be funded in the 2019 budget. Ms. Moriguchi asked if there was a communication plan to be put in place for stakeholders and Mr. Blosser stated that there will be a Communications Plan to coincide with the rebranding of the Center.

Questions arose regarding the name change and whether the name of the Board would also change. It was noted that, from a legal perspective, the name of the entity is the Washington State Convention Center Public Facilities District, and we 'do business as' (DBA) "WSCC" and will go forward (DBA) as Seattle Convention Center. The Board will remain the Board of Directors of the Public Facilities District.

C. Addition Overview

- Addition Update

Chairman Finneran asked Pine Street Group to provide a progress report on the Addition Project. Mr. Griffin and Mr. Rosauer provided an update on the Addition project. Mr. Griffin advised that closing occurs during November / December on the purchase of development rights from the Seattle Arts Museum and on the purchase of development rights from Plymouth Housing. These development rights pertain to the office building portion of the co-development project. On Schedule, Mr. Griffin advised that notice to proceed was given to the contractor in July. Since that time, we have run into utilities and shoring issues which put the project behind schedule by several months. Mr. Griffin stated that Pine Street Group should know in the next 3 months if they can get back to the 36-month schedule. Mr. Rosauer reported that they are working to finalize the MACC (Maximum Allowable Construction Cost) with Clark-Lewis and are about 90% complete. The remaining 5-10% (100%) relates to the interior drywall and the concrete pieces and the pricing may not be able to be done by end of December. LMN has published new drywall packages and is in market to be bid by more contractors. Mr. Rosauer advised for Quality, they anticipate coming back to the Board in Q1 of 2019 with an update on finishes and refinement. On Outreach, Mr. Rosauer stated that he is optimistic that they will meet the \$80 Million WMBE goal. Mr. Rosauer advised that we have priority zip-code hiring incorporated into the Project Labor Agreement and are pursuing the apprenticeship and WMBE goals. At the present time, the labor hours are not significant so our percentages are not growing as fast. Outreach is being done within the Seattle public schools to spark interest in the trades. Mr. Griffin advised that other than finishing the MACC with Clark-Lewis and finalizing the WSDOT lease, the contracts are in good shape. Ms. Libby is working on the sale of the co-developments with the first offers expected by November 22<sup>nd</sup>. Mr. Griffin commented that during the process we had to agree to public benefit funding to the City of Seattle and other agencies, \$38 Million and it is anticipated that the Convention Center will receive lots of PR (credit) for this. Ms. Brown-Archie participated at a City of Seattle press conference on October 26 as the community celebrated the largest installment of public benefits to the City as part of the Convention Center's Addition project. (\$38 Million of a \$93 Million package from the Convention Center – with \$30 Million going towards affordable housing).

- Presentation by LMN Architects

Mr. Reddington provided an update on the Addition project and advised that they are creating a dramatic and distinctive interior lighting experience, recognizing the quality of Seattle daylight and amping it up inside the building. Mr. Reddington spoke to the various areas of the new facility – their distinctive design features and the space functionality, for example the wood

finishes, special lighting including a chandelier fashioned after a Frank Lloyd Wright wood chandelier, skylights, various ceiling finishes including one made of worm wood. Mr. Reddington advised that the Garden Terrace is designed to be as wide as the Paramount Theatre and  $\frac{3}{4}$  of a city block on 9<sup>th</sup> Avenue and will have 2 entrances to the Terrace. Mr. Reddington noted that as part of the Public Benefits Packages, WSCC provides illumination to the tops of the Paramount and Camlin buildings and this lighting will be a great backdrop for inside the facility. Ms. Grant noted that this is a conversation that we should share with the public openly, regarding our goals for the Summit building and to share the details about the art and ‘green’ building and the community involvement and the biggest chandelier in the world – people love to know the ‘how it’s made stories’ and it is a great communications opportunity for the Addition and WSCC to tell of its architecture and of its fabrication in partnership with other groups, for example, the communications departments of the City of Seattle, King County and others.

- Discussion of Addition Art:

Ms. Gonzalez-Murillo introduced Ms. Lewis and Ms. Brunner (Cath Brunner Consulting, also with a relationship with 4Culture). Ms. Lewis provided an overview of the WSCC Addition Art Program with the vision, goals, roles and responsibilities, art advisors, and the public benefit artwork. Ms. Lewis spoke to a category called “iconic artwork”. Iconic Signature Artwork is a Board-driven initiative fostering collaboration between the WSCC Board Art and WSCC Board Marketing Committees. All of the artworks come to this Board for final approval. The WSCC Board Art Committee has been engaged in this work for most of the year. The Committee is participating in Addition Art Advisor meetings and selection panels. WSCC staff have also been very involved for a very long time now, participating in all of the meetings and helping to guide the process. We are working with our art consultants; Cath Brunner, Margery Aronson and Cathy McClure; and the art advisors, curators and artists to bring energy and experience to the process being put in place. Ms. Brunner spoke to the Public Benefit Art and the 3 locations: Boren Avenue, Olive Way and 9<sup>th</sup> Avenue & Pike Street. A presentation of the public benefit art sites and building renderings was provided, along with an overview of the call for artists and selection process for the artists. Ms. Brunner spoke about the flex hall wrap that wraps around the building and showed a virtual 3D clip of the renderings. Ms. Brunner advised that all of the artists have been selected through panel processes that include Board members, art advisors and community representatives, so that has been a really great opportunity to talk about what kind of artists and art can fulfill all those aspirations and expectations. Ms. Brunner advised the Art Advisors are looking at the interior of the building as well as the exterior. Ms. Aronson & Ms. McClure have done very detailed analyses of the interior spaces and been working diligently to identify the best locations for art experiences on all levels throughout the building with an emphasis on public visibility and accessibility. There will be 2D and 3D artwork, both commissioned and probably purchased studio work. Ms. Brunner stated the Art Advisors are looking at the potential of engagement work such as sound pieces or utilizing the media infrastructure that will be already in place to showcase animation, film and video by local artists, and are also exploring an artist-in-residence program. These ideas are still in development and have yet to be approved or moved forward, but they are in development. Ms. Brunner spoke to the description of “iconic signature artwork” and the ‘wow’ factor and how to capture the public’s imagination and define an iconic moment of the Addition.

Mr. Flowers raised a question about the artist selection process and the approval of the work? Ms. Brunner provided the process details and that once the art advisors and Board members have made their recommendations, it can then be taken by the Board Art Committee to the full WSCC Board for approval. Mr. Flowers asked if there will be prominent nationally or

*For Discussion Purposes*

internationally known artists or how are those decisions being made? Ms. Brunner advised that each of the opportunities begin by writing a 'job description' for the art opportunity. Some art is local, some is national. The flex hall wrap is going to an international invitation and we hope to attract some of the leading artists of the day for that opportunity. It really depends on the size of the budget, the scope of the project and what we are hoping to ultimately achieve with the artwork. But there will be local, regional, national and international artists involved. Ms. Lewis stated that regardless of where the artists are from, the intention is that their art is reflective of the northwest. Mr. Hillis asked about ongoing opportunities for art at the Convention Center down the road. Ms. Brunner said they are assuming that we will continue with your exhibition program and there will be exhibition cases for that. Ms. Gonzalez-Murillo advised that carrying on Ms. Lamphere's dream for art at the Convention Center is an important role and legacy for the WSCC Art Foundation as well as for the Center itself. Mr. Finneran stated that the existing WSCC Art Program including the Rotating Art will continue at the Arch Building and be incorporated into the Summit Building as we have done for the past 30 years. Ms. Gonzalez-Murillo requested Ms. Aronson & Ms. McClure to be mindful of the placement of art as it relates to the maintenance/operations needs of the building. Ms. Brunner thanked the Board for their commitment to this process.

- 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. Day 1 of the meeting concluded at 4:21 p.m.

**WSCC PFD Board Strategic Planning Retreat  
October 29-30, 2018**

---

Washington State Convention Center Public Facilities District  
Board of Directors Strategic Planning Retreat  
October 29-30, 2018  
Sheraton Grand Seattle, 1400 Sixth Avenue, Seattle, WA 98101

---

**Tuesday, October 30, 2018, 8:00 a.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
Jerry Hillis	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
Chip Firth	Chief Financial Officer, 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
Shannon Leahy	Director of Security & Public Safety
Daniel Johnson	Administrative Services Manager, WSCC PFD
Lorrie Starkweather	Assistant to the President, WSCC PFD
Michael Murphy	Project Coordinator, WSCC PFD
Clare Canzoneri	Communications Specialist, WSCC PFD
Matthew Hendricks	General Counsel to WSCC, Hendricks - Bennett, PLLC
David Dolquist	Executive General Manager, ARAMARK
Keith Hedrick	General Manager, ARAMARK
Rebecca Bogard	Government Affairs Consultant, Bogard & Johnson LLC
Fred Eoff	Financial Consultant, Public Financial Management, LLC
Tom Norwalk	President & CEO, 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
David Newman	Creative Director, Visit Seattle
Katy Willis	Director - Convention Services, Visit Seattle
Mellie Lutz	Director – Marketing, Visit Seattle
Britt Ferrell	Principal, PB& ( <i>Advertising agency for Visit Seattle</i> )
Kaulani (Ui) Robinson	Director – Public Relations, Visit Seattle
Matt Griffin	Pine Street Group

---

---

Matt Rosauer	Pine Street Group
Jane Lewis	Pine Street Group
Arnetta Libby	Pine Street Group
Marshall Foster	Director, Office of the Waterfront, City of Seattle
Joshua Curtis	Manager – Partnerships, Office of the Waterfront, City of Seattle
Mary Bacarella	Executive Director, Pike Place Market
Margery Aronson	WSCC Addition Art Advisor
Nathan Steele	PSAV, Sheraton Grand Seattle

---

A. Chairman’s Welcome

Board Chairman Frank 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.

- Review Mission and Vision

The WSCC Mission Statement, the Board of Directors Values, the staff service vision from the Quality Service (QSP), and the staff service promise were taken under review by the Board of Directors during this meeting. Mr. Finneran stated that the WSCC service vision and service promise have served us well over the past 30 years and the staff works hard and goes the extra mile to ensure they hit the mark with the service vision and service promise to meet the high expectations they have been tasked with. The Chairman asked the Board if there were any suggestions for updates to the Board mission/vision statements. Ms. Brown-Archie suggested, and the other Board members concurred, that with the focus on safety being more prevalent now more than has been in past years in the world around us, it would benefit the Board to have a “safety” statement added that “WSCC provides a safe place to meet” or something to that effect. Discussion occurred with the wording to reflect an all-encompassing “safety”-- not just event-specific and that the President was to make the decision as to where to add the appropriate wording in the vision statement and bring back to the Board at the November meeting.

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

- Visit Seattle 2018 Highlights

Mr. Norwalk and Ms. Saling provided updates on the 2018 highlights for Visit Seattle, including a look at 2018 Public Affairs and Public Relations highlights, 2018 Event Innovation Forum highlights, 2018 Convention Sales highlights.

Mr. McLaughlin asked how Seattle compares with our competitors on the issue of homelessness and the challenges of booking events? Mr. Norwalk does not feel that Seattle is unique in this respect although things have ramped up somewhat from where they were 5 to 6 years ago. Mr. Norwalk used San Francisco as an example where a major group made national headlines by pulling out due to the issues and situation in the San Francisco area. It’s a surprise at times for people who connect Seattle with the ‘creative/innovative hub of America, in many respects’ to see what’s happening on the streets with the tents, civility, drug use, alleyways, and other issues. Mr. Norwalk stated he does not believe we are alone in this situation and as a group have been more vocal in the last 10 years about our concerns with city leadership. When working with clients, we try to be transparent and be up-front with the planners as they come in for site inspections, not trying to frighten them but bringing them an awareness.

Ms. Ferrell provided a brief update on some marketing/creative strategies and showed samples of the “It’s How Seattle Meets” campaign which is being done post-groundbreaking for the WSCC Summit and is a story that can ignite conversation from groundbreaking to grand opening and keeps WSCC and Seattle at the forefront of meeting planners conversations. She spoke to how the Summit

story can be broken down from 'urban' and 'unreal' to 'thoughtful' and 'thriving', 'beautiful & brilliant' to 'spacious and spectacular'. Each of the executions is designed to highlight specific pieces of Summit's story and how it juxtaposes with what you might think traditional meeting space with what Seattle brings to the story, whether that be a blend of urban & nature or art & big meeting space. Each of those should help build demand for not only the destination but for the building itself. Ms. Gonzalez-Murillo, in speaking with leaders from diverse backgrounds, has discovered they don't view Seattle as inclusive, but just the opposite. Ms. Gonzalez-Murillo requested to know with the PCMA group, what percentage of the meeting planners are of diverse backgrounds? Mr. Norwalk advised that he did not have the number or demographic profile of the planners but can get that information to provide to the Board. Mr. Norwalk advised this was a good point because it is also why Visit Seattle elected to jump in with PCMA as the sole city sponsor of a new program created last year called "ASSENT" which is a program designed to foster and grow diversity and inclusion within the industry. There are discussions and panels being done through all of the PCMA programming throughout the year and it's being taken seriously by the industry. Visit Seattle thought this would be a great way to open up that dialogue and try to help lead this program. Ms. Saling added that the huge upside of the first activation that was done in June 2018 was the focus of what inclusion might mean beyond some of the core tenants that we as an industry need to improve on, like race, gender and age. Seattle capitalized on the Special Olympics being held here and the inclusive spirit of Seattle embracing that community. Ms. Saling feels Seattle does excel in some areas and has lots of work to do in other areas. Ms. Brown-Archie stated that while this was a beautiful presentation and was 'catchy', it didn't show a necessary type of balance of inclusion. Ms. Brown-Archie acknowledged the good work Visit Seattle has been doing over the years with internships and other forms of inclusivity and felt that some of these visual displays that are being produced are not necessarily carrying through the commitment that she knows them to have.

Mr. Smyton and Ms. Saling provided a destination overview and spoke to the influx of new hotel properties either under construction or just opening in the area. Ms. Moriguchi says that it appears that the occupancy drivers appear to be down, and Mr. Smyton advised that they are not catching up to the supply. Mr. Schafer advised that the market will most likely see this trend for the next 3 to 4 years.

- Visit Seattle 2019 Metrics & Scope of Work and Goals

Mr. Norwalk and Ms. Saling reported on 2019 draft metrics and Scope of Work for Visit Seattle. Ms. Saling spoke to the 2019 Sales Strategies going forward as the team continues to add business on the books and will start booking business in both buildings. Mr. Flowers asked a question on the rebates that are forecasted for 2019 and if these monies come out of the Marketing Budget. Ms. Saling advised that the rebates are paid by the hotels and are either requested by the clients or are a suggestion from the Visit Seattle team. Clients are using this model more and more as a method to offset costs in one way or another, for example, transportation costs, convention center costs, food & beverage costs, entertainment costs, etc. Mr. Blosser advised that if you look at the WSCC budget for 2019, we are looking at \$1.2-\$1.3 million in Food & Beverage rental rate discounts and there is the issue here about acquisition costs, and having the ability to lower the cost for a group is becoming bigger. Mr. Blosser feels that is going to continue to be an issue as we go forward and what mechanisms are at our disposal to be able to help that. We don't really have too much other than concessions through Visit Seattle's budget and WSCC dropping rental rates and combination of food & beverage/rental rates, so probably something that we're going to need to take a look at going forward and trying to figure out what's the best avenue for both teams to be able to sell. Mr. Flowers asked if the Food & Beverage concessions hit the Visit Seattle budget and Mr. Blosser said no, they hit the WSCC budget.

- WSCC 2019 Sales Goals and WSCC 2019 Marketing Strategies

Mr. McQuade reported on the proposed Scope of Work for WSCC Sales staff for fiscal year 2019 and looks forward to the continued efforts of the WSCC and Visit Seattle sales teams. Mr. McQuade stated that 2018 was the first year for WSCC to have three dedicated National Sales Managers working alongside the Visit Seattle Account Directors.

Ms. Willanger reported on the WSCC Marketing and Communications Plan for fiscal year 2019, and provided an overview of the goals for the coming year with the Rebrand Project; Websites (WSCC website as well as presence on external sites such as Addition website, WSCC section of Visit Seattle website, and the AWSPFD website to assure continuity of branding, messaging, etc.); Social Media; Sales Studio, which will be known as “The Studio”, opening early November; Food & Beverage; WSCC Public-Facing Collateral; Creation of 2018 Annual Report; Assist in internal/external Outreach Activities; Client Communication & Events; Periodic Messaging / PR / Media Relations; Addition Project for Summit (continue to support the needs of Pine Street Group as the construction project progresses, to maintain regular contact for gathering information relevant for messaging for outreach, art, construction milestones/trivia, progress updates for community & client updates about the construction schedule pace with our sales teams, and to respond to public relations or public affairs issues as needed throughout the year); and Managing Internal Transition (supporting the President/CEO to strategically develop and manage internal organizational communications to enable a successful multi-year path of organizational growth from 2019 to the opening of the Summit building.)

- Addition Marketing and Sales 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.

Mr. Schafer advised that the Marketing Committee had also reviewed the 2019 draft Committee Operating Goals and are in agreement with the goals to be presented by Mr. Blosser later today. Mr. Schafer also stated that WSCC & Visit Seattle sales teams have been working well together the past two years and the Board appreciate it. Mr. Finneran extended kudos to Mr. Blosser and Mr. Norwalk on the cooperative effort from their teams.

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

- 2018 Unrestricted Reserve Projects

Mr. Blosser advised that due to the major change in staffing in Q1 of 2018, the 2018 Capital Projects progress got off to a slower start. He reported that:

- The RFP is out for the Freeway Park Garage Elevator, and that work will be moved to 2019;
- The Freeway Lighting – some design work was done during 2018 but the actual work to be done by WSDOT will not take place, according to WSDOT, until 2019, so this will be moved to the 2019 Projects;
- Exterior signage replacement which was to be done in 2018 and was waiting on the Naming Project; this has been moved to the 2019 Projects;
- Of the three 2017 Carry-Forward items, two will be Carry-Forward from 2018. The Sales Studio will be completed this year. Level 1 Retail Conversion and Level 1 Retail Refurbishment – (the Moby’s and the old Hair Salon spaces), each have their own separate budget items. We have been working to get the City permits for the past 3 months. This is a difficult, slow process due to the change from Retail use to a different use.
- Hired a Project Management person to assist with the 20-Year Plan.

Mr. Blosser advised that we are on track with the 2018 Projects. A lot of the ongoing projects will be completed during the last 2 weeks of December when there is no event activity in the building.

Mr. Blosser stated that funds that are not expended in 2018 will be moved forward into a fund balance for the following year and for projects going forward, so we do not lose the funding. From a staffing standpoint, there is a lot of work going on: the Project Management person has been very good; the Director of Operations and Plant Services Manager have been very helpful in going forward and making all these things happen, but they are also busy performing their regular duties/responsibilities within the facilities. Mr. Blosser advised he is looking at the possibility of hiring a contractor or project manager to assist with these processes and is reviewing the options so that staff is not having to undertake these tasks solely on their own, for example the renovation of Moby's or the hair salon space, so that a general contractor could be engaged to undertake that work. The conversion of the retail kiosk spaces on Pike Street is underway.

- 2019 Capital Program

Mr. Blosser provided an overview of the 2019 Capital Program including, among other items, the Project Management being proposed, Freeway Park Elevator, WSDOT Freeway Lighting Work, Part 1 of Siemens BAC Network Upgrade, Retrofitting of Freeway Park Garage Lighting and the Replacement of Parking Equipment. Mr. Blosser advised that the bids went out for both the Arch and Summit garages simultaneously and responses to the bids are due in November. Mr. Blosser discussed bringing on a consultant for wayfinding between the two buildings. This is an item that has come up a number of times. 2019 is a good time to get started with this project and to bring someone onboard to assist us as we look at the wayfinding strategies around 8<sup>th</sup> Avenue / 9<sup>th</sup> Avenue, assist with Pine Street Group and their signage consultant on the Addition Project to integrate those things to see what makes sense. This work to be done in conjunction with the Facility Committee and Addition Committee.

Mr. Blosser spoke to the Scope of Work for Current Building Renovations document (contained in the packets). Question that the Board needs to think about is: Do we want to be in a financial position for what the Arch building's needs are now or in the future – then attach a cost and prioritize how/when that work is undertaken and where the monies come from. Mr. Blosser advised we have budgeted \$2 - \$2.5 Million for the next two years to put this whole process together through to design and architectural drawings. Mr. Blosser advises at this time, this is more of a discussion of what the Board would like staff to do, in moving us forward as we start to put that together. There are monies in the budget for those years to do it, and these are shown in the 5-Year Plan. The request for 2019 Appropriation is a little over \$6.5 Million going into 2019.

In the 5-Year Plan, Mr. Finneran advised a major hurdle to the available funds is the Addition Project MACC, that is the total cost of the Project, and right now we are yet to finalize 10% of the cost of construction, and we're also concerned about some of the as yet undetermined items going over-budget by a significant amount, for example the drywall and concrete and between those two items there is approximately \$60 Million worth of risk. Mr. Hillis stated the original plan allocated \$100 Million from the Summit building funding to the refurbishment of the Arch building. The MACC being significantly over-budget is causing some uncertainty. Mr. Blosser advised that this request would get us into Design and allow the project to move forward immediately. If we wait for the funding in 2021, we are still going to have to spend 2 – 2.5 years on the Design and Architectural issues. Beginning now allows for some of the work in advance, then if the funding is available and the Board decides to move forward with the refurbishments, the majority of the design documents and architectural drawings would be ready and then we could go to construction drawings. Mr. Finneran asked if Mr. Griffin would like to add anything to the discussion, and he advised that Pine Street Group hoped to have answers by Q1 2019 to allow the Board and WSCC to have more certainty around the budget numbers and less risk involved.

Mr. Hillis stated there are things that are going to have priorities that the Board will review and decide whether or not we want to go ahead with those. Mr. Finneran said it would be useful if the Board began to think about what the Reserve for the combined campus buildings should be, commencing after the Summit is finished and opens, and factoring in a grace period (as there will be warranties, etc. associated with contractors and items for periods of 12 to 36 months). Mr. Blosser agreed as for the new building, it's year 3 when lifecycle / deferred maintenance begins and we would have to do the same planning for renovations to the existing building. Further discussion occurred as to downtime that will occur during any renovation, the marketing involved, potential revenue loss.

Ms. Moriguchi asked about WSCC's retail leasing philosophy for the facility. Mr. Hillis advised that it's an unknown brand and that the Facility Committee had looked at one time to update the retail spaces in the Arch building on Level 1, but that has been put on hold. Mr. Blosser as renewal leases come through for the existing retail spaces, we've been putting "out clauses" in all of them so that if the Board does make the decision to renovate, that we have the ability to cancel those leases and do something else – either move those tenants or cancel the leases. Mr. Blosser stated that our available retail space is currently full, however the Level 1 retail core needs to be reconfigured and needs to have a better presence from the street and better operational situation for ease of accessibility from outside or from event space inside, and we are looking to get some design elements that make some sense for this concept. Mr. Hillis stated that one of the issues that we will have to deal with is the FedEx facility, as that is one of the key issues as to what we would like to do on Level 1, and we have not been able to resolve that but staff is working on it. Ms. Grant advised that the Port of Seattle has done a good job on retail at SeaTac in terms of getting iconic NW brands (Beechers, Uwajimaya pop-ups, etc.) and have good job on their leasing strategy in general and it's very comprehensive. Ms. Grant would consider this a "Best Practice" scenario. Mr. Blosser said that was a good point and once WSCC determines the basis for where we are headed, it would be good to talk with the Port. Ms. Gonzalez-Murillo pointed out the newly renovated One Union/Two Union building lobbies and the beautiful, friendly, inviting space that has become. Mr. Blosser advised that is part of the process we need to undertake to create an atmosphere so that people walking through the building want to hang out – we're taking a hard look at lighting, warmth, flooring, the 'look & feel' – all the way up to the 4<sup>th</sup> floor, and stated that the Convention Center and One Union/Two Union will never be the same buildings, but we can make the Center a more inviting place to be. Ms. Brown-Archie asked if input from focus groups / Customer Advisory Panel has been taken into consideration? Mr. Blosser replied that we have asked that before in terms of the types of spaces and that is one of the reasons we are reworking the spaces on Level 1, for example the Moby's space, the hair salon, etc. being transformed into more space that can be used by clients.

Mr. Blosser will be bringing the 2019 Capital Projects to the Board for approval at the November meeting, and if we get started with this then we would put the Scope of Work together, hire a contractor to do this work, start the process of reviewing all the elements and the design, and then roll into construction drawings and other things if the Board wished to do that. This would be Phase 1 to get this started; as well as the Wayfinding piece. So those are the two brand-new elements that you haven't seen in the past that wanted to make sure you reviewed.

Mr. Blosser commented on the draft Arch Revitalization Plan document in the Board packets and advised that a proposed scope of work has been put together outlining the process to be undertaken. The Facility Committee will review this document and bring back in November.

D. Mr. Marshall Foster, Waterfront Design Manager, City of Seattle

Mr. Foster, in company with Mr. Curtis, presented an update on the Seattle Waterfront Project and vision, the Pike/Pine Improvements, the Waterfront LID process, and a brief discussion on safety of the project. An opportunity for Q&A was provided.

E. A lunch break commenced at 12:00 p.m. A presentation was provided by Ms. Mary Baccarella, Executive Director, Pike Place Market. Ms. Baccarella spoke to the topics of the Pike Place Market Services (Housing Component & Food Bank) and Operations, Expansion of the Market, Future Projects / Works, and provided an opportunity for Q&A.

F. Government Affairs Committee (Mr. Deryl Brown-Archie, Chair)

Ms. Brown-Archie advised the Government Affairs Committee met on October 17 and reviewed the lobbyist report and what to expect for the election results for 2019. The Committee discussed reviewing a repeal of I-200 and would like to see a monitoring of the hotel tax dollar usage resulting from the change in legislation last year to understand where the monies are spent or a report to the Board showing how the monies are/were being dispersed. The 2018 Goal progress was reviewed along with the draft Committee goals for 2019. The Committee has made changes for 2019 in its goals pertaining to the Waterfront Local Improvement District assessment actions and will look to be the lead on any potential City of Seattle land use requests with respect to the security/safety needs for the Center and events if clients require different entry methods than are currently being used. Ms. Brown-Archie advised that the Committee is in agreement with the 2019 Operating Goals for the Government Affairs Committee.

G. Long-Range Planning Committee (Mr. Terry McLaughlin, Chair)

Mr. McLaughlin advised that the Long-Range Planning Committee has completed its first year of operation following formation in December 2017 as part of the 2018 Board Committee structure. Mr. McLaughlin stated that part of their initial goal/focus was to determine a definition of “long—range planning” as it pertains to the Board and the Convention Center and what that role looked like. A decision was made to look at a 3 – 6 year period, and the Committee identified that their role will be to try to focus in, on a macro-level, on major issues that we did not want to lose sight/focus or where the Committee wanted to see added emphasis added to. There are 4 specific Committee goals which overlap into some of the other Committees, but where the other Committees are focused more on the operational details, the Long-Range Planning Committee will be looking at the goal on a larger level.

Mr. McLaughlin provided an overview of the four 2018 Long-Range Planning Committee goals:

- Board and Senior Management Strategic Development Planning:
  - Board Strategic Development Planning: All 5 Board members whose terms expired in 2018 were reappointed for a subsequent 4-year term (July 31, 2018 to July 30, 2022). The next round of renewals will be in 2020 when 4 Board members terms expire/are up for renewal.
  - WSSC Management Succession Development Plan from the President/CEO: The President provided the Committee with his updated development plan which included addressing future planned staff departures, growing new management talent, operational issues and facility management current needs and in preparation for the opening of the Summit building. Mr. McLaughlin advised there are a number of issues going on related to expansion and our ongoing business needs, as it pertains to staffing requirements, issues of security, span of control, etc., and with the 5-Year Plan as was reported by the Facility Committee, it raises the question of will we have the necessary resources to accomplish the ongoing maintenance and improvements that are goals for the organization. Mr. McLaughlin calculated that we appropriate roughly \$4 Million per year but are running a

fund balance up to approximately \$6-7 Million currently, and then looking 4 -5 years out that fund should grow to \$9 Million. That doesn't appear to be going in the right direction. It's one thing to have the money and it's another thing to get the work done.

Mr. McLaughlin stated that these are some of the organizational issues that the President is working on, and in the Board and Staff Development goal is that the Committee is looking at and raising questions about.

- Expansion and Redevelopment of the Convention Center:

Mr. McLaughlin advised there are other committees (Finance, Facility, Addition, etc.) that are looking at these items/issues as well, however the Long-Range Planning Committee is focused on the 'what next'. As we heard earlier in the other committee reports – the questions the Long-Range Planning Committee are looking at are: how do you maintain the facilities; what do we need to do in order to adapt and manage the process now that we have two buildings – not just one building; and more importantly – perhaps more immediately - what do we do about the current facility. There is a lot of other committee work that has to happen, but the Long-Range Planning Committee's job, Mr. McLaughlin feels is to say that cannot move out of one of the 4 major focuses of what this organization is all about.

- Strengthen Neighborhood Connections and Activation to positively effect operations of WSCC

Mr. McLaughlin advised the third item pertained to the culture in our neighborhood, culture in our city, homelessness, civility, the issues that affect very seriously the success or failure of our business. The staff has been actively involved in many organizations at all levels of what is occurring on a civic level.

- Image Board Messaging category

Mr. McLaughlin advised the Committee are looking at how WSCC can tap into media / public relations / public affairs / marketing in an integrated way using the technologies, organizational structures, and staffing currently available in a manner that advances the brand of the convention center, both from the public sector into the private and business sectors.

Mr. McLaughlin advised as these are seen as long-range goals on a 3-6- year horizon, these items are being carried forward into 2019. Mr. Blosser stated that the Long-Range Planning goals have been moved to be included as part of the 2019 Operating Goals document. The Long-Range Planning Committee has had significant discussion around the draft 2019 goals and are in agreement that the 2019 goals be approved by the Board at the November meeting.

#### H. Finance Committee (Mr. Bob Flowers, Chair)

- State Auditor – Update:

Mr. Flowers reported that the Finance Committee met with the State Auditors who are currently performing an independent accountability audit of WSCC PFD in accordance with provisions of Chapter 43.09 RCW, for the period January 1, 2017 through December 31, 2017. Once complete, the State Auditors will schedule an Exit conference with members of the Board, possibly to be held in December.

- Property & Liability Insurance:

A copy of the 2019 property insurance proposals was provided to the Board members for review and Mr. Blosser provided an explanation of the documents. Staff have reviewed the proposals provided by WSCC's broker, Alliant Insurance and the costs involved. With the issues around the country regarding hurricanes, there are no dividends for 2019. Two proposals received: 1 from FM Global \$617,000; and 1 from Liberty Mutual \$372,000. Mr. Blosser advised there are no two items that we have not previously opted to select: terrorism and cyber security. Mr. Blosser advises that staff is recommending that the timing is right to change to Liberty Mutual due to no premium dividends coming in the next few years and it is possible to receive a 5%

discount if we returned to FM Global in future years. The cost delta may allow WSCC to take a harder look at cyber security and terrorism coverage. Mr. Blosser wanted to bring this to up for the Board to discuss or provide staff guidance to go in a different direction. The current policy expires at the end of November. The President will bring the Property Insurance back to the full Board in November for approval.

- Proposed Operating Budget for Fiscal Year 2019

Mr. Blosser presented the WSCC proposed Operating Budget for 2019. The Finance Committee has reviewed and discussed the draft budget. The Capital Projects numbers and Addition Project (Pine Street Group) numbers are to be entered into the budget document and brought to the finance Committee and the full Board in November for approval.

I. Committee Highlights

Board Committee Chairs presented committee highlights of 2018 scope of work/goals.

- Outreach Committee (Ms. Denise Moriguchi, Chair)

Ms. Moriguchi reported that the Outreach Committee met on October 16 and reviewed the progress pertaining to the MWBE goals for the Addition Project as well as the next round of outreach opportunities by Clark-Lewis. At that time, Mr. Rosauer advised that the \$80 Million MWBE goal is on target. The Committee discussed the Apprenticeship Program and ways to better engage people to want careers in the trades. Ms. Moriguchi advised that Ms. Lewis has contacted Tabor 100 with the Committee's questions concerning their program and their request to the WSCC Board and to date there has been no response. Ms. Moriguchi stated that the Committee had reviewed the progress towards meeting the 2018 Operating Goals, and also reviewed the draft 2019 Committee goals, and are in agreement that the 2019 goals be approved by the Board.

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

Ms. Gonzalez-Murillo, on behalf of the Art Committee, extended her thanks to Mr. Blosser, Ms. Willanger, Mr. Johnson, Ms. Cross and Ms. Starkweather for their support for all the Art meetings. The Art Committee met and reviewed progress towards meeting the 2018 Operating Goals and feel confident that all 4 Art goals have been exceeded for FY 2018.

Ms. Gonzalez-Murillo advised that the process for reappointing WSCC Art Foundation Board Members whose terms are expiring has begun and will be recommended by the Art Committee to the WSCC Board for approval by resolution at the November Board meeting.

Art Committee members have participated, along with WSCC staff, at monthly meetings of the Addition Art Advisors. As well, the Board members and staff have participated in various art selection panels, specifically for the Urban Design Merit artists, Public Benefit Artwork to be sited on Boren Avenue/Olive Way/and on the Arch building at 9<sup>th</sup> & Pike.

- Benefits Committee (Mr. 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 for the non-represented employees. The Benefits Committee has met 5 times in 2018 to review quarterly market and performance reports, cash flow reports, equity fund/bond fund, and retirement plan analytics. We continue to benefit from our membership with Association of Washington Cities (AWC) on health plans.

J. Operating Goals Progress Report for 2018 & Draft Goals for 2019

- Review 2018 Operating Goal Performance

Mr. Blosser advised that action taken on the 2018 Operating Goals to date met or exceeded the benchmark that had been set for these goals, and thanked staff for their efforts to achieve these results. Finalization of the 2018 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” Operating Goals Proposed for FY 2019

A draft set of Operating Goals for 2019 was included in the Board packets for review.

Mr. Blosser requested the Chairman’s guidance as to where the draft Goal #1 should fall, whether under the “Board” goals or if now that construction has begun, if this goal falls under “Committee” goals? Chairman Finneran advised goal #1 can be moved under Committee goals as the Addition Committee remains obligated to report to the full Board and advised that the 2019 Capital Projects will be brought to the Board for approval at the November board meeting.

Mr. Blosser provided an overview of the 2019 goals as listed in the Board packet. The 2019 Capital Projects will be brought to the Board for approval in November.

Favorable dialogue occurred on the goals as drafted. Mr. Blosser advised the proposed 2019 Operating Goals will be brought to the Board for approval at the regular board meeting in November.

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 or Ms. Starkweather. A questionnaire/evaluation form was distributed to the Board members for feedback.

- 2019 Board Meeting Dates

A draft schedule of 2019 Board meeting dates was distributed to the Board for review. Board members will be asked to approve a meeting schedule for 2019 at the Regular November 27, 2018 Board meeting.

- Board Committees for 2019

The Chairman advised that he has spoken with the Board members and that the make up of the Board Committees would remain the same for 2019 as currently exists in 2018.

L. Adjournment

The meeting was adjourned at 2:27 p.m.