

## Minutes

### Washington State Convention Center Public Facilities District

### Regular Meeting of the Board of Directors November 24, 2020

#### I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) at 2:00 p.m., by video conference / conference call via Microsoft Teams. At the chairman's request, Mrs. Starkweather conducted a roll call of Board Directors to ensure a quorum in attendance, as well as to identify meeting attendees.

#### MEETING ATTENDANCE

##### Board Directors in Attendance (by video conference / conference call)

Frank K. Finneran, Chair  
Deryl Brown-Archie, Vice Chair  
Robert Flowers  
Susana Gonzalez-Murillo  
Jerry Hillis  
J. Terry McLaughlin  
Denise Moriguchi  
Craig Schafer

##### Board Directors Absent

Nicole Grant

##### Officers in Attendance (by video conference / conference call)

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

##### Consultants / Vendors in Attendance (by video conference / conference call)

Margery Aronson, Addition Art Project  
Melinda Altamirano, ARAMARK  
Keith Hedrick, ARAMARK  
Matt Shea, ARAMARK  
Becky Bogard, Bogard & Johnson, LLC  
Matthew Hendricks, Hendricks - Bennett, PLLC  
Matt Griffin, Pine Street Group  
Tom Norwalk, Visit Seattle  
Kelly Saling, Visit Seattle  
Patrick Smyton, Visit Seattle

##### Staff in Attendance (by video conference / conference call)

David Cononetz	Krista Daniel
Daniel Johnson	Mary Pauly
Michael McQuade	Michael Murphy
Paul Smith	Lorrie Starkweather

II. APPROVAL OF MINUTES

September 22, 2020 WSCC PFD Board Regular Meeting

Mr. Hillis made a motion to approve the minutes of the September 22, 2020 Regular Board meeting, as presented. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference / conference call.

II. PUBLIC COMMENTS

Mr. Finneran advised that anyone wishing to speak before the Board, either as an individual or as a member of a group, may do so at this time. Individuals desiring to speak shall give their name, address, and the group they represent, if any. There were no public comments.

IV. CHAIRMAN'S REPORT

A. Election of Board Officers: Chair and Vice-Chair

The Bylaws of the Washington State Convention Center Public Facilities District, Article III, Section 3.3, Board Officer Election: Term of Office state "*Except for an initial board officer who may serve an initial four-year term, Board Officers shall serve a two-year term, unless terminated earlier by the Board. The terms of Board Officers routinely expire on December 31 of the second year of his or her Board Officer term. The Board shall elect a Board Officer from among its members at its regular meeting closest to January 1 in any year following the year elected. There shall be no restriction on Board members serving successive terms as Chair or Vice-Chair.*" Notification of the requirement for the election of Chair and Vice-Chair was provided to the Directors on October 27, 2020 by the President/CEO, after which Mr. Finneran and Ms. Brown-Archie stated they would both stand for re-election if that was the will of the Directors.

Mr. Hillis made a motion to elect Mr. Frank Finneran, Chairman of the Board; and to elect Ms. Deryl Brown-Archie, Vice-Chair of the Board, for the two-year term ending December 31, 2022. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call (8 to 0, with one Director absent).

B. Board of Directors 2021 Committee Assignments, Resolution 2020-08

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Committees for 2021.

Mr. Finneran advised that the Board Committees will remain the same as 2020.

Mr. Hillis made a motion to approve Resolution 2020-08, ratifying the membership on the Board Committees for 2021, as presented. Mr. McLaughlin seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

C. District Regular Meeting Dates Fiscal Year 2021, Resolution 2020-09

A RESOLUTION by the District Board Adopting it's 2021 Official Meeting Schedule.

Mr. Hillis made a motion to approve Resolution 2020-09, establishing the WSCC Board of Directors 2021 regular meetings schedule as presented. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

D. Ratification of District Officers, Resolution 2020-10

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Officers and Administrative Officers for 2021.

EXHIBIT "A" – Officers Appointed by Chairman: President/CEO, Jeffrey Blosser; Board Treasurer, Chip Firth; Secretary, Linda Willanger.

EXHIBIT "B" – Administrative Officers Appointed by the President: Vice President Administration, Linda Willanger; Vice President Operations, Jon Houg.

Mr. Flowers made a motion to approve Resolution 2020-10 ratifying the appointment of Board and District Officers for 2021. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

E. Approval of Revised Board Mission / Values Statement

Following review and discussion of the Board Mission / Values Statement at the October Board Strategic Planning Retreat, it was recommended that the Board revise their Mission and Values Statement to read: *Through the professional actions of our staff, we will provide our guests with a distinctive level of service excellence while maintaining a safe and fiscally responsible, self-sustaining operation that contributes economic and other civic benefits for the people of the City, County, and Washington State.* The Chairman advised that the Board requested that staff add the “a safe and fiscally responsible” to the Board Mission Statement and Board Values to address the necessity of providing our clients and stakeholders with a safe facility at all times.

Ms. Moriguchi made a motion to approve the updates to the Board Mission Statement and Board Values. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

F. Consent Agenda

Mr. Finneran presented the Consent Agenda to the Board. The following action items and informational reports had been sent to the Board for review prior to today’s meeting:

Action Items:

1. Ratification of Additional Facility Project Contract List (October 2020)
2. Ratification of Additional Facility Project Contract List (November 2020)
3. Approval of Additional Facility Project Draw Schedule Payments, #71 (October 2020)
4. Approval of Additional Facility Project Draw Schedule Payments, #72 (November 2020)

Informational Items:

1. WSCC Sales: October Summary Report
2. WSCC Sales: COVID-19 Impact on Regional-Local Business – October 2020
3. WSCC Monthly Expenditures Auditing Officer Certification
4. Parking Report
5. Food Service Report (ARAMARK)
6. WSCC Social Media Overview

Mr. Hillis made a motion to approve the Consent Agenda as presented. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

V. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran advised that the Addition Committee continues to struggle with three major issues: Addition project budget, schedule, and financing.

Mr. Finneran requested Mr. Griffin to provide the Board with a brief presentation of the status of the Addition Project items. Mr. Griffin advised that the project schedule continues to show a delay from October’s report with the Temporary Certificate of Occupancy (TCO) now estimated to be May 25, 2022. This delay was caused by a combination of issues; partly a result of the effects of COVID-19; production concerns with American Bridge (AB), the sub-contractor on steel supply and erection to Clark-Lewis; and an AB crane incident in October. Pine Street Group (PSG) continues to be concerned with this delay and are working with Clark-Lewis (GC/CM) on this matter. Mr. Griffin advised that work north of Olive Way has been going well and that Clark-Lewis is through the known archaeology layer and expects to have the known contaminated soil removed from this area by the beginning of December. Mr. Griffin reported that, as was discussed earlier today at the Addition Committee and Finance Committee, PSG has revised the Financing Plan (Sources & Uses) to include provisions for costs, COVID-19, the delay in the TCO, and changes to some of the sources. PSG continue to be optimistic that a solution to the financing will be positive and discussions with King County, City of Seattle, and the State are continuing regarding

assistance with approximately \$300 Million of bridge financing. If the financing is not established by the end of December 2020, Mr. Griffin advised that the process to shut down the Project will begin towards a closing date in May 2021. On quality and design, Mr. Griffin reported that there are some items yet to be done at the base of the building that PSG chose to change after the Project's start or that were not done originally. Mr. Rosauer will lead the process to create efficient solutions for these items. Mr. Griffin commented on the Project's outreach efforts and advised that the November issue of PSG's newsletter highlights the facts that there are approximately 1,000 construction workers currently onsite and how closing the Project would be devastating to these workers and their families. The newsletter also recapped that, with the encouragement of the WSCC Board of Directors, the Project workforce includes approximately 30% minority workers; with 25% from priority zip codes; over \$100 Million of work with WMBE firms; and currently have hired approximately 16 - 17% apprentices. Mr. Griffin spoke to the significance of 80,000 people in King County being employed in the hospitality industry and the important role that the Convention Center plays within the industry as it relates to helping those workers. In response to a question from Ms. Gonzalez-Murillo, Mr. Griffin advised that Ms. Grant, in her role with the M.L. King County Labor Council, had forwarded a letter to Mayor Durkan explaining the importance of the Project to the labor community. Although to date no specific response has been received, it is hoped that Ms. Grant's efforts may bring an air of support during PSG's discussions with specific City Council Committee chairs and with the Mayor. Mr. Griffin was very appreciative of Ms. Grant's efforts.

## 2. Approval of 2021 Addition Project Construction Budget

Mr. Finneran advised that the 2021 Addition Project Construction Budget (the Project draw schedule) shows the monthly Project drawdowns for 2021 and requires the approval of the Board. Mr. Flowers reported that this item was reviewed at the Finance Committee and that PSG had indicated the amounts listed are aggressive. Ms. Moriguchi asked if it was the "timing" or the "amounts" which were aggressive, and Mr. Griffin explained that it was the "amounts" and that eventually the total amount would be reached as per the contracted amount.

Mr. Flowers made a motion to approve the 2021 Addition Project Construction Budget (draw funding schedule) in the amount of \$672,500,000 and dated November 17, 2020, which was presented to the Finance and Addition Committees. Mr. McLaughlin seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

### B. Finance Committee

#### 1. Approval of Addition Project Financial Plan Sources & Uses, dated November 19, 2020

Mr. Flowers advised that the Finance Committee met today, and PSG presented the revised Addition Project Financial Plan Sources & Uses document for review and requested Mr. Griffin provide a summary to the Board. Mr. Griffin provided a summary of the updates to the financial plans' sources and uses and the need for the \$300 Million bridge financing. He reminded the Board that there has always been a plan to do an additional bond financing later in the project and that prior to February 2020 the tax revenue was projected to increase, but that was before the pandemic and COVID-19 hit the economy along with the hospitality industry. It is anticipated that by the time the WSCC goes out for the additional bond financing, that the tax revenues will have increased to a reasonable level and repayment of the bridge financing can occur. Mr. Flowers advised that the Finance Committee has discussed this matter in detail and are recommending Board approval of the proposed Financial Plan as presented.

Mr. Flowers made a motion to approve the Addition Project Financial Plan Sources & Uses dated November 19, 2020, which was presented to the Finance and Addition Committees. Mr. McLaughlin seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present, by video conference / conference call.

## 2. Approval of 2021 Insurance: Property Coverage

Mr. Flowers advised that the Finance Committee reviewed the proposed Property Insurance Coverage Proposal for WSCC from our broker, Alliant Insurance Services. Mr. Flowers requested Mr. Blosser to provide a summary. Mr. Blosser advised that, as the Board will recall, information was provided at the Board Retreat in October that property insurance across the country would be increasing by 15 to 20%, and for WSCC that would have meant an increase of \$90,000 for 2021's premium cost. Staff requested the broker, Alliant Insurance Services, to research options to reduce premium costs. One option provided was to decrease the amount of the current earthquake coverage (\$100 Million) to \$50 Million for just 2021, with the ability to increase that amount in 2022 and beyond. This reduction for 2021 would assist WSCC with the 2021 fiscal year budget. Mr. Blosser advised that Liberty Mutual remains the best cost scenario for WSCC. Staff have reviewed this with the Finance Committee and the Finance Committee are recommending that WSCC remain with Liberty Mutual for our property insurance, and that WSCC lower the earthquake limit to \$50 Million (from \$100 Million) for fiscal year 2021 only, to assist with cost issues for fiscal year 2021. Mr. Hillis requested to know if this insurance covers the Summit building as well, and Mr. Blosser replied that the Addition Project has separate coverage.

Mr. Flowers made a motion to approve the insurance proposal for WSCC's Property Insurance needs for 2021. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

## 3. Report from Washington State Auditor

Mr. Flowers advised that the Finance Committee met with the State Auditors on November 23, 2020 to conduct an Entrance Interview and requested Mr. Blosser to provide a summary. Mr. Blosser advised that the Washington State Auditors are in the process of auditing WSCC's 2019 performance. At the Entrance meeting with the Finance Committee, they present a list of items that will be reviewed during the audit, as well as any of the issues that they will present back to the Finance Committee in an Exit Interview. The Auditors advised they hope to conclude the audit process in the next 3 weeks. Mr. Blosser advised that Mr. Firth and the Finance staff are doing a good job supporting the auditors with the information they have requested.

## 4. Update

Mr. Flowers advised that the October Financial Statement for the Center was presented to the Finance Committee for review and as can be imagined, it was very challenging. Staff are monitoring and making cuts and changes where possible to address some of the financial concerns resulting from the effects of COVID-19 and event cancellations. The draft 2021 Operating Budget was reviewed by the Finance Committee and will be brought back to the Committee again for final review in December. The full 2021 budget will be presented to the Board for approval at the December 15, 2020 meeting.

### C. Marketing Committee

#### 1. Approval of WSCC 2021 Sales Plan and 2021 Marketing & Communications Plan, Resolution # 2020-11

A RESOLUTION by the District Board approving the 2021 Sales Plan and 2021 Marketing & Communications Plan.

Mr. Schafer advised that the WSCC 2021 Sales Plan and the 2021 Marketing & Communications Plans are contained in the Board packets. The Marketing Committee has reviewed these plans in detail with WSCC staff and the plans were presented to the Board on October 27, 2020 at the Retreat meeting. The Marketing Committee is recommending approval of Resolution 2020-11 to approve the 2021 WSCC Sales Plan and Marketing & Communications Plan

Mr. Schafer made a motion to approve Resolution # 2020-11, to adopt the WSCC 2021 Sales Plan and 2021 Marketing & Communications Plan. Ms. Moriguchi seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

2. Approval of Contract with Visit Seattle, Resolution # 2020-12

A RESOLUTION by the District Board approving the Contract with Seattle's Destination Marketing and Sales Organization ("Visit Seattle").

WHEREAS, the Washington State Convention Center Public Facilities District ("District") has previously approved a multi-year contract with Seattle's Destination Marketing and Sales Organization ("Visit Seattle") that will expire at the end of calendar year 2020; and

WHEREAS, Visit Seattle has presented a new contract for consideration by the District's Board, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference that will run through the end of calendar year 2025.

Mr. Schafer advised that Visit Seattle has been a very valuable partner with WSCC providing necessary sales and marketing services to bring events and attendees to WSCC and the region. They are also responsible for bringing additional guests to Seattle and the region in the form of business travel and leisure activities which also benefits the Center through the generation of transient lodging taxes. The Marketing Committee has reviewed the contract and is recommending that the agreement be approved by the Board with the contract term being January 1, 2021 through December 31, 2025.

Mr. Schafer made a motion to approve Resolution # 2020-12, to approve the contract with Visit Seattle for a five-year period 2021 to 2025. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

3. Approval of Visit Seattle 2021 Scope of Work and Goals, Resolution # 2020-13

A RESOLUTION by the District Board approving the 2020 Annual Strategic Marketing Plan and 2021 Annual Budget with Visit Seattle.

Mr. Schafer advised that the Visit Seattle 2021 WSCC Scope of Work and Strategies are contained in the Board packets. These documents were reviewed by the Marketing Committee and presented to the Board at the Retreat by Mr. Norwalk and the Visit Seattle team. The Marketing Committee is recommending approval of Resolution 2020-13 to approve the 2021 Visit Seattle Sales and Marketing Plans, as well as the 2021 Goals.

Mr. Schafer made a motion to approve Resolution # 2020-13, to adopt the 2021 Annual Strategic Marketing Plan and 2021 Annual Budget with Visit Seattle. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all the Directors present by video conference / conference call.

D. Government Affairs Committee

1. Government Relations Consultant Report

Ms. Brown-Archie reported that the Government Affairs Committee met earlier today, and she requested Ms. Bogard to provide an update on the outcome of the election and highlights of what is happening with the City of Seattle and King County currently. Ms. Bogard provided a brief overview of the outcome of the elections along with some anecdotal information regarding King County and City of Seattle budgets. Ms. Bogard has been working with the Governor's office on the interim financing for the Addition Project. Ms. Brown-Archie advised that the consultant update report from Ms. Bogard is contained within the Board packets.

2. Update

Ms. Brown-Archie advised that the Government Affairs Committee received an update from Mr. Blosser on the building closure to the public and the Waterfront LID assessment, and she requested Mr. Blosser to provide some highlights of these items. Mr. Blosser provided a brief update on the Waterfront LID information received from legal counsel and provided to the Government Affairs Committee. The funding payments for the LID are basically to take place in Q4 of 2021 or Q1 of 2022, and the funding mechanism and payments of LID amounts from the Convention Center will fall within that time period. Mr. Blosser advised that as WSCC staff begin preparations for the 2022 budget, staff will undertake a review of the payment options provided by the City. Mr. Blosser advised that WSCC received approval from the City of Seattle last week to remain closed to the public until June 2021. This temporary waiving

of the land use requirement has assisted WSCC to remain in compliance with all the COVID-19 related requirements from a safety and cleaning protocol standpoint while the building is closed and there are no events inhouse.

Ms. Brown-Archie reported that the newly formed Board Taskforce held a pre-meeting on November 20<sup>th</sup> and the first official meeting is scheduled for December 2<sup>nd</sup>. Specific individuals involved in the community will be invited to the meeting to provide information to assist with finetuning the Taskforce's strategy to move forward.

#### VI. VISIT SEATTLE & WSCC Sales Reports

##### A. Visit Seattle Destination Overview & Visit Seattle Sales Report

Mr. Norwalk provided a National COVID-19 Travel Industry update for March to November 2020. For the Local COVID-19 Industry Impact for March to November 2020, Mr. Norwalk reported 68 cancelled groups at WSCC with \$446 Million in economic impact; 29 Downtown Seattle hotels with 5,926 guest rooms closed in early April; 9hotels with 1,391 guest rooms are yet to reopen. For SeaTac Airport, Port of Seattle is reporting that air travel came to a stop around the world; passenger volumes down 94% year-over-year in April and still down 64%. Mr. Norwalk advised that Washington, Oregon, and California are recommending 14-day quarantines, and that Governor Inslee's Phase 2 temporary restrictions were set in place November 17 to December 14.

Mr. Norwalk reported on the Smith Travel Research (STR) Select Competitive Set numbers for October 2020. The Seattle Downtown market, along with our tracked competitive set, continue to make slow progress with low occupancy rates (from 20% in Houston CBD and Seattle Downtown, and up to 40% in Nashville CBD and Phoenix Central), average room rates (from \$103 in Phoenix Central, \$125 in Seattle Downtown, and up to \$158 in San Diego CBD), and RevPar (from \$25 in Seattle Downtown, and up to \$58 in San Diego CBD). STR Select Competitive Set rooms sold for March versus October 2020, show Portland CB in last place (March = 93,108 & October = 71,124) at -24%; Seattle Downtown in the middle (March = 80,374 & October = 82,675) at 3%; and Denver Downtown leading the pack (March = 113,734 & October = 153,985) at 35%.

Ms. Saling spoke to the Safe Re-Opening Plan and advised that along with other new rules announced on November 15th by Governor Inslee, business meetings are not currently allowed. The new restrictions are in effect from midnight on Monday, November 16 through Monday, December 14 for all counties in Washington. Ms. Saling advised that the information from the Governor for Miscellaneous Venues states: Miscellaneous Venues – All retail activities and business meetings are prohibited. Only professional training and testing that cannot be performed remotely, as well as all court and judicial branch-related proceedings, are allowed. Occupancy in each meeting room is limited to 25 percent of indoor occupancy limit or 100 people, whichever is fewer. Miscellaneous venues include convention/conference centers, designated meeting spaces in a hotel, events centers, fairgrounds, sporting arenas, nonprofit establishments, or a substantially similar venue. As before, meetings can have more than that maximum number of attendees if using multiple rooms or multiple venues. Adherence to all guidelines must be met relative to the groups of people not interacting.

Ms. Saling advised that the traditional Visit Seattle Mission week in Washington, DC has been reimagined for 2020. Since the event cannot meet in person for this annual celebration, Visit Seattle staff are delivering a taste of Seattle to the client's porch/door. This gift will include items from local Seattle businesses such as Pike Place Market, along with a bottle of Washington wine and other treats and designed to keep Seattle on the minds of these clients.

Ms. Saling reported on WSCC groups impacted due to COVID-19. For 2020, at the time of this report, there were 41 cancellations; 23 groups have cancelled for 2021; three for 2022; and one for 2023. These 68 cancellations represent the loss of \$33 Million in rent and food & beverage revenues, \$461 Million in economic impact, 274,295 attendees, and 433,552 total room nights. There are 3 pending cancellations for 2021 and 1 pending cancellation for 2022: representing the potential loss of \$1.1 Million in rent and food & beverage revenues, \$33 Million in economic impact, 14,500 attendees, and 30,830 total room nights. Ms. Saling advised that as of this report, there are now 68 cancellations of national

programs at the WSCC. We have proposed re-booking future dates for 53 of these programs. The six that have not had new dates proposed are due to yield management decisions.

Ms. Gonzalez-Murillo asked that, with the announcement of the City of Seattle's budget cuts with regards to Seattle Police Department, will that further deepen Seattle's reputation as being an unsafe place to visit due to the lack of police protection? Ms. Saling stated that we are not just battling COVID-19 here in the region, but we are battling reputation and there are people that are passionate on both sides, and both sides of that issue book business. Many groups are not interested in coming back to Seattle at this stage. We have a lot to prove as it relates to our reputation to make sure that their convention attendees would be safe, but also that they want to support us with their dollars.

#### B. WSCC Sales Report

Mr. McQuade advised that the WSCC sales team are looking forward to Ms. Yen-Roy and Mr. McQuade will be joining Mr. Anderson from Visit Seattle in an event that is normally held live in Chicago, called Holiday Showcase. It will take place on December 15 and 16 as a virtual event and this will be the first WSCC National Sales Team participation at an event since January 2020. It is hosted by Association Forum, a substantial organization of approximately 4,000 members, representing about 44,000 association professionals. WSCC is excited to be participating in this event as it is a significant block of the Convention Center's association business.

The WSCC Sales staff are still aggressively pursuing new booking opportunities following the WMCC approval. The Governor's restrictive guidelines make things a little more challenging, but things staff have been doing include participating with the other convention center sales directors in the State in a collaborative effort to keep the planners in the state of Washington aware the building are open and that it is safe to hold meetings. Through that process we are finding that meeting demand is still minimal in the state. There is still a great deal of concern regarding holding live meetings, and there is concern about venturing into downtown Seattle. A common theme heard is that they are awaiting the arrival of the vaccine.

Mr. McQuade provided a summary of groups booked in September and October for 2021 and 2022. WSCC Sales staff booked 4 new events into the Center to infill around convention business booked by Visit Seattle, (3 for 2021 and 1 for 2022). Cumulatively, these 4 WSCC booked events represent over 19,550 in estimated attendance, 561 associated room nights, and combined topline revenues of over \$338,313 for rent, food & beverage, parking, and subcontractor services. Mr. McQuade provided a snapshot indicating what September and October results would have been based on the forecasts prior to COVID-19. If not for COVID-19, we expected to host 36 events; with Top Line Revenues (Rent and F&B) of \$8,278,045; Room nights of 73,399; and 80,205 delegates.

### VII. PRESIDENT'S REPORT

#### A. Approval of 2021 Operating Goals, Resolution # 2020-14

A RESOLUTION adopting the recommendation of the District Board for 2021 Operating Goals for the Washington State Convention Center Public Facilities District.

Mr. Blosser advised that the 2021 Operating Goals have been reviewed by all Committees and by the Board at the Retreat and were forwarded to the Board in their packets. Mr. Blosser and staff are recommending approval of the 2021 Operating Goals.

Mr. Flowers made a motion to approve Resolution # 2020-14, adopting the 2021 Operating Goals for the District. Mr. McLaughlin seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

### VIII. FINANCIAL REPORT

Mr. Firth advised that the Financial Report for October 2020 had been reviewed by the Finance Committee and had been sent to the Board for review prior to today's meeting. October is the seventh consecutive month the building has been totally shutdown except for the parking garages and some retail rent. Parking generated \$167,303, triple the revised budget. Freeway Park Garage construction early bird



and public parking generated \$38,990 or 60% of \$65,236. In the Main Garage during the work week Virginia Mason Hospital employees average 233 parkers and the All-Day Special 241 parkers. The Main Garage generated revenues of \$102,067 for October.

Operating revenues for Building Rent, Food Service, Facility Services were earned from service fee charges on deposit funds. Other revenue is interest from Operating funds invested in the State LGIP. Retail revenues exceeded budget by 15%. Operating expenses for October were under budget for the month by 23.2%, with year-to-date numbers being under budget by 2.2%. Operating Loss for October was \$714,215, with year-to-date at \$6,496,886. In-house Marketing expenses were \$52,179, under budget by 3%, and primarily included Sales and Marketing Salaries and WSCC portion of salary for the Senior Director of Convention Strategy position at Visit Seattle. For the month of October, the Marketing Loss was \$552,179, with the total actual Operating and Marketing Loss amount being \$1,266,394. Capital Improvements for the month of October were \$7,315, and WSCC YTD \$1,896,823. Addition Project expenditures for October were \$29,591,712. Mr. Firth reported that October Lodging Revenue collections (earned in August) were \$1,485,676. The Department of Revenue and the State Treasurer's report on Additional Lodging collections for October was \$373,398; and Extended tax for October was \$97,212.

Mr. Firth advised that with regards to the Cash Flow Report, cash activity in October dropped \$29.2 Million due to a combination of low Lodging tax collections and Project expenditures. With regards to the Forecast, we have no event revenue forecast through December. We expect Parking Revenues to continue to be fueled by the construction early bird, the 12-hour special, and Virginia Mason Hospital employee parking. However, with the holidays and the weather we expect revenues to taper off somewhat in November and December compared to October. November through December we see a reduction in expenses of approximately 39%.

#### IX. EXECUTIVE SESSION

The Chairman announced that the Board of Directors would hold an Executive Session consistent with RCW.42.30.110 (1) (g) as permitted by the Open Public Meetings Act for ten (10) minutes. The purpose of the Executive Session was to review the WSCC President's performance for fiscal year 2020 and consider his contract and compensation for fiscal year 2021. The Executive Session commenced at 3:24 p.m. In addition to the Board members present by video conference / conference call (Finneran, Brown-Archie, Flowers, Gonzalez-Murillo, Hillis, McLaughlin, Moriguchi, Schafer); attendance at the Executive Session included Mr. Blosser and Mr. Hendricks. At 3:34 p.m., the Executive Session was extended by five (5) minutes. The regular open meeting reconvened at 3:39 p.m.

Upon reconvening, Mr. Finneran advised that he had completed the review of the President's performance and discussed it with Mr. Blosser, and he agrees with the 2020 review. Mr. Finneran made a motion to approve the Fourth Contract for Employment of Jeffrey Blosser. Mr. Finneran advised that Mr. Blosser has requested that no bonus be awarded for 2020 due to the impacts that COVID-19 has had on WSCC staff. The WSCC Board requested it be stated for the record that the lack of bonus in no way reflects Mr. Blosser's performance in managing during this difficult time and in fact exemplifies his leadership. Mr. Flowers seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.

#### IX. ADJOURNMENT

Ms. Brown-Archie made a motion to adjourn the November 24, 2020 Board meeting at 3:40 p.m. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by video conference / conference call.