

## Minutes

Washington State Convention Center  
Public Facilities District

Regular Meeting of the Board of Directors  
March 23, 2021

### I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) Board of Directors at 2:07 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.

### 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  
Nicole Grant  
Jerry Hillis  
J. Terry McLaughlin  
Denise Moriguchi  
Craig Schafer

#### 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  
Isaac Sine, JP Morgan Securities  
Mindy Johnson, LMG  
Fred Eoff, PFM Financial Advisors, LLC  
Stacey Lewis, Pacifica Law Group  
Matt Griffin, Pine Street Group  
Armeta Libby, Pine Street Group  
Tom Norwalk, Visit Seattle  
Kelly Saling, Visit Seattle  
Kris Cromwell, Visit Seattle  
Patrick Smyton, Visit Seattle  
Troy Anderson, Visit Seattle

Staff in Attendance (by video conference / conference call)

David Cononetz, Director of Facilities  
Brent Grant, OneStop Manager  
Sam Hecker, CFO  
Daniel Johnson, Administrative Services Manager  
Jules Miller, Accounting Manager  
Michael McQuade, Director of Sales  
Michael Murphy, Project Coordinator  
Tony Sheehan, Director of Information Services  
Lorrie Starkweather, Executive Assistant to the President & Board

Guests in Attendance (by conference call)

Mary Clare Kersten  
Alex McLaughlin, MacKay Shields LLC  
Karen Sudderth

II. APPROVAL OF MINUTES

January 26, 2021 WSCC PFD Board Regular Meeting

Mr. Hillis made a motion to approve the minutes of the January 26, 2021 Regular Board meeting, as presented. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference / conference call.

III. 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. Approval of District Officers for 2021 rescinding Resolution 2020-10, Resolution 2021-05

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Officers and Administrative Officers for 2021, amending and superseding Resolution 2020-10.

Mr. Finneran advised that in November 2020, the District Board had approved the slate of District Officers for 2021 by Resolution 2020-10. With the position of Chief Financial Officer now being filled by Mr. Hecker, the Board-approved Administrative Officers for 2021 require this amendment to include Mr. Hecker as Treasurer.

Ms. Brown-Archie made a motion to approve Resolution 2021-05, amending and rescinding Resolution 2020-10. Ms. Grant seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via video conference / conference call (9 to 0).

B. 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 (February 2021)
2. Ratification of Additional Facility Project Contract List (March 2021)
3. Approval of Additional Facility Project Draw Schedule Payments, #75 (February 2021)
4. Approval of Additional Facility Project Draw Schedule Payments, #76 (March 2021)

Informational Items:

1. WSCC Sales: January Summary Report

2. WSCC Sales: COVID-19 Impact on Regional-Local Business – January 2021
3. WSCC Monthly Expenditures - Auditing Officer Certification
4. Benefits Committee – 2020 Summary Report
5. WSCC Parking Report:
6. Food Service Report

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

V. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran advised that the Board should have all received a copy of Pine Street Group's (PSG) monthly report which identifies the usual items that are the focus of our attention such as the schedule and the cost of the financing plan. Mr. Finneran requested Mr. Griffin to provide the Board with a brief presentation of the status of the Addition Project items related to costs and schedule.

Mr. Griffin advised, as it relates to the schedule, the Temporary Certificate of Occupancy (TCO) is now expected in late June of 2022. Clark-Lewis is reviewing the schedule and with American Bridge now slated to complete the steel in June 2021, are looking at possible ways to pick up the pace on the remaining components of the work to be done. Mr. Griffin is optimistic that a plan will be developed to finish the building a little earlier than is currently scheduled. The work north of Olive continues to progress well and is on track for being completed to facilitate the main building as well as to provide the podiums for sale in the fall. As it relates to costs, the main issues on the Sources & Uses again tends to be the sources, and the Addition Committee continues to pursue the possibility of a loan from the City, the County, and the State. In the last 30 to 60 days, the idea has emerged of doing a separate bond offering which will be discussed during the Finance Committee report. In the meantime, we are continuing to pursue both avenues in hopes that one method of financing will be completed soon.

B. Finance Committee

1. Update

Mr. Flowers provided some sad news, advising that Mr. Malcolm Wyer, the District's former Accounting Manager for over 20 years had recently passed away. On behalf of the Board, Mr. Flowers expressed condolences to Mr. Wyer's family during this time of grief.

Mr. Flowers advised that the Finance Committee met today and will be recommending two resolutions to the Board for approval for alternate financing for completion of the Addition. Mr. Flowers requested Mr. Griffin for a brief explanation, following which the financing team will provide more details.

Mr. Griffin said, as was briefly mentioned in the Addition Committee report, the Addition Committee are continuing to pursue a loan from the City, County, State, but also there is work underway on a bond offering being led by Mr. Eoff who brought it to the table. The discussion at the Finance Committee today was about taking the necessary steps that would facilitate the pursuit of this bond offering. Mr. Eoff and Mr. Hecker briefly provided an explanation of the process.

2. Approving an Amendment to the Master Trust Agreement and the Transfer Agreement to Provide for the Issuance of Junior Bonds, Resolution #2021-06.

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District"), approving an amendment to Resolution #2010-12, as amended most recently by Resolution #2018-06, and an amendment to the Master Trust Agreement to provide for the issuance of Junior Bonds; approving an amendment to the Transfer Agreement with the State Treasurer in connection with the issuance of Junior Bonds; and authorizing the execution and delivery of the amendments.

Mr. Flowers advised that the Bond Counsel for this matter is Ms. Lewis from Pacifica Law Group, and he requested Ms. Lewis address the Resolutions and the technical aspects of this transaction. Ms. Lewis advised that there are two resolutions before the Board for consideration in connection with the issuance of 2021 Junior Notes paid from lodging taxes. The first, Resolution #2021-6 is an amendatory resolution that amends documents related to the 2010 and 2018 issuances and the Transfer Agreement between the Washington State Convention Center PFD and the State Treasurer. The District issued First Priority Bonds in 2010 and 2018 and issued Subordinate Priority Obligations in 2018. The 2010 Bond Resolution and the 2018 Master Trust Agreement that authorized the 2010 and 2018 issuances expressly do not prevent the District from issuing obligations junior to and subordinate to the First Priority and the Subordinate Priority Obligations, and this amendment amends the flow of lodging tax revenues in those documents to allow for the issuance of Junior Bonds that are inferior and subordinate to the outstanding First Priority and Subordinate Priority obligations on the same level as the District's outstanding note that evidences the District's payment obligation to King County under the Purchase & Sale Agreement. Under the existing flow of funds, that is an obligation at the seventh level, and these amendments would allow the District to issue additional Junior Bonds at that seventh level. The amendatory resolution also authorizes amendments to the Transfer Agreement with the State Treasurer.

There are two substantive changes to the Transfer Agreement, both provide more flexibility to the District. The first amendment is to change the time period over which the District must repay any Repayment Deficiency Loans from the State. Currently the District imposes a Regular Lodging Tax and an Extended Lodging Tax that flows through and is used to pay District obligations and eventually any other loss or purpose. The District also imposes an Additional Lodging Tax that is available to pay Debt Service on the First Priority Bonds and the Subordinate Priority Bonds, and if not used for that purpose is returned to the State on each June 30. The District had never used the Additional Lodging Tax to pay Debt Service until COVID-19, but had always just returned that Additional Lodging Tax to the State each June 30. Starting with the onset of COVID-19 in early 2020, the District used the Additional Lodging Tax to pay a portion of Debt Service on the First Priority Bonds and the Subordinate Priority Bonds and thereby incurred what is called a "Repayment Deficiency Loan" under the Transfer Agreement on June 30, 2020 for the first time. The current Transfer Agreement requires the District to repay those Repayment Deficiency Loans over the next five years, and the change to the Transfer Agreement would now allow the District to pay those Repayment Deficiency Loans over an extended period of ten years, so it changes amortization of those loans from five to ten years to provide the District with more flexibility on that front. The second change is to align the additional bonds set out in the Transfer Agreement to that in the District Outstanding Bond documents. The current Transfer Agreement has a slightly higher 1.25 times coverage required to be shown until the end of the Transfer Agreement in 2029, and this amendment would lower that to 1.15 times to match the Bond documents. This Resolution authorizes those amendments to the 2010 Bond Resolution and the 2018 Master Trust Agreement to place these Junior Bonds at the seventh priority level for payment of Lodging Taxes at the same level as the King County note, and to authorize those amendments to the Transfer Agreement. In addition to the amendments in the Transfer Agreement there is also a provision in the Transfer Agreement under which the State Treasurer consents to the issuance of these 2021 Junior Notes, so that is also included in the form of agreement attached to the resolution.

Ms. Gonzalez-Murillo asked what the District will be paying the investors on these seventh priority level Junior Bonds, and Mr. Eoff replied that this will be a public offering so until we are in the market, pricing the issues and obtaining commitments from the buyers, we don't exactly know what the yield is going to be to each of the investors, although we hope to be able to get this done with approximately a 3% yield to the investors, however that is a preliminary read and we won't know until the sale date. Ms. Gonzalez-Murillo requested to know if the District's rating continues to be at investment grade? Mr. Eoff advised that unfortunately the COVID pandemic has hurt the District a lot from a rating standpoint, as it has for most of the convention centers around the county. During 2020, because of the impact of COVID-

19 on the hospitality industry and Lodging Tax revenues, the District lost approximately 65% of its tax revenues. For the first time since the inception of the PFD in 2010, the District had to rely on the additional pledge of the Additional Lodging Tax, that normally would have gone back to the State, in order to pay monthly Debt Service. The District has succeeded and has not missed a monthly Debt Service payment since the outset of the COVID pandemic. However, as far as the Bonds are concerned, the Lodging Taxes are the District's only source of revenue, and the loss of 65% of revenue does not give the rating agencies confidence. The District has been reviewed and downgraded twice since early 2020, with the most recent review being completed this week by S & P. The District has been moved to a BBB- on the Senior Lien and a BB+ on the Subordinate Lien debts, down from the original AA- on Senior Lien debt and A+ on Subordinate Lien debt.

Mr. Flowers requested Mr. Sine give comments about why we feel going non-rated on this issuance might make more sense. Mr. Sine advised that the bond transaction being discussed would be non-rated. J.P. Morgan Securities, along with PFM Financial Advisors and the rest of the underwriters involved, felt that the best course of action was to not have a rating on these bonds and let investors work off the existing ratings that are out there as to how these fall under the flow of funds relative to that, and taking their own views on what recovery looks like.

Ms. Moriguchi made a motion to approve Resolution #2021-06, approving an amendment to Resolution #2010-12, as amended most recently by Resolution #2018-06, and an amendment to the Master Trust Agreement to provide for the issuance of Junior Bonds; approving an amendment to the Transfer Agreement with the State Treasurer in connection with the issuance of Junior Bonds; and authorizing the execution and delivery of the amendments. Mr. Hendricks, for clarification, advised that Resolution #2021-06 is to amend the Transfer Agreement, not to approve the purchase of bonds at this point. Mr. Flowers thanked Mr. Hendricks for that clarification. Ms. Gonzalez-Murillo seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference / teleconference (9 to 0).

2. Approval to Authorize the Sale of Junior Lodging Tax Notes of the District to Finance a Portion of the Costs of an Addition to the District, and to Pay Costs of Issuance, and Delegating Authority to Approve the Final Terms and Sale of the Notes, Resolution #2021-07.

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District"), authorizing the issuance and sale of one or more series of Junior Lodging tax notes of the District in the aggregate principal amount of not to exceed \$350,000,000 to finance a portion of the costs of an addition to the District, to fund a deposit to, or a surety policy for, a debt service reserve, to capitalize interest and to pay costs of issuance; and delegating authority to approve the final terms and sale of the notes.

Mr. Flowers requested Ms. Lewis provide comment on Resolution 2021-07. Ms. Lewis advised this resolution is the Note Resolution that authorizes the issuance of 2021 Junior Notes as Junior Bonds at that seventh level priority in the flow of the Lodging Tax revenues. The resolution authorizes the issuance of the Junior Notes within specified parameters and delegates to a designated District representative the authority to execute the bonds per this agreement and approve the final terms of the bonds. The designated District representative includes the Chair and the Vice-Chair of the Board, as well as the President and the Treasurer of the District. The 2021 Junior Notes are issued as Bond Anticipation Notes with an expected ten-year term, to be expected to be paid through the issuance of refunding First Priority Bonds or Subordinate Priority Obligations on or prior to the maturity date. This resolution includes a covenant of the District to issue those bonds on or prior to the maturity of the 2021 Junior Notes and that if the District is unable to issue those refunding bonds as First Priority or Subordinate Priority Bonds, to issue other obligations including Junior Bonds or more Subordinate Obligations to pay those 2021 Junior Notes when due. The resolution pledges the full faith and credit of the District not only to that refunding, but also to the payment of these 2021 Junior Notes. The resolution also pledges the Regular Lodging Tax revenues and the Extended Lodging Tax revenues to the payment of the 2021 Junior Notes at the seventh

level which is on a parity with the District's obligations to King County under the Purchase & Sale Agreement, and on the same basis of any additional Junior Bonds were to be issued. The expectation is that these Notes will be issued on a tax-exempt basis and the Note Resolution includes tax covenants relating to the use of the Project and other covenants to maintain the tax exemption of the Junior Notes. The resolution also includes additional covenants including a covenant to show sufficient coverage prior to the issuance of additional Junior Notes, and not to issue First Priority Bonds or Subordinate Priority Obligations if those obligations would result in less than some sufficient to pay the Junior Notes. The parameters are set forth in Section 22 of the resolution, and the parameters include a maximum principal amount of not to exceed \$350,000,000 and includes a maximum term for the 2021 Junior Notes of thirty (30) years, although as Ms. Lewis mentioned, the proposal is to issue Notes with a ten-year maturity to be refinanced with longer term debt once the expected recovery of Lodging Taxes occurs and puts the District in position to do that. The parameters also include a minimum price for the 2021 Junior Notes and maximum interest rate. For Notes issued on a tax-exempt basis, the resolution requires that they be sold at a rate that is no more than 6%, and for taxable no more than 7%. The time period of delegation under the Note Resolution goes through the end of 2021, although the plan is to move much more expeditiously than that. If for some reason the District is not able to sell the Notes within these parameters, the Board would need to revisit the issue and either amend this resolution or adopt a new resolution. But within these parameters the designated District representative is authorized to proceed, including with releasing the offering documents for the Notes and approving those disclosure documents to be provided to investors.

Mr. McLaughlin made a motion to approve Resolution 2021-07 as presented. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via videoconference / teleconference (9 to 0).

3. WSCC Financial Audit Update

Mr. Flowers requested Mr. Hecker to provide an update on the WSCC Financial Audit. Mr. Hecker advised the District has engaged Miller & Miller our auditors for the past several years and are currently in the audit process. The auditors hope to conclude the audit by mid-April.

C. Government Affairs Committee

1. Government Relations Consultant Report

Ms. Brown-Archie reported that the Government Affairs Committee met earlier today and received an update from Ms. Bogard. The consultant update report from Ms. Bogard is contained within the Board packets.

2. Update on WSCC Board Taskforce

Ms. Brown-Archie advised that the Taskforce has held several meetings over the past several months; three meetings included two guest speakers at each meeting, and there were meetings on our own to discuss findings to date. Mr. Blosser's summary report to the Taskforce is contained within the Board packets. Discussion occurred regarding the current homeless situation within the city and county, with Mr. Schafer advising that the Executive Pacific Hotel and the Kings Inn have been contracted by the City of Seattle to provide shelter for the homeless and will begin this service in the next few days. Ms. Brown-Archie advised that the Taskforce will be bringing a recommendation of next steps to the Board at the May 25, 2021 meeting.

D. Art Committee

1. Update on Addition Art Projects

Ms. Gonzalez-Murillo reported that the Art Committee met on March 18, 2021, with the Committee's previous meeting held on October 13, 2020. The Committee discussed the possible resumption of specific components of the Summit art project. Ms. Gonzalez-Murillo asked Mr. Blosser to provide an explanation. Mr. Blosser advised that discussion occurred regarding the areas of the Addition project on the east side of the site that are becoming more of a finishing concern as we strive to have the

necessary documentation from the artists to provide to the sub-contractors working on the building. The Addition Art Advisors along with the Board Art Committee are checking on the progress of some of the artists involved and some of the public art scenarios to ensure the project does not lose any timing, if possible, as contracts are created with the artists.

VI. VISIT SEATTLE & WSCC Sales Reports

A. Visit Seattle Destination Overview

Mr. Norwalk provided a destination overview, advising that this would probably be the last time we will compare year-over-year occupancy percentages to February 2020 which had a relatively good month. He reported that Smith Travel Research (STR) February YTD results indicated a decrease across all categories for Downtown Seattle against the same period last year: Occupancy down 73.8%; RevPar down 83.9%; and Average Room Rate down 38.7%. Looking at the Convention Center Core hotels (major hotels closest to the Center) March 2020 through February 2021, the numbers indicate these hotels are running at 9.8% occupancy versus stronger occupancy numbers in South Lake Union, King County, and SeaTac Airport areas. Phoenix Central, Atlanta CBD, and Austin CBD are seeing an approximate 50% decrease in occupancy rates.

Mr. Norwalk provided a COVID-19 recovery update, advising that Governor Inslee had announced Phase 3 effective March 22 which allows indoor meetings at 50% of available space and a maximum of 400 guests per meeting room. The hospitality and meetings industry continues to push for Phase 4 guidance which is critical for Quarter 3 of 2021 and Quarters 1 and 2 of 2022 decisions being made by meeting planners.

Mr. Norwalk spoke to a new Seattle Tourism Improvement Area (STIA) campaign called “I Know A Place” where local “guides” such as restaurateurs, entrepreneurs, small-business owners, etc., share their favorite things to do in Seattle right now. This information is geared for residents as well as those around the west coast up into Canada. Each of the items will be connected to downtown hotels to drive overnight stays. The campaign helps build confidence that businesses are open, activities can be done safely, and a recommendation goes a long way.

Ms. Saling reported on Convention Sales Production, advising that 2021 YTD actual bookings (Arch, Summit and In-House) were 53,840 down 40,549 from prior year. 2021 YTD tentative bookings (Arch, Summit and In-House) were 87,627, down 279,309 from prior year. In terms of WSCC groups impacted due to COVID-19, since the January report there has been one additional cancellation and it is a group for 2024. There are three groups in pending status (1 for 2021 and 2 for 2022) and this may change once the meeting planners roll the information out to their proposed attendees and work to confirm attendee numbers, the need to change to a hybrid meeting, travel restrictions, budgetary issues, etc. Ms. Saling reported that as of today, there are now 77 cancellations of national programs at the WSCC, and the sales teams have proposed re-booking future dates for 61 of these programs. Visit Seattle has not proposed dates to six of these groups due to yield management decisions, where those groups do not yet fit properly to maximize space and results for the WSCC. Going forward, these re-bookings will be referred to as “saves”.

B. WSCC Sales Report

Mr. McQuade advised that there are many of events we love to have in the Convention Center for various reasons, some of them are very complex, while some of them show cool production value. Mr. McQuade showed a slide that was taken at a previous year’s Northwest Flower & Garden Festival, an event that has been in the Convention Center since 1989, and that is loved by just about every employee of WSCC. The team from Northwest Flower & Garden Festival did put on a virtual event this year with some success, and they are preparing for the 2022 show to be live here at the Convention Center. Mr. McQuade wished to report that one of WSCC’s National Sales Managers tendered their resignation this past week. Mr. Brock Bradley came to work at the Convention Center in 2013 as the General Manager for the PSAV operation here. PSAV, for those not aware, preceded LMG as WSCC’s inhouse preferred A/V

contractor. When LMG came onboard in 2018, Mr. Bradley applied for and was hired for the open National Sales Manager position. Mr. Bradley was one of the WSCC staff that was placed on extended furlough this past January and he decided that he just could not hang out for the uncertainty any longer. Mr. Bradley has accepted a position with Ungerboeck, the business management software company used by WSCC. Mr. Bradley will be missed by staff, contractors, and our national clients.

With reference to the Governor's new Phase 3 guidelines, these guidelines have provided us the opportunity and potential to bring ins some local and regional business however our local clients continue to feel some uncertainties. On the national side, people Mr. McQuade has spoken with feel there is a little bit more optimism, more pressure, to have live events, and the Sales teams are looking forward to that optimism being demonstrated with some bookings. At the same time, there is some uncertainty due to the unknown timing of lifting the Governor's restrictions, as Ms. Bogard referenced, and that uncertainty is influencing the local and regional market with pace down for the fall of 2021, and into the spring of 2022. Spring of 2022 is also impacted as the Sales teams try to juggle the schedule for the late spring /early summertime-period relative to moving Summit bookings out of Summit and into Arch.

Mr. McQuade advised that he had saved the best news for last and that is in April on Easter weekend, the Convention Center will host its first live attended event in over 392 days. A downtown church called Downtown Covenant Church will be holding their Good Friday and Easter Sunday services, and they are anticipating approximately 400 for Good Friday and are maxed out at 600 for Easter Sunday services. As you all have most likely experienced, COVID-19 has made every aspect of our lives complex and difficult, nothing was simple or easy in booking this event. Mr. McQuade stressed that everyone in the Convention Center had some hand in putting this event together and ensuring that our guests have a successful event.

## VII. PRESIDENT'S REPORT

### A. COVID-19 WSCC Operations Discussion

Mr. Blosser provided some updates on the COVID-19 issues. WSCC received its GBAC Star Accreditation last week and we are happy with that and what that does is really put us in the certified framework of providing approved standards regarding proper sanitation programs for shows and attendees understanding that WSCC has cleaning protocols that will keep everybody safe as well as airflow and going touchless and a couple different options that will really help to boost our operational issues. Staff did a very good job of putting the accreditation package together. Staff has continued to follow our cost reduction plan that we submitted to the Board with the budget. We have several staff on a three-month furlough and have added one month to that furlough to maintain the budget issues for certain staff that are primarily event related. In addition to the staff on extended furlough, many of our staff remains on one- and two-week furloughs per month, and our hourly team has been working in all departments 32-hours versus a 40-hour week to help with the reduction of expenses. Staff are doing a very good job of keeping the expenses in check and we are in line with the staffing changes and cost reductions through June. The Executive team continues to evaluate the budget month by month to assess the need for continued furloughs and as the approaching events start to take shape.

Our Return-to-Work operating protocols rolled out and went into effect on March 18, 2021 with all staff and contractors entering the building at Security Control to sign-in, complete health monitoring, and temperature checks prior to entering the other areas of the building. This check-in process will be continued until such time as it is not necessary.

The Governor moved all of the state into Phase 3 which permits more activity and allows for 50% of space usage and in WSCC's case, for up to 600 people for buildings over 100,000 square feet with six-foot distancing still a mandatory issue as well as masking. With Phase 3 restrictions and more vaccinations for people over the age of 60 begin at the end of the month, we hope for more confidence in people coming to the Convention Center and downtown.



Mr. Blosser advised that we have executed a one-week long event in February for PACCAR and, as Mr. McQuade mentioned, we have the two live church service events in house in April over the Easter weekend. A consumer show might occur in May, depending on the Governor's Phase restrictions.

Mr. Blosser reminded the Board that WSCC applied for and was approved for CARES Act Payroll Protection Plan (PPP) loans at the end of February and was funded. Staff has aligned appropriate costs to be allocated and tracked to make sure we qualify for having the PPP loan forgiven once the monies have been spent within the timeline of March through August. Mr. Hecker and the Finance team have aligned these funds into the Ungerboeck system to ensure we track expenditures. In conversation with Mr. Hendricks and Mr. Hecker yesterday, we felt it would benefit the Board and WSCC if the Board approved a motion to authorize the President/CEO to pursue and apply for available COVID-19 relief plans, grants, or other programs that may come, and to sign any necessary documents to access these programs to the benefit of the District. This action will help us keep in audit compliance. Mr. Finneran agreed with this proposal and called for a motion. Mr. Flowers made a motion to authorize the President / CEO to pursue and apply for all available COVID relief programs, grants, or loans, and to sign any necessary documents to access these programs to the benefit of the District. Ms. Brown-Archie seconded, and the motion was carried by the unanimous affirmative vote of all Directors present by teleconference / videoconference.

#### B. Staffing Report

Mr. Blosser made a staff announcement to the Board, stating that obviously we have had a few staff members leave but we have also promoted and hired people, too.

Mr. Blosser was happy to announce that Mr. Rodney Graviett has been promoted to the position of Security Supervisor and transitioned into this position effective March 1, 2021. Mr. Graviett began his WSCC Security career September 2, 2005 and has spent the past fifteen years ensuring the safety and security of the facility, property, and occupants via security patrol and the monitoring of security systems.

Mr. Blosser was happy to announce Mr. Tony Sheehan as Director of Information Services effective March 16, 2021. Mr. Blosser and staff appreciate the work of Mr. Josh Dennis, Network Administrator, to keep the department moving forward during the recruitment and departure of Mr. Paul Smith on March 5. Mr. Sheehan has worked in the Seattle area for many years and has a long track record overhauling IT to advance business initiatives and partnering with leadership to excel customer service and find solutions for success in organizations. Prior to his years in technology, Mr. Sheehan was proud to serve in the U.S. Navy for many years.

#### VIII. FINANCIAL REPORT

Mr. Hecker advised that the Financial Report for February 2021 had been reviewed by the Finance Committee earlier today and had been sent to the Board for review prior to today's meeting. Looking at the Actual to Budget Report through February and February Year-to-Date, the big takeaways are that from the October adopted budget we are running ahead of revenues by 168%, and we are flat on the expense side. On the revenue side, the big driver of that beat is from Parking revenues. Last month the Daily Parking Rate was increased from \$12 and from \$10 for the Early Bird Special. The majority of that Parking revenue is due to the relationship that we have established with Virginia Mason Hospital to supply additional parking for their employees during the pandemic. The one event that was held in February added to our building rent, food services, and facility service revenues and was a nice help to start the year. Lastly on the revenue side we are seeing that Other Revenues, which the majority are investment income, are down and that is on purpose due to the draw down for the Addition project and we have been going to a more conservative positioning in the investments mostly drawing the dollars into the state LGIP pool in order that we can fund any unforeseen circumstances during the Pandemic as we did not wish to take any liquidity risk or investment risk. Retail rents are running along with budget and are a little higher this month due to some negotiated catch-up payments.

Expenses are meeting the conservative October budget. These will be a little bumpy as we work through the furlough schedule but looking out across the year, we should be meeting the budget estimate. Utilities are running in line with prior years. We are not applying any monies to contingency or miscellaneous currently. Marketing Taxes are not being collected because we still need to collect all the Lodging Tax to pay Debt Service. We have an agreement in place with Visit Seattle that we will continue with funding of approximately \$417,000 per month, and at the current time we are utilizing Unrestricted Funds for these payments. February Lodging Revenues collections have dropped significantly from 2020 due to the impact of the COVID-19 pandemic. Revenues fell 81.9% from February 2020's collections. Sales Tax Credit Lodging Revenues collections decreased 83.1% from last year's collections. Overall compared to last year occupancy rates, room rates, all the data that is associated with hotel activity are down significantly from prior year.

The important take away from the February 2021 Cash Flow Report is that the ending balances as of February 28 still show significant operating liquidity and Reserves to support ongoing Center operations. The Unrestricted Reserve Funds will be committed to the Addition project and any deficiencies we have in Debt Service. For Fund Distribution, we have been taking a very conservative approach to how the funds are being invested with the majority of the dollars in the State LGIP Pool and those funds would be under a year in maturity.

The Forecast for the next three months is setting a good footing for what will hopefully be a great re-opening in the second half of the year.

#### IX. ADJOURNMENT

Ms. Brown-Archie made a motion to adjourn the March 23, 2021 Board meeting at 3:50 p.m. Ms. Moriguchi seconded, and the motion was carried by the unanimous affirmative vote of all Directors present via teleconference / conference call.