

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
March 26, 2019

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., in Room 303, of the Convention Center.

MEETING ATTENDANCE

Board Directors in Attendance

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

Officers in Attendance

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

Consultants / Vendors in Attendance

David Dolquist, ARAMARK
Keith Hedrick, ARAMARK
William Krach, ARAMARK
Rebecca Bogard, Bogard & Johnson, LLC, by teleconference
Matthew Hendricks, Hendricks - Bennett, PLLC
Colin Green, LMG
Jill Hashimoto, LMG
Matt Griffin, Pine Street Group
Jane Lewis, Pine Street Group
Tom Norwalk, Visit Seattle
Kelly Saling, Visit Seattle
Kris Cromwell, Visit Seattle
Patrick Smyton, Visit Seattle
Cath Brunner, Addition Art Project / 4Culture

Staff in Attendance

Krista Daniel	Josh Dennis
Megan Dimotakis	Rebecca Emmons
Daniel Johnson	Shannon Leahy
Michael McQuade	Michael Murphy
Bahiah Odeh-Eppig	Lorrie Starkweather
Susnios Tesfaye	Ron Yorita

II. APPROVAL OF MINUTES

January 22, 2019 WSCC PFD Board Regular Meeting and February 26, 2019 WSCC PFD Board Special Meeting

Mr. Hillis made a motion to approve the minutes of the January 22, 2019 Regular Board meeting and the February 26, 2019 Special Board meeting as presented. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

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. WSCC Board Strategic Planning Retreat

Mr. Blosser advised that staff has begun the planning process for the Strategic Planning Retreat to be held Tuesday, October 29 and Wednesday, October 30, 2019. These dates were previously confirmed with the Directors, and the meetings will take place at the Westin Seattle. By consensus, the Directors were unanimous in their agreement to these dates and location for the 2019 Strategic Planning Retreat.

B. Approval of Date Change for the July 23, 2019 WSCC PFD Board of Directors Regular Meeting to July 30, 2019

Mr. Finneran advised that the President has requested to change the date of the scheduled July 23, 2019 Regular Board Meeting to July 30, 2019 as the date conflicts with the International Association of Venue Managers (IAVM) national conference, scheduled for July 20 – 24, 2019 in Chicago, IL. Staff attends this conference every year when possible to view new products, learn new operational methods, meet with peers and interact with our industry members. Mr. Blosser spoke with the Chair at the January Board meeting and sought out the Board's availability for a possible date change with all responses being positive.

Mr. Finneran made a motion to approve the date change for the July Regular meeting of the WSCC PFD Board of Directors from July 23, 2019 to July 30, 2019. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

C. 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 2019)
2. Ratification of Additional Facility Project Contract List (March 2019)
3. Approval of Additional Facility Project Draw Schedule Payments, #51 (February 2019)
4. Approval of Additional Facility Project Draw Schedule Payments, #52 (March 2019)

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. Benefits Committee – 2018 Summary Report
4. Social Media Recap – February 2019

Mr. Hillis made a motion to approve the Consent Agenda as presented. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

V. PFD COMMITTEE REPORTS

A. Art Committee

1. Update

Ms. Gonzalez-Murillo reported that the Art Committee is scheduled to meet monthly, following the Addition Project Art Advisor meetings, to ensure that the review and approval process required for the various Addition art components proceed in a timely fashion. The Committee met on February 21, 2019 and received a status report of the art projects in progress for the Addition and reviewed the Olive Way concepts as well as the draft schedule for development and approvals on each artwork or group of artworks. The Committee approved moving the Olive Way public benefits artwork concepts to the full Board for review at today's meeting. At the Committee's meeting on March 21, 2019, the Addition art projects for commemorating the public art and historical context of the Addition site, along with a program of artworks by indigenous artists for the Summit building's two entrances were reviewed. The Committee approved the continuing development of both projects as proposed. The operational guidelines document for the Addition art program was also reviewed and approved by the Committee.

The WSCC Rotating Art Program opened the 2019-20 exhibition round with the NW Collage Society, which will be on display through March 31. The second quarter will feature exhibitions by the Seattle Metals Guild and the Port Townsend School of Art, both on display through July 7.

2. WSCC Art Foundation

Ms. Gonzalez-Murillo advised that the WSCC Art Foundation met on February 25, 2019 and were provided with updates on the existing WSCC art program and an overview of the Summit building art program. Art Foundation directors with terms that ended in December 2018 were reappointed, following WSCC Board approval by Resolution 2018-12 on November 28, 2018.

3. Review of Addition Project Art Concepts

Ms. Lewis advised that the art concept to be presented to the Board today is one of three Public Benefit artworks, which includes the Galileo (swinging pendulum) concept for 9th Avenue & Pike Street and the Walktic (wall art) concept for Boren Avenue that was previously reviewed by the Board at the January 22, 2019 meeting. The Public Benefit artworks are a required component of the Seattle Design Commission process for the Addition Project. Ms. Lewis presented the Olive Way Public Benefits Artwork Concept which will be located on Site A, which has been approved by the art advisors and the Board Art Committee and their representatives, with the next step being approval by the full Board. The presentation today can be thought of as approximately 30% concept. The artist team is comprised of Chris Jordan and Kenji Stoll and they are proposing artwork that the public literally will benefit from. The Olive Way zone includes the street level vitrines and vitrines that go all the way up the building to the very top. They are focused on the concept of water as a public resource and the intent is to add lighting in the vitrines that will create a waterfall effect. In the streetscape they will add seating and a water fountain. Water fountains were once a common public resource that are now rarely found. Instead the use of bottled water has soared. The artists intend to include messaging about the effects to the environment of the use of plastics and to open a broader conversation about what makes cities sustainable. As passersby use the water fountain, the lighting on the waterfall will be programmed to react. The artists will include lighted seating and are also researching additional public benefits to be part of this installation. The base cost is \$285,000 from the Public Benefits portion of the Addition art budget. The Olive Way Public Benefits Artwork concept will continue to be refined and will be brought back to the Board Art Committee and then to the full Board for final approval. Mr. Finneran requested to know if there would be a story board posted to provide an explanation of the artwork, and Ms. Lewis advised that there would be graphics posted to explain the concept and how it all works.

Ms. Lewis stated the concept has received the approval of the art advisors and the Board Art Committee, and the Addition Art program is seeking the Board's concurrence on this concept in order that the project can continue to move forward. With the consensus of the Board members in attendance, Mr. Finneran concurred with the Olive Way Public Benefits Artwork concept as presented.

B. Addition Committee

1. Update Report

Mr. Finneran requested Mr. Griffin to provide the Board with a brief presentation of the current standing of the Addition Project items.

Mr. Griffin spoke with regards to the schedule and stated that construction is progressing and progress is being made on recovering time lost due to the issues arising from the street utilities work, shoring on Boren Avenue, and concerns regarding water coming onto the Project site as previously reported to the Board. Pine Street Group understands the concerns regarding the delay in the construction schedule and continues to work with the contractor to see which parts can be picked up. Mr. Griffin reported that the buses came out of the tunnel over the weekend. We have worked in tandem with Metro and the process appears to have worked well over the transition period. As the Board may recall, in our negotiations with the City of Seattle for the vacations we agreed on a WMBE goal of \$80 million for the contractor and the PSG team. Contracts are now in place in excess of \$90 million.

On the co-development, on the blocks north of Olive, between Olive and Howell, the Convention Center needs the space below grade for the truck loading docks. When we get to grade, we clearly didn't want these to just look like loading docks so on the block that's to the west bounded by Terry, Howell, Boren and Olive, we have permitted a building for a 500,000 sq. ft. office building and then on the block to the west we've permitted an apartment building for 400 units and 30 stories tall. Over the last few months we've been negotiating a sale of the office building site and we're pleased that we've reached an agreement with Hudson Pacific Properties, a public real estate investment trust, to purchase that property. We will create a condominium that they will own the part above grade and the Convention Center will own below grade. They will build according to the design that we have had approved at the Design Review Board and basically do the other things that are required by the Seattle Design Commission. Mr. Griffin advised that, contained in the Board packets, is a Resolution being brought before the Board to approve the Purchase & Sale Agreement between the District and Hudson Pacific Properties (HPP), which was signed last week by the Chairman subject to approval today by the full Board. Assuming the document is approved, then the next steps are to complete two items of due diligence: 1) The City of Seattle requires some changes to the drawings to comply with the building permit. Those revisions should be complete in the next few days and then would be questioned/approved 10 days later by HPP. Mr. Griffin stated that Pine Street Group does not expect a problem with the revised drawings. 2) Pine Street Group is in the process of finalizing the condominium documents.

2. Approval of Office Condominium Sale, Resolution # 2019-4

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District") approving the sale of the Office Condominium Unit on the Addition Project site.

Mr. Finneran advised that the Finance Committee and Addition Committee met earlier today and are making a recommendation to the full Board for approval of Resolution 2019-4 which is contained in the Board packets, to approve the sale of the Office Unit as set forth in the Purchase and Sale Agreement and to authorize the Board Chair to execute land use documents for the Addition Project on behalf of the District.

Mr. Hillis made a motion to approve Resolution 2019-4 to approve the sale of the Office Unit as set forth in the Purchase and Sale Agreement which has been reviewed by the Finance Committee and Addition Committee, and to authorize the Board Chair to execute land use documents for its Addition Project on behalf of the District. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

C. Finance Committee

1. Update

Mr. Flowers advised that the Finance Committee met this morning and were provided a review of the monthly WSCC Financial Statement.

2. WSCC Financial Audit (2018) Update

Mr. Flowers advised that an update was provided regarding the WSCC Financial Audit for FY2018 which is currently being conducted by WSCC's auditor, Miller & Miller P.S. To date, it's coming through clean with no concerns. Mr. Miller hopes to complete the audit by mid-April and then WSCC will receive the final audit report.

3. Approval of the Purchase of Property and Sale of Property for Marshalling Yard, Resolution # 2019-5

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District approving the sale of parcel on Occidental Avenue and 150 Horton Street property and warehouse building; and approving the purchase of property located on 9645 Martin Luther King Jr. Way South to utilize for its' facility operation of both the Arch and Summit buildings.

Mr. Flowers advised that the Finance Committee received a presentation regarding Resolution #2019-5, which is the sale of the Horton Street site and the purchase of the Martin Luther King Jr. Way South site for marshalling yard and operational use and are recommending approval by the Board.

Mr. Finneran requested Mr. Blosser to outline the Resolution for the Board and for Mr. Murphy to present the specifics of the transactions. Mr. Blosser stated that this is a scenario for WSCC to acquire a more functionally operational marshalling yard for our two facilities, and to realize a significant cost savings. WSCC currently owns the site on Horton Street; said purchase approved by the Board by Resolution #2016-17 on September 26, 2016. While the site has been somewhat useful, it is separated by the Burlington Northern Railroad (BNR) track easement in the center of the property which has not allowed for the efficient use of the entire lot. Staff learned of the potential availability of the site on Martin Luther King Jr. Way South which is in fact slightly smaller but much more efficient. This site can house approximately 50 to 60 trucks on the lot; is already fenced, lit, secured, in very good shape, and is closer to the freeway. The purchase of this site will allow WSCC to acquire a much more useable lot from an access and usage standpoint. Mr. Murphy advised that at the Special Board Meeting held on February 26, 2019, staff requested permission to execute the purchase and sale agreement for the purchase of the Martin Luther King Way South property, as well as to pursue the purchase and sale agreement for the sale of the Horton Street site. Terms have been reached with both transactions. Mr. Murphy stated there was a concern with the closing of the purchase prior to the end of the feasibility and the closing on the sale. WSCC did not want to end up owning both properties, and as a result, an extension with the sellers has been negotiated and agreed to, with WSCC to pay market rent for the time until the closing date for both the sale of Horton and the purchase of Martin Luther King Jr. Way South. Mr. Finneran stated that this is a win-win situation for WSCC as it improves our ability to manage the freight and trucks, and with the difference in the purchase and sale amounts will provide a significant cost savings to WSCC.

Mr. Flowers made a motion to approve Resolution #2019-5, approving the sale of parcel on Occidental Avenue and 150 Horton Street property and warehouse building; and the approval of the purchase of property located on 9645 Martin Luther King Jr. Way South to utilize for the District's facility operation of both the Arch and Summit buildings. Mr. Hillis seconded and the motion was carried by the unanimous affirmative vote of all Directors present, both in person and by teleconference.

D. Marketing Committee

1. Re-branding Update

Mr. Schafer reported that the Marketing Committee met today and discussed building-specific treatment signage for the outside of the Arch and Summit buildings and it has been determined that this would include Seattle Convention Center with Building Name and Street Address at the specific doors.

The Committee also reviewed how the new logo and name would be used on the collateral pieces, for example on business cards, potential website pages, letterhead and other stationery items, e-mail signature blocks, and internal service orders. An implementation schedule was presented and the Committee feels the process is moving nicely. Staff is reviewing RFQ replies to contract with a signage firm to design and create the new signage as well as start to assist with wayfinding. The Marketing Committee will continue to review and inform the Board of progress.

Mr. Schafer advised that the Committee was informed that a significant piece of business for February 2020 cancelled their event for Seattle last month. This was a projected \$4 Million revenue event for WSCC and a significant room block loss as well. Visit Seattle and WSCC sales teams are working hard to try and fill this short-term time slot with other potential business. WSCC has received a cancellation fee payment and the Committee discussed in the future when contracts are being negotiated if there is something that can be added to contracts to address cancellations within one or two years to protect WSCC because trying to replace that type of business in the short term is very difficult and the cancellation fees do not cover the economic loss incurred by WSCC. Mr. Finneran commented that if the penalties were a little steeper at least we'd have better ability to recover.

E. Government Affairs Committee

1. Update

Ms. Brown-Archie advised that the Government Affairs Committee met today and received an update on a number of legislative bills currently before the House and Senate and other activities of interest to the Committee. As the Board may recall, Ms. Bogard has been asked to expand her reporting on state legislation to include King County and City of Seattle legislative items that could potentially have some impact on the Convention Center. Ms. Bogard is monitoring for us in order that we can be more proactive to the extent that the Government Affairs Committee and WSCC staff can be aware and have an opportunity to take action on items of significance to the Center.

2. Government Relations Consultant Report

Ms. Brown-Archie advised that the consultant update report from Ms. Bogard is contained within the Board packets.

F. Facility Committee

1. Update

Mr. Hillis advised that the Facility Committee met on February 26 to review the 2018 Capital Projects. All 2018 projects have been completed with left-over funds being carried forward into 2019 Projects. The Committee reviewed the 2019 Capital Projects work to date and have added a new project as a result of Dawatt Bar & Grill having issues with grease removal which has not only affected this retailer but has caused some damage to other retail tenants and to the piping. WSCC spent a significant amount of money to make the repairs that was approximately \$100,000 above the Capital Projects budget amount, however staff feels comfortable that savings from other projects can cover this cost leaving the approved 2019 Capital Projects budget unchanged.

Mr. Hillis requested Mr. Blosser to provide explanation on renovations to Concession Stand F. Mr. Blosser advised that Concession Stand F is located in Hall 4E/F, is one of WSCC's largest concession stands, makes the most revenue for all of our shows and it is woefully outdated. Staff have requested to update Stand F, in much the same manner as was done for The Grill and Solera, to give it more marketability and to install digital signage. WSCC and ARAMARK are reviewing the stand operations because the current configuration is labor intensive due to the size of the stand and the types of product sold there. They are also reviewing how best to transport food to and from this stand. Similar to the renovations to Solera and The Grill, staff will report project design and progress to the Facility Committee. The source of funding for these renovations will be the ARAMARK 5% Reserve Funds and will not come out of the Capital Projects Budget. Mr. Hillis stated that the Facility Committee will continue to monitor this project as part of its oversight of Capital Projects.

VI. VISIT SEATTLE & WSCC Sales Reports

A. Visit Seattle Destination Overview

Mr. Norwalk reported that Smith Travel Research report for February 2019 provides comparisons for revenue per available room (RevPAR), average daily room rate (ADR) and occupancy variances for hotels in Seattle Downtown, San Francisco Market Street, Denver Downtown, Portland Central City, Austin CBD, San Diego CBD, Atlanta CBD, Nashville CBD and Vancouver Downtown. Downtown Seattle finished February with an occupancy rate of 69.9%, down 5.3% from the same period in 2018; RevPAR was down 3.4% and ADR saw an increase of 2% as compared to the same period last year. In February 2019, San Francisco Market Street led the competitive set for the month in the ADR and RevPar categories, with an ADR of \$292 and RevPar of \$229. Austin CBD led the Occupancy category with a rate of 80.3. Seattle Downtown held onto the sixth spot in the RevPar and ADR categories, and dropped to ninth place in occupancy at 69.9, just slightly below eighth place Denver Downtown. Seattle numbers continued to track strongly with the eight other cities in the group.

Following on the new report format looking at the supply change in the hotel marketplace, Mr. Norwalk reported on the YTD performance, not just looking at it by RevPar but by the supply change in these markets and also the overall room revenue change. Downtown Seattle occupancy rate finished February 5% below prior year, RevPar was down 5.8%, but because our supply has increased over 18.7% over the year, we are up almost 11.8% in revenue. So that is important for us in terms of the Lodging Tax side of things. The notable cities on the slide that saw some significant growth in supply are Nashville, Austin, Atlanta CBD and San Francisco Market Street. Seattle’s competitive set markets have seen some significant growth over the past few years. Seattle numbers continue to track strongly with the eight other cities in the group.

B. Visit Seattle Sales Report

Ms. Saling provided a brief update on a recent cancellation for February 2020, resulting in the loss of 3,568 peak room nights / 13,800 total room nights, and a projected \$2+ million in food and beverage revenues for the dates of February 23 to 26, 2020. Visit Seattle is working to backfill dates with some opportunities that are currently in play.

Ms. Saling reported that the Visit Seattle February 2019 YTD yearly definite production blended goal was 94,215, with actuals coming in at 118% of goal (111,515). The breakdown for the WSCC sales production was 32,256, 58% below the YTD goal of 55,935, and Hotel Production was 79,259, up 207% of the YTD 38,280 goal.

Ms. Saling reviewed select WSCC lost and waived room nights February 2019 YTD for meeting years 2019 to 2025, advising that there were a total of 24 events lost, and the reasons were:

○ Date Availability	8%	○ Rates – Hotels	21%
○ Rotation Change	13%	○ Rates – WSCC	13%
○ Hotel Size	21%	○ WSCC Size	4%
○ Weather	4%	○ Yield Management	8%
○ Insufficient Local Membership	4%	○ Inadequate Committable Hotel Rooms	4%

C. WSCC Sales Report

Mr. McQuade reported that for February 2019, WSCC & Visit Seattle Sales staff combined top-line rent totaled \$671,295 for Convention Center contracted bookings. Year-to-date, combined top-line rent is 91.67% of goal, totaling \$5,398,020.

Groups hosted February YTD realized 2,329 in hotel room night bookings, with 91,084 delegates, and an estimated \$2,269,416 in top-line revenues.

During February, WSCC Sales staff booked 15 new events into the Center to infill around convention business booked by Visit Seattle. Cumulatively, these 15 WSCC booked events represent over

9,490 in estimated attendance, 78 associated room nights, and combined topline revenues of over \$466,657 for rent, food & beverage, parking and subcontractor services.

VII. PRESIDENT'S REPORT

A. Report of Performance-Based Compensation Program

Mr. Blosser advised that the 2018 year-end performance reviews for all non-represented staff have been completed. Mr. Blosser approved increases for non-represented staff per their performance-based scores and all increases fall within the approved budget line item for 2019. Increases were effective March 1, 2019, and employees received the monies on their March 25th paycheck.

B. Taste of Washington: Marketing Event Participation

Mr. Blosser reported that WSCC and ARAMARK will again participate in the Taste Washington trade show event, March 29 & 30, 2019 at CenturyLink Field and Event Center. This event provides an opportunity to talk to attendees about our meeting capabilities and to promote the Center and our operations, as well as showcase WSCC's culinary expertise and use of locally grown products. Several of WSCC clients and Visit Seattle clients will be attending. It is really nice to participate and be supportive of Washington Wine Month as well as Visit Seattle.

C. Report on Comic Con Event

Mr. Blosser provided an overview of Comic Con 2019, the first event WSCC has held with the client-requested increased security. Mr. Blosser extended his appreciation to Ms. Brown-Archie for her efforts, on WSCC's behalf, to receive authorization from the City of Seattle to be able to change the access to the facility relative to the ability to close the buildings down for certain periods of time, and to change the building's hours of operations. Receiving the authority for this was an important piece to begin the complicated planning process for the Comic Con event, and Ms. Brown-Archie was instrumental in our getting what was needed for this program. Advance communication of building accessibility was provided weeks before with signage throughout the building, via social media, as well as other media types. WSCC wanted to ensure that our regular attendees/clients, parking customers, our neighbors – both business and residential (ACT Theatre, the Paramount Theatre, Two Union Square, etc.), along with our retail tenants, were all made aware that the building was going to have a significantly different process for accessing the building during the Comic Con event dates. This event, with the Client's request for enhanced security, required a lot of advanced planning to put all the necessary components in place for a successful show for ReedPop and the WSCC. Ms. Daniel and Ms. Odeh-Eppig did a great job working with ReedPop to understand exactly what we needed to have done and how it would affect their show. There were eighteen (18) magnetometers (metal detectors) staged across the Convention Place entryway which was the primary entrance for Comic Con attendees. The Exhibitor entrance was staged at the Pike Street entrance, also with metal detectors. We did two street closures (7th Avenue and 8th Avenue) and closed Freeway Park access. The street closures aided with the staging of lineups for attendees, and although the Freeway Park queuing was not used 100%, it was there if the area was required to house the lines of people. Metro buses continued to use Convention Place but were made aware of the magnitude of the event and the multitude of people that would be in that specific area. Ms. Brown-Archie asked if the garages were secured during the event and Mr. Blosser replied that no, the garages were both still availability for use for parking. There was limited access into the main garage off 8th Avenue due to the street closure, however access was available at the Pike Street entry. Building access was restricted from the 8th Avenue doorway and the Level 3 entry from the main garage, except for ADA access and staff/contractor access. All others had to walk outside of the building. Mr. Blosser reported that the estimated attendance was 20,000 each day. The police / security presence, along with the assistance of StaffPro was extremely helpful to make this new process a success for all concerned. Mr. Blosser advised that we received only a few complaints on parking and a few from people who couldn't walk through Freeway Park and through the building on their regular routes to/from the neighborhood. Special thanks to Ms. Daniels and the Event Services team, Ms. Leahy and the Security team, Mr. Dolquist and the Food

Service team, Mr. Taylor and the Custodial team, and all others who played a role in the success of this event with these new security parameters. Comic Com will return to WSCC again next year.

VIII. STAFF REPORTS

A. Parking Report

Mr. Tesfaye reported that parking revenues for February 2019 were up 3% from the revenues reported February 2018; and February YTD revenues were up 3% from the same period in 2018, mainly due to the event mix in the building. A wait-list is not being kept for the garages at this time due to the Addition Project Labor Agreement parking however is being monitored on a month-to-month basis.

Mr. Tesfaye provided a report showing the average income per stall / per category / per month – public versus monthly parking per building and employee parking. Mr. Tesfaye reported that for the month of February 2019, average rate per day per stall was:

- Freeway Park garage has 660 stalls available. There are 3 categories: Monthly Parking (252 parkers) at an average rate per stall of \$200.66 per month; Employee Debit Card (620 card holders); and Daily Parkers with an average daily rate per stall of 41.06. Monthly Parking usage averaged 262 per day (40%); Employee Debit Card usage averaged 58 per day (9%); and Daily Parking usage averaged 108 per day (16%). Total stalls occupied on average were 428 per day, or 65%.

- WSCC garage had 815 stalls available. There are 5 categories: Monthly Parking (158 parkers) at an average rate per stall of \$272.48 per month; Daily Parkers (659 parkers) at an average monthly rate per stall of \$258.58; Validations (82 average per day); HCF, Admin & Validation (10 average per day); Employee & Retail Monthly Parking (39 average per day); and Carpool and Unassigned Monthly Parking (4 average per day). Daily Parkers average usage was 659 per day (81%); Validations average usage was 82 per day (10%); HCF, Admin & Validation average usage was 10 per day (1%); Monthly Parking (Employee & Retail) average usage was 46 per day (6%); and Monthly Parking (Carpool & Unassigned) average usage was 4 per day (1%). Total stalls occupied on average were 801 per day, or 98%.

At the January 22, 2019 Board meeting, Mr. Finneran requested that Mr. Tesfaye and Mr. Firth create a more detailed report looking at the parking garage operations, providing revenue per stall per day-to-day numbers and be reported on a month-to-month basis. Mr. Finneran asked that the report separate the transient revenues from the monthly parker revenues to give a clear picture of revenue per stall per day. Mr. Tesfaye provided a detailed report outlining the February revenue per stall for both garages, showing monthly parking revenues and event related revenues. Discussion occurred regarding parking validations and how those are, in most cases, event-related and the client is invoiced. Ms. Grant asked about the Addition construction parking and if that is now underway and are the construction workers using the parking spots, and if this agreement is working out for WSCC? Mr. Blosser replied that the construction parking has been in place since August 2018, and Mr. Tesfaye provides a monthly report to Pine Street Group. Currently there are 70 parking spaces being utilized for construction parking, which has been increasing on a monthly basis. Ms. Grant asked if there was a projection of what the construction parking usage would peak at and Mr. Blosser advised that they have projected 700 to 900 spaces, however Mr. Blosser is estimating that number to be 15% of what their projections have been. It may be that the construction workers are utilizing alternative transportation such as bus, train, carpooling, etc., which is good but the spaces are available at a very reduced rate (early bird rate) if they come into Freeway Park Garage. Mr. Finneran led a discussion to understand if the current data points ascertain our ability to maximize revenues. Mr. Finneran provided some inquiry and suggestion as to the merit of exploring other data points. Staff will review the report content and provide an updated report format at a subsequent Board meeting. Further discussion occurred about the new parking equipment and software that WSCC will be using in the garages, called SKIDATA. Ms. Brown-Archie requested to know if the new system would have the capability to show the number and location of spots occupied and/or number and location of vacant spots. Mr. Blosser advised that it will provide the number of spaces but will not necessarily the location. WSCC currently subscribes to the City of Seattle parking signage system and the City sign near the Sheraton Grand Seattle indicates the number of parking spaces available at the WSCC garages.

B. Food Service Report

Mr. Dolquist reported total sales for February 2019 were \$3,280,564, exceeding reforecast by \$245,307, and exceeding prior year by \$290,832. Total costs for February 2019 were \$1,792,366, exceeding reforecast by 1.4%. February 2019 total WSCC PFD revenue was \$1,435,181, exceeding reforecast by \$151,213, and \$666,349 below prior year. Looking at the year-to-date numbers, Product Costs came in at 21.8%, 1.4% over reforecast, and Labor came in 25.5%, exceeding reforecast by 1.9%, due to event staffing costs. Year-to-date sales are at \$4,554,784, exceeding reforecast by \$383,828, and \$580,076 below prior year actuals. Food service return to WSCC PFD year-to-date is \$1,750,080, below prior year by \$462,642. ARAMARK continues to focus on the Food Management and Labor Management programs and reports are showing positive results.

Mr. Finneran asked if it would be possible to prepare an evaluation of revenues from the recent Comic Con event, on a per capita basis, to provide a comparison as to where WSCC ranks with other Comic Con venues. Mr. Dolquist advised that he will research and report back.

IX. FINANCIAL REPORT

Mr. Firth reported February 2019 total operating revenues were up 1.8% compared to the same period in 2018, and above budget by 8.4%. For the month of February 2019, Food Service revenues were up by 12.6%. Retail revenue was up 10.7%, Building Rent revenue was up 12.8%, Parking revenue was up 8.6%, and Facility Services revenue was below budget by 18.2%. Year-to-date Operating Revenues were 0.9% below budget at \$7,255,147, and below prior year by 6%.

Operating expenses for February 2019 were above budget for the month by 5.9%; and the corresponding sales were up 8.4%. Staff continue to conservatively manage expenses in FY2019. Operating surplus for February 2019 was \$847,024. Year-to-date the operating surplus through February totaled \$649,242, compared to the budget amount of \$810,265.

For the month of February 2019, marketing revenues were below budget by .7%; and the monthly marketing expenses totaled \$813,053, below budget by 5%. Year-to-date February 2019 total Marketing revenues were down 6% compared to the same period in 2018, and below budget by 6.6%. Marketing expenses for year-to-date 2019 totaled \$1,731,026, below budget by 9.6%. Marketing surplus for February was \$6,714, an increase of 147% over the same period in 2018. Year-to-date the marketing surplus through February totaled \$29,192, up from budget by 195.6%.

Addition Project Fund expenditures for February 2019 were \$17,392,761, up from budget by 70.7%. Year-to-date February 2019, Addition Project Fund expenditures were above budget by 35.7%, at \$27,376,569.

Non-Operating Revenues for the month of February were \$6,623,052, above budget by 18.3%. This was due in part to the \$1,057,125 Additional Lodging Tax previously labeled as the 2% Transient tax. The Additional Lodging Tax is presented as revenue, however in standard accounting practices it is reported as a 'due to' and not 'revenue' as it is owed to the State of Washington in its entirety. Non-Operating Revenues year-to-date through February 2019, for regular and additional lodging taxes, totaled \$11,075,900. Non-Operating Expenses during the month for transfer of additional lodging tax, debt service, capital improvement projects totaled \$6,192,872, above budget by 82.8%. Non-Operating Expenses year-to-date through February 2019, which includes transfer of additional lodging tax, debt service, capital improvement projects, totaled \$12,500,349, above budget by 96%.

Mr. Firth advised that the forecast for the 2019 fiscal year is tracking positively for WSCC.

X. ADJOURNMENT

Mr. Hillis made a motion to adjourn the March 26, 2019 Board meeting at 3:57 p.m. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.