

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
May 28, 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 210, of the Convention Center.

MEETING ATTENDANCE

Board Directors in Attendance

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

Board Directors Absent

Jerry Hillis

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
Rebecca Bogard, Bogard & Johnson, LLC
Matthew Hendricks, Hendricks - Bennett, PLLC
Colin Green, LMG
Jill Hashimoto, LMG
Matt Griffin, Pine Street Group
Cath Brunner, Addition Art Project / 4Culture
Cathy McClure, Addition Art Project
Margery Aronson, Addition Art Project
Tom Norwalk, Visit Seattle
Kelly Saling, Visit Seattle
Kris Cromwell, Visit Seattle
Patrick Smyton, Visit Seattle

Visitors in Attendance

Andy Wattula, Hudson Pacific Properties

Staff in Attendance

Diana Cross	Krista Daniel
Daniel Johnson	Michael McQuade
Lorrie Starkweather	Susnios Tesfaye
Ron Yorita	

II. APPROVAL OF MINUTES

March 26, 2019 WSCC PFD Board Regular Meeting

Ms. Brown-Archie made a motion to approve the minutes of the March 26, 2019 Regular Board meeting as presented. Mr. Schafer 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. International Association of Venue Managers (IAVM) – 2019 Lifetime Achievement Award

Mr. Finneran advised that IAVM represents 155 public assembly venues from around the globe, with over 5,720 active members including managers and senior executives from auditoriums, arenas, convention centers, exhibit halls, stadiums, performing arts centers, university complexes, and amphitheaters. Each year, IAVM presents a Lifetime Achievement Award to those individuals nominated by their peers for outstanding leadership contributions, innovation, education and exemplary service to the convention center industry. On behalf of the IAVM and the Board and staff at WSCC, Mr. Finneran was proud to make the announcement that Mr. Jeffrey Blosser is the recipient of the 2019 IAVM Lifetime Achievement Award. The award will be presented to him at the Annual IAVM 2019 VenuesConnect Conference being held in Chicago in July. This is an exceptional honor for Mr. Blosser and the WSCC. IAVM's media release will go out in July.

B. WSCC Addition Project Economic Benefits

Mr. Finneran provided an ad hoc reference to a one-page reference document created by staff in response to a request from Board members to summarize the WSCC Addition Project Economic Benefits information. Paper copies were provided to the Board.

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 (April 2019)
2. Ratification of Additional Facility Project Contract List (May 2019)
3. Approval of Additional Facility Project Draw Schedule Payments, #53 (April 2019)
4. Approval of Additional Facility Project Draw Schedule Payments, #54 (May 2019)

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. Social Media Recap – April 2019

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

V. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran introduced Mr. Wattula from Hudson Pacific Properties, the buyers of the Office Condominium Unit on the Addition project site. The Board approved the sale of the Office Condominium Site at the March 26, 2019 regular meeting.

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 briefly regarding the sale of the office building development opportunity to Hudson Pacific Properties, the creation of the Purchase & Sale Agreement and a Development Agreement between the Convention Center and Hudson Pacific Properties, as well as the formation of the actual condominium.

Mr. Griffin advised that construction is progressing following the schedule as reported previously to the Board. Currently there are approximately 150 to 200 workers onsite and that number will continue to grow to almost 1,500 over time. On the Financial Plan, there are no major changes in cost reports from previous month. Reviews are being conducted on a regular basis with the Addition Committee and the Finance Committee with respect to future bond financing which is expected to occur in early 2021. On the residential component of the co-development, PSG is in the process of assembling local investors for approximately \$40 million of local capital/equity to partner with approximately \$60 million of institutional capital/equity. From a public relations standpoint, Mr. Griffin advised that \$16 million of the Convention Center's public benefits monies are being paid to the City of Seattle this week, with \$9 million earmarked for part of the bicycle improvements and \$7 million earmarked for pedestrian improvements along Pike/Pine Streets. Mr. Flowers and Ms. Brown-Archie participated in a commemorative photo along with representatives from Cascade Bicycle Club, Central Seattle Greenways, Seattle Neighborhood Greenways, Seattle Department of Transportation, Seattle's Office of the Waterfront and Civic Projects, and the Downtown Seattle Association. This public relations event ensured that the Convention Center was afforded the credit deserved for making these significant commitments to the local community.

2. Approval of Airspace Lease with WSDOT, Resolution # 2019-6

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District") approving the lease of airspace from the Washington State Department of Transportation ("WSDOT") (the "Property") to utilize for its Addition Project ("Addition Project").

Mr. Finneran requested Mr. Griffin to provide the Board with an explanation regarding the Airspace Lease with the WSDOT. Mr. Griffin reminded the Board that PSG entered into negotiations with WSDOT in August 2014 for the purchase of property adjacent to the northeast and southeast corners of the Addition site. WSDOT would not agree to sell the requested property, however negotiations continued between the parties to lease the property and the airspace rights similar to, but separate from, the current lease that the Convention Center holds with WSDOT with the existing building. Negotiations have been completed and a lease agreement drafted with the assistance of Mr. Fluhrer is attached to Resolution 2019-6 as Exhibit A.

Mr. Schafer made a motion to approve Resolution 2019-6 to approve the lease of airspace from the WSDOT to utilize for the District's Addition Project, and to authorize the Board Chair to execute the airspace lease on behalf of the District. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

B. Art Committee

1. Update

Ms. Gonzalez-Murillo reported that the WSCC Art Foundation met on May 13, 2019 to receive updates on the art program and an overview of the Summit building art program. Ms. Gonzalez-Murillo and Ms. Grant attended the May 21, 2019 Addition Art Advisors meeting to review projects. The Board 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 May 23, 2019 and received a status report of the art projects in progress for the Addition and reviewed the Convention Place Station Interpretive Display art by Kate Clark commemorating the public art and historical context of the Addition site, and the Walk-Up Concepts on Pine Street with four different artists creating retail wraps for three outdoor facing retail shops on Pine Street and with a fourth artist designing a wall. The Committee approved moving the Convention Place Station Interpretive Display art and the Walk-Up concepts to the full Board for review at today's meeting.

2. Review of Addition Project Art Concepts

Ms. Gonzalez-Murillo requested Mr. Griffin and Ms. Brunner to provide an overview of the concepts being brought before the Board. Mr. Griffin reminded the Board that one of King County's requirements in the agreement with WSCC to purchase the Convention Place Station (CPS) property was that a commemorative location be created onsite showcasing the existing CPS site art and history. The Convention Center was required to fund \$100,000 towards the design of the art, with 4Culture willing to utilize \$150,000 from their funds, for a total of \$250,000 to build a more meaningful and interesting display in the space. The Interpretive Center concept being presented to the Board today was created for this purpose. Mr. Griffin advised that the Walkups concept was part of an early design idea to incorporate art into the architecture. Mr. Griffin is very pleased that this is a concept that works in the Art Program headed by Ms. Gonzalez-Murillo as well as in the projects' architecture and design.

Ms. Brunner advised that the two art concepts to be presented to the Board today are: the Walk Ups Artists' Concepts, with artist team comprised of four local artists - Robert Hardgrave (Yellow Box), Maki Tamura (Blue Box), Ulises Mariscal (Pink Box) and Satpreet Kahlon (Green Wall); and the Convention Place Station Interpretive Display, with art by Kate Clark. Photos of the concepts were presented to the Board along with a brief description.

Mr. Flowers asked if the Addition art will feature northwest artists that have national reputations or are we seeking developing artists. Ms. Brunner responded that the project has artists from all levels of experience, from international reputations as well as artists that are just receiving their first chance.

Ms. Gonzalez-Murillo stated that both concepts have 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 Convention Place Station Interpretive Display art and the Walk-Up Concepts as presented.

C. Marketing Committee

1. Update on Branding

Mr. Schafer reported that the Marketing Committee met today and discussed the rebranding implementation and schedule and reported that this process is on schedule. A brief discussion took place regarding the building signage and Mr. Schafer advised that the Marketing Committee will be meeting in the future to discuss signage with the WSCC signage contractors.

2. WSCC / Visit Seattle Sales Process

Mr. Schafer advised that discussion occurred regarding the Visit Seattle and WSCC sales process and changes that will be occurring by end of year. Mr. Blosser advised that the updated sales process will assist the two teams to continue to work effectively and efficiently with similar goals for both teams, especially as we are now selling the Summit. This will ensure that both teams are working towards the same results including revenue for the convention center and room nights. Mr. Blosser advised that more information will be provided to the Board at the strategic planning retreat meeting in October, along with a preview of the goals for 2020. Part of this updated process will be a slight change in the revenue management and providing Mr. Smyton, as he gets more involved with the process, a little more authority to negotiate the deals, especially when we are taking a look at how we get the client into the right time,

right space, right piece of business, and to be able to help WSCC and Visit Seattle to understand the pieces of business necessary to reach our goals and be more efficient and effective in the sales process. Mr. Schafer noted that this is another indication of how well the two sales teams are working together and that our process is quite different from the way other convention/visitor bureaus and convention centers work together.

3. Cancellation and Liquidated Damages Clause

Mr. Schafer advised that the Committee discussed the Cancellation and Liquidated Damages Clause currently contained in WSCC's sales contract which resulted from the recent cancellation of the January 2020 large Chick-fil-A event. The Marketing Committee requested more information to understand how other venues handle similar contracts. Mr. McQuade did a lot of research and spoke with other venues and our competitors across the USA and Canada and as a result of this research Visit Seattle and WSCC will be meeting to discuss how we might adapt our contracts to protect against the significant loss of revenue, for example food & beverage and building rent, in case of a contract cancellation in the future.

D. Government Affairs Committee

1. Government Relations Consultant Report

Ms. Brown-Archie advised that the consultant update report from Ms. Bogard is contained within the Board packets. Ms. Bogard provided an overview of the contents of this report.

E. Finance Committee

1. Update

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

2. WSCC Financial Audit (2018) Update

Mr. Flowers advised that the WSCC Financial Audit for FY2018, for the financial statements through December 31 for 2017 and 2018, was completed by WSCC's auditor, Miller & Miller P.S. Mr. Flowers announced that WSCC again received a clean audit with no findings or recommendations by the auditor. Mr. Finneran advised that it is not mandatory that the Board approve the audit report or the statement, but copies will be provided to the board in the event they have questions.

3. Investment Report – 1st Quarter 2019

Mr. Flowers advised that the Finance Committee met today and reviewed the 2019 first quarter investment update on the WSCC PFD portfolio of investments currently managed by Government Portfolio Advisors.

4. Discussion on 2019 Property Insurance

Mr. Flowers advised that the Finance Committee discussed the 2019 property insurance for the convention center. The Committee and staff have some additional review to conduct and further discussion to occur at a subsequent committee meeting.

F. Outreach Committee

1. Update on Addition Project MWBE Goals

Ms. Moriguchi reported that the Addition Project MWBE (Minority & Women-owned Business Enterprises) participation is tracking at \$96 million against a goal of \$80 million. Work will continue on this goal however the bulk of the WMBE contracts are now in place. The WMBE contracts are comprised of approximately 95 companies and individuals representing a broad reach. The Outreach Committee has requested to be provided with periodic reports on WMBE participation by ethnic groups as well to provide perspective. The Addition Project GC/CM, Clark-Lewis, is conducting apprenticeship roundtable meetings with their five top subcontracts and other sources of apprenticeships to discuss best practices and

methods to utilize apprentices to the maximum advantage. These discussions will also be held with all the subcontractors. The Outreach Committee has agreed to report out on all apprentice hours worked on the Addition site as opposed to the minimum hours to qualify as an apprentice. This will provide the Committee and the Board with a more accurate account of what is occurring on site.

VI. VISIT SEATTLE & WSCC Sales Reports

A. Visit Seattle Destination Overview

Mr. Norwalk reported that Smith Travel Research report for April 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, Boston CBD/Airport, Denver Downtown, Portland CBD, Austin CBD, San Diego CBD, Nashville CBD and Vancouver Downtown. Downtown Seattle finished April with an occupancy rate of 78.2%, down 5.1% from the same period in 2018; RevPAR was down 11.5% and ADR saw a decrease of 6.7% as compared to the same period last year. In April 2019, Boston CBD/Airport led the competitive set for the month in all 3 categories, with an ADR of \$282, RevPar of \$246, and Occupancy Rate of 87.5%. Seattle Downtown tied with Denver Downtown for sixth spot in the RevPar and ADR categories, and dropped to ninth place in occupancy at 78.2, 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 for April is 5.4% below prior year and RevPar was down 9.3%, but because our supply has increased over 16.9% over the year, we are up almost 6.2% in tax 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, Portland 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.

Mr. Norwalk spoke briefly regarding the Report On Prolific Offenders in Seattle's Criminal Justice System. He provided an update on the additional activity being undertaken with the City of Seattle and advised that the taskforce is pushing hard for an emphasis on more police patrols as safety/security are a significant concern for our attendees, clients, staff and neighboring residents.

B. Visit Seattle Sales Report

Ms. Saling advised that in early April, Visit Seattle celebrated Global Meetings Industry Day along with thousands of counterparts worldwide in recognition of the meetings industry and the significant economic importance to the Seattle / King County area. A press release was actively pitched and included a photo taken overlooking the Addition site. Mr. Flowers noted the lack of diversity included in the photo.

Ms. Saling reported that the Visit Seattle April 2019 YTD yearly definite production blended goal was 218,073 with actuals coming in at 105% of goal (227,898). The breakdown for the WSCC sales production was 88,577, 67% below the YTD goal of 131,363, and Hotel Production was 139,321, up 161% of the YTD 86,710 goal.

Ms. Saling reviewed select WSCC lost and waived room nights April 2019 YTD for meeting years 2019 to 2025, advising there were a total of 277,756 lost rooms. Reasons given were:

○ Date Availability	24%	○ Rates – Hotels	33%
○ Rotation Change	9%	○ Rates – WSCC	10%
○ Hotel Size	11%	○ WSCC Size	4%
○ Weather	1%	○ Yield Management	3%
○ Insufficient Local Membership	2%	○ Inadequate Committable Hotel Rooms	2%

C WSCC Sales Report

Mr. McQuade reported that for April 2019, WSCC & Visit Seattle Sales staff combined top-line rent totaled \$484,865 for Convention Center contracted bookings. Year-to-date, combined top-line rent is 93.18% of goal, totaling \$5,486,870.

Groups hosted March-April 2019 realized 1,175 in hotel room night bookings, with 13,623 delegates, and an estimated \$1,232,415 in top-line revenues. Groups hosted year-to-date have realized 3,504 in hotel room night bookings, with 98,029 delegates, and an estimated \$3,502,264 in top-line revenues.

During March-April 2019, WSCC Sales staff booked 27 new events into the Center to infill around convention business booked by Visit Seattle. Cumulatively, these 27 WSCC booked events represent over 9,040 in estimated attendance, 830 associated room nights, and combined topline revenues of over \$1,033,966 for rent, food & beverage, parking and subcontractor services.

VII. PRESIDENT'S REPORT

A. Update on Vice-President of Operations

Mr. Blosser reported that the Vice President of Operations position has been filled by Mr. Jon Houg, with a start date of June 10, 2019. Mr. Houg comes to the WSCC from the Tacoma venues, and Mr. Blosser is looking forward to having Jon here in this important position.

B. 2018 Annual Report

Mr. Blosser advised that the 2018 Annual Report is nearing completion. A final draft document will be emailed to Mr. Finneran and the Directors for review, and we anticipate the electronic launch of the Annual Report, by email, in late June.

C. Report on Microsoft BUILD 2019

Mr. Blosser provided an overview of Microsoft BUILD 2019. WSCC/ARAMARK set a one-day food sales record of \$1,044,000, over last year's \$1,029,000. As was done for Microsoft BUILD 2018, Freeway Park and the WSCC Plaza were utilized for seating options for lunch each day of the event.

D. Wild Rye Retail Update

Mr. Blosser reported that Wild Rye closed operations on May 15, 2019, and the new tenant's lease begins on June 1, 2019. Alexandria Nicole Cellars will be opening a wine tasting room in the space. Tenant improvements will be completed over the next 3 to 4 months. WSCC looks forward to providing a different retail option for our guests and the surrounding community.

E. WSCC Intern Program – 2019

Mr. Blosser reported that as part of WSCC's long-range succession planning efforts an official Internship Program was developed in 2017 to establish a talent pipeline that will serve the hospitality community at large as well as the expansion of our organization with the addition of the Summit building in 2022. The first group of interns was hired for the formal program and worked with WSCC during the summer of 2018. This year, the second group of interns will experience a similarly structured program that has been modified based on the feedback received from last year's interns and WSCC staff. The program includes 4 main components: Experiential learning; Independent Project; Informational Interviews; Structured Learning. Mr. Blosser wished to acknowledge Ms. Rebecca Emmons (Organizational Development Specialist) for her work to coordinate the Internship Program. There were approximately 43 applicants representing 14 schools, with 6 candidates being selected for interviews. Three candidates were selected for 2019 and they will be working with our Sales, Event Services and Administration teams.

VIII. STAFF REPORTS

A. Parking Report

Mr. Tesfaye reported that parking revenues for April 2019 were up 3% from the revenues reported April 2018; and April YTD revenues were up 3% from the same period in 2018, mainly due to the event mix in the building. A waitlist is not being kept for the garages at this time due to the Addition Project Labor Agreement parking however continues to be 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 April 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 \$203.57 per month; Employee Debit Card (620 card holders); and Daily Parkers with an average daily rate per stall of 52.06. Monthly Parking usage averaged 259 per day (39%); Employee Debit Card usage averaged 49 per day (7%); and Daily Parking usage averaged 125 per day (19%). Total stalls occupied on average were 433 per day, or 66%.

- WSCC garage had 815 stalls available. There are 5 categories: Monthly Parking (132 parkers) at an average rate per stall of \$272.48 per month; Daily Parkers (13,629 parkers for the month) at an average monthly rate per stall of \$190.97; Validations (1,163 used for the month); HCF, Admin & Validation (120 used for the month); Employee & Retail Monthly Parking (1,299 used for the month); and Carpool and Unassigned Monthly Parking (153 used for the month). Daily Parkers average usage was 454 per day (56%); Validations average usage was 39 per day (5%); HCF, Admin & Validation average usage was 4 per day (0%); Monthly Parking (Employee & Retail) average usage was 43 per day (5%); and Monthly Parking (Carpool & Unassigned) average usage was 5 per day (1%). Total stalls occupied on average were 545 per day, or 67%.

Mr. Tesfaye provided an indepth report regarding the monthly revenue per stall per day-to-day numbers for April 2019 for both the WSCC Main Garage and the Freeway Park Garage. For the WSCC Main Garage, the data points were broken out by: Monthly Parking (Public); Monthly Parking – Employees – Dayshift; Monthly Parking – Employees – Swingshift; Monthly Parking – Employees – Graveyard shift; WSCC Retailers; Daily Parking; Parking Debit Card; Motorcycle; Spot Hero; EV Charge; ACT Theatre (Evenings); ACT Theatre (Staff); Paramount Club; Other; Validations (General) 1 hour; Validations 2 hour; Validations 3 hour; Validations 4 hour; Validations – Pre-Pay; Validations – Events; Validations - Hand-Carried Freight (HCF); Validations – Admin; Validations – Event Services. The report provided total revenue each day, number of stalls used each day, and the revenue per stall used each day. For the Freeway Park Garage, the data points were broken out by: Monthly Parking (Public); Monthly Parking – WSCC Staff; Monthly Parking – Subcontractors; Carpool – 3 persons; Carpool – 2 persons; Daily Parking; Parking Debit Card; WSCC Employee Parking Debit Card; Spot Hero. The report provided total revenue each day, number of stalls used each day, and the revenue per stall used each day. Ms. Moriguchi asked if it was possible to receive benchmark data from the other local garages. Mr. Tesfaye advised that it was extremely difficult to get that type of information as the other operators are not quick to share their revenue numbers. Mr. Tesfaye provided a brief explanation of the data-gathering process for the two WSCC garages. Mr. Blosser said that the information contained in this report is not just about daily or monthly parking revenues as there are other mandated uses for the garage, for example: WSCC employees, retailers, contracted parking such as with ACT Theatre or the Paramount Theatre, etc. There is a lot of data contained in the report in addition to the general event-related parking that may be helpful in the future as we look at possible adjustments. Mr. Finneran asked about WSCC's experience to date with Spot Hero. Mr. Blosser advised that there has been difficulties with Spot Hero's connectivity and equipment which hasn't been helpful and the issues are being rectified and resuming operation. Mr. Blosser stated we will have more capabilities and the ability to collect data differently once our new equipment is installed towards the end of September. Mr. Finneran thanked Mr. Tesfaye for providing such a detailed report.

B. Food Service Report

Mr. Dolquist reported total sales for April 2019 were \$1,676,649, exceeding reforecast by \$59,511, and exceeding prior year by \$422,466. Total costs for April 2019 were \$903,293, below reforecast by \$2,304, however exceeding prior year by \$97,950 (but under in percent of sales by 10.3%). April 2019 total WSCC PFD revenue was \$729,964, exceeding reforecast by \$61,459, and \$321,982 above prior year. Looking at the year-to-date numbers, Product Costs came in at 21.9%, 2.1% over reforecast, and Labor came in 29.3%, exceeding reforecast by 6%, due to event staffing costs. Year-to-date sales are at \$7,356,677, exceeding reforecast by \$413.280, and \$1,337,296 below prior year actuals. Food service return to WSCC PFD year-to-date is \$2,494,750, below prior year by \$1,019,868. ARAMARK continues to focus on the Food Management and Labor Management programs and reports are showing positive results.

At the March 26, 2019 Board meeting, Mr. Finneran requested Mr. Dolquist to prepare an analysis of retail sales for Comic Con events held at other venues to show where WSCC ranks. Data was gathered from 4 venues (WSCC, San Diego, Chicago and Anaheim) for the period 2018 through 2019 to provide a comparison for retail sales per attendee. Overall, comparison indicates WSCC numbers track quite well with our competitors.

IX. FINANCIAL REPORT

Mr. Firth reported April 2019 total operating revenues were up 4% compared to the same period in 2018, and below budget by 2.6%. For the month of April 2019, Food Service revenues were up 33% compared to the same period in 2018, and above budget by 9.2%. Retail revenue was up 12%, Building Rent revenue was up 3.3%, Parking revenue was down 4.8%, and Facility Services revenue was below budget by 32.7%. Year-to-date Operating Revenues were 0.2% above budget at \$13,162,378, and below prior year by 9.3%.

Operating expenses for April 2019 were above budget for the month by 0.5%; and the corresponding sales were down 2.6%. Staff continue to conservatively manage expenses in FY2019. Operating surplus for April 2019 was \$108,704. Year-to-date the operating surplus through April totaled \$355,658, compared to the budget amount of \$858,521.

For the month of April 2019, marketing revenues were below budget by 6.7%; and the monthly marketing expenses totaled \$886,398, below budget by 9.5%. Year-to-date April 2019 total Marketing revenues were up 9.6% compared to the same period in 2018, and below budget by 5.5%. Marketing expenses for year-to-date 2019 totaled \$3,482,429, below budget by 8.7%. Marketing surplus for April was \$15,525, an increase of 205% over the same period in 2018. Year-to-date the marketing surplus through April totaled \$54,606, up from budget by 178.8%.

Addition Project Fund expenditures for April 2019 were \$15,250,456, up from budget by 36.9%. Year-to-date April 2019, Addition Project Fund expenditures were above budget by 46.5%, at \$59,692,624.

Non-Operating Revenues for the month of April were \$7,343,308, above budget by 13.3%. This was due in part to the \$1,386,270 Additional Lodging Tax previously labeled as the 2% Transient tax, and the Extended Lodging Tax of \$91,762. 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. The Extended Lodging Tax (House Bill 2015) was signed by the Governor in March 2018 and became effective January 1, 2019, with the first reports and fund transfers being received March 29, 2019. Mr. Firth provided more specific details in the Analysis of Income Statement which had been provided to the Board in their packets. Non-Operating Revenues year-to-date through April 2019, for regular, extended and additional lodging taxes, totaled \$23,035,832. Non-Operating Expenses during the month for transfer of additional lodging tax, debt service, capital improvement projects totaled \$6,498,034, below budget by 6.1%. Non-Operating Expenses year-to-date through April 2019, which includes transfer of additional lodging tax, debt service, capital improvement projects, totaled \$25,662,311, below budget by 4.8%.

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

X. ADJOURNMENT

Mr. Flowers made a motion to adjourn the May 28, 2019 Board meeting at 4:20 p.m. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.