

Minutes

Washington State Convention Center Public Facilities District

Regular Meeting of the Board of Directors January 22, 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

Board Directors Absent

Susana Gonzalez-Murillo
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
Matthew Hendricks, Hendricks - Bennett, PLLC
Colin Green, LMG
Matt Griffin, Pine Street Group
Jane Lewis, Pine Street Group
Ashley Lippincott, Pine Street Group
Matt Rosauer, Pine Street Group
Chris Raftery, Raftery CRE, LLC
Tom Norwalk, Visit Seattle
Kelly Saling, Visit Seattle
Kris Cromwell, Visit Seattle
Patrick Smyton, Visit Seattle
Margery Aronson, WSCC Art Foundation
Cath Brunner, Addition Art Project / 4Culture
Cathy McClure, Addition Art Project

Staff in Attendance

Diana Cross	Daniel Johnson
Shannon Leahy	Michael McQuade
Michael Murphy	Sovath Sim
Lorrie Starkweather	Susnios Tesfaye
Ron Yorita	

II. APPROVAL OF MINUTES

December 18, 2018 WSCC PFD Special Meeting (Finance Committee) and December 18, 2018 WSCC PFD Regular Board Meeting

Mr. Hillis made a motion to approve the minutes of the December 18, 2018 Special meeting (Finance Committee) and the December 18, 2018 Regular 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. 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
2. Approval of Additional Facility Project Draw Schedule Payments, #50

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. WSCC Outreach Report, 2018 Year-End

Mr. Flowers made a motion to approve the Consent Agenda as presented. Mr. Hillis 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 advised that the Addition Project is working to finalize its relationship with the General Contractor in so far as the Maximum Allowable Construction Costs, project schedule and other items. 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 is attempting to recover 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 reported to the Board at the December 18, 2018 meeting. These issues have caused a delay of approximately 40 working days. Pine Street Group understands the concerns regarding this delay in the construction schedule and are working with the contractor to see which parts can be picked up.

Mr. Rosauer reported that at roughly six months into construction with the focus on project schedule, more and more emphasis is being put on the Architectural and Engineering (A&E) team and their support of the contractor. The A&E team are currently co-locating and work is underway to negotiate agreements with both LMN Architects and Arup Engineering to provide additional staff as

necessary to support those teams on the Addition Project. The A&E teams are currently in full execution mode, focused primarily on RFI's (Requests for Information), submittals, validating materials per contract documents, and the refinement of documents as necessary. Mr. Rosauer advised that as part of the MACC, there are approximately 8 to 10 bids evolving into contracts and once those are executed, LMN will work with those subcontractors to refine interior colors and present to the Board for review/approval in the 3rd quarter of 2019.

With respect to Outreach, Mr. Griffin spoke to the WSCC Addition Project MWBE goal of \$80 million that was recommended by the Outreach Committee and approved by the Board at the May 22, 2018 regular meeting. This goal aligns the Projects MWBE definitions with those of the City of Seattle. Mr. Griffin advised that currently there are \$86 million worth of guaranteed maximum contracts with MWBE contractors/sub-contractors and the contractor continues to review additional bids to ensure that the final contract value meets or exceeds the \$80 million MWBE goal. Mr. Griffin also stated that work continues with the contractor towards the Priority Zip Code Hiring goal and the Apprentice Goals as approved by the Board at the May 22, 2018 meeting and incorporated into the Project Labor Agreement. The goal was to have 900 apprentice jobs on the construction project and Clark-Lewis believes we're on track to get those 900 jobs.

On contracts, Mr. Griffin advised that the Project is in good shape in general, with the recommended adoption of the MACC by the Board today. The exception is the lease with WSDOT. Mr. Griffin reported that work is still ongoing on the WSDOT lease, however agreements have been executed with WSDOT to take the Project through the requirements for construction up to the end of the 1st quarter of 2019.

2. To Authorize Board Chair to Execute Land Use Documents on behalf of the District for the Addition Project, Resolution # 2019-2

A RESOLUTION of the Board of Directors of the Washington State Convention Center Public Facilities District ("District") authorizing the Board Chair to execute land use documents for its Addition Project on behalf of the District.

Mr. Finneran advised that the Addition Committee met earlier today and is making a recommendation to the full Board for approval of Resolution 2019-2 which is contained in the Board packets, to authorize the Board Chair to execute land use documents with the City of Seattle pertaining to the Addition Project on behalf of the District.

Mr. Hillis made a motion to approve Resolution 2019-2 to authorize the Board Chair to execute land use documents for its Addition Project on behalf of the District. Ms. Moriguchi seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

3. Approval of Maximum Allowable Construction Cost ("MACC") to the General Contractor/Construction Manager Agreement with Clark-Lewis, Resolution # 2019-3

A RESOLUTION of the Washington State Convention Center Public Facility District ("WSCC") approving Maximum Allowable Construction Cost ("MACC") to the General Contractor/Construction Manager Agreement.

Mr. Finneran advised that the Addition Committee is recommending approval by the full Board of Resolution 2019-3 to approve the Maximum Allowable Construction Cost (MACC) contract in substantially the form attached to the resolution as Exhibit "A", Change Order No. 046 which sets the MACC and Total Contract Cost and otherwise modifies the General Contractor/Construction Manager Agreement in connection with the MACC. Exhibit "A" shows new Total Contract Cost of \$1,129,981,647.

Mr. Flowers made a motion to approve Resolution 2019-3 approving Maximum Allowable Construction Costs (MACC) to the General Contractor/Construction Manager Agreement. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

4. Review of Addition Project Art Concepts

Mr. Griffin provided an updated overview of the Addition Art Program and the complicated components resulting from the requirements of the King County \$4.6 million and the Seattle Design Commission (Urban Design Merit along with engaging a group of volunteer art advisors) and Public Benefit Art. All are important pieces of the Addition project. Pine Street Group retained the services of Ms. Cath Brunner (4Culture) to assist with coordination of the art advisors. Mr. Griffin advised that the art concepts to be presented to the Board today have been approved by the various art advisors applicable for each selection and each concept piece has been vetted and approved by the Board Art Committee and their representatives, with the next step being approval by the full Board. This is part of the formal process to ensure that the Board is aware of the concepts and that the Board concurs with the Addition Art moving forward in accordance with the directions of the Board Art Committee. Mr. Griffin advised we need to be mindful that this is in part about “art” but is also part of the project’s “entitlement process” and that the process needs to be done efficiently to add great results in order to avoid having to return to the Seattle Design Commission unless necessary.

Mr. Griffin invited Ms. Lewis to provide an update on the art pieces. Ms. Lewis presented seven (7) art concepts: five (5) from the Urban Design Merit bucket and two (2) from the Public Benefits bucket. Ms. Lewis reminded the Board of the presentation provided at the Board Retreat in October, that showed that there are basically four (4) buckets being worked on for the art program. The presentation today can be thought of as approximately 30% concept. The pieces will continue to be refined and will be brought back to the Board Art Committee and then to the full Board for final approval. Artist concepts were presented for the following sites:

	Site #	Location
1. Urban Design Merit Artworks	Site B1	Residential Loading Door + Mechanical Screen. Howell Street elevation.
2. Urban Design Merit Artworks	Site C1	Office Loading Entry Door – 3 Panel Slider. Boren Avenue elevation.
3. Urban Design Merit Artworks	Site C2	Office Truck Exit – Bi-fold Door. Terry Avenue elevation.
4. Urban Design Merit Artworks	Site C3	Loading Dock Wall.
5. Urban Design Merit Artworks	Site C4	Office Glass Wall. Howell Street elevation.
1. Public Benefit Artworks	Walktic (Wall art)	On Boren Avenue, east side of the WSCC expansion. Involving site amenities including benches, customized light poles and doors.
2. Public Benefit Artworks	Galileo (Swinging Pendulum)	Existing Building: Pike Street side of building at 9 th Avenue.

Ms. Lewis reported that these were five of eight Urban Design Merit Artworks and that the remaining three would be presented to the Board at a subsequent Board meeting. The base cost for all eight Urban Design Merit Artworks is approximately \$500,000 and is contained in the Art Budget. The “Walktic” Public Benefit Artworks concept base cost is \$500,000 from the Art Budget. The “Galileo” Public Benefit Artworks concept is approximately \$800,000 from the Art Budget. Ms. Lewis advised that the concepts shown to the Board today would continue through research and development and will all be reviewed by the Seattle Design Commission, and then ultimately come back to the full Board for the final approval of the final concepts and final execution plans.

Mr. Griffin stated that Pine Street Group is seeking the Board's concurrence on these seven concepts in order that the project can keep moving ahead with the Art Committee to explore these possibilities. With the consensus of the Board members in attendance, Mr. Finneran concurred with the concepts as presented, advising the Art project may move ahead.

B. Finance Committee

1. Recommendation for Approval: Addition Financing Plan, dated January 17, 2019

Mr. Flowers advised that the revised Addition Financing Plan dated January 17, 2019 was reviewed today by both the Addition Committee and the Finance Committee, and requested Mr. Griffin to provide an overview for the full Board. Mr. Griffin stated that, as was discussed at the Committee meetings this morning and as part of the completion process for the Maximum Allowable Construction Costs (MACC) with the contractor, the Addition Project has incurred increases in construction costs, both in the items that have not been bid as well as with some of the items that have been encountered in the site. These increased construction costs require an increase to the total Addition budget of approximately \$160 million. The Finance Committee had questions regarding the Project's status as it relates to the ability to match the Sources with the Uses. Mr. Griffin stated that under the original projections pertaining to growth in tax revenues, the amount was less than CBRE had projected. The projections for interest rates appear to be in line with the original projections. Mr. Griffin stated that at the time the next financing will occur, assumed to take place in February 2021, it is anticipated that there will be approximately \$30 million in excess financing capabilities available for the Project, and options for additional capabilities beyond that with another financing to occur in 6-months to a year if necessary. Mr. Griffin stated the hope is not to need the additional financing.

Mr. Flowers advised that based on the information discussed at the Committee meetings this morning, the Finance Committee is recommending approval of the revised Addition Financing Plan, as contained in your packets.

Mr. Flowers made a motion to approve the Addition Financing Plan document dated January 17, 2019 which was presented and reviewed by the Addition and Finance Committees. Ms. Moriguchi seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

2. Update

Mr. Flowers advised that the Finance Committee met this morning and were provided a review of the WSCC 2018 Financial Statement. An update was provided regarding the WSCC Financial Audit for FY2018 which is currently being conducted by WSCC's auditor, Miller & Miller P.S.

D. Government Affairs Committee

1. Update

Ms. Brown-Archie advised that the Government Affairs Committee met today to review and discuss potential legislative issues that may impact WSCC during the 2019 Legislative Session, as well as initiatives being considered by the City of Seattle with respect to tolling. Mr. Blosser provided a report on his interaction with the City of Seattle related to permits that WSCC requires for large events and building safety where WSCC will need to limit entrance to the facility. Mr. Blosser also provided an update on his meetings with the City related to tracking of the housing funds to identify how the WSCC funds were/are being utilized and to identify WSCC's portion of the low-income housing funds for the City's projects that are moving forward, with the idea that WSCC will be able to publicly identify our partnership with this project. Mr. Blosser will update the Committee as more information becomes available.

Mr. Hillis requested a crib-sheet for the Directors that showed all of the WSCC community benefits provided in money, including housing for the Addition and if the historical data for the 30 years could be added, it would be helpful to have and share as Directors discuss benefits with others. Mr. Blosser advised that we can make that happen. Ms. Brown-Archie advised that Mr. Hillis was correct; that it is a bigger story than what we're currently spending. Mr. Finneran agreed this this was a good idea.

2. Government Relations Consultant Report

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

VI. VISIT SEATTLE & WSCC Sales Reports

A. Visit Seattle Destination Overview

Mr. Norwalk reported that Smith Travel Research report for December 2018 YTD 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, Boston CBD/Airport, Nashville CBD and Los Angeles CBD. Downtown Seattle finished 2018 with an occupancy rate of 81.5%, down 3.2% from the same period in 2017; RevPAR was down 0.4% and ADR saw an increase of 2.9% as compared to the same period last year. In December 2018, San Francisco Market Street topped the competitive set categories for the month with an ADR of \$267, occupancy rate of 82.3 and RevPar of \$220. Seattle Downtown held onto third spot in the RevPar and ADR categories, and was fourth in occupancy at 81.5, just slightly below third place San Diego CBD. 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. Smyton 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 2018 3.2% below prior year, RevPar was down 0.4%, but because our supply has increased over 8.9% over the year, we are up almost 8.5% 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 and Portland CBD. 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 reported that the Visit Seattle December 2018 YTD yearly definite production blended goal was 670,000, with actuals coming in at 5% of goal (704,000). The breakdown for the WSCC sales production was 382,000, 9% below the goal of 420,000, and Hotel Production was 322,000, up 28% of the 250,000 goal.

Ms. Saling reviewed select WSCC lost and waived room nights December 2018 YTD for meeting years 2018 to 2024, advising that there were a total of 121 events lost, and the reasons were:

o Date Availability	19%	o Rates – Hotels	16%
o Meeting Eliminated	11%	o Rates – WSCC	9%
o Internal Assn Political Decision	9%	o WSCC Size	9%
o Rotation Change	7%	o Yield Management	5%
o Hotel Size	5%	o Miscellaneous	3%
o Economy/Budget Constraints	2%	o Inadequate Committable Hotel Rooms	2%
o Insufficient Local Membership	2%		

C. WSCC Sales Report

Mr. McQuade reported that for December 2018, WSCC & Visit Seattle Sales staff combined top-line rent totaled \$352,845 for Convention Center contracted bookings. Year-to-date, combined top-line rent was 103.07% of goal, totaling \$6,169,676.

Groups hosted December YTD realized 13,955 in hotel room night bookings, with 183,917 delegates, and an estimated \$7,774,716 in top-line revenues.

During December, WSCC Sales staff booked 21 new events into the Center to infill around convention business booked by Visit Seattle. Cumulatively, these 21 WSCC booked events represent over 17,490 in estimated attendance, 672 associated room nights, and combined topline revenues of over \$25,129 for rent, food & beverage, parking and subcontractor services.

VII. PRESIDENT'S REPORT

A. Completion of Operating Goals 2018, Resolution # 2019-1

A RESOLUTION Approving Recommendation of the Board Committees Regarding Completion of the 2018 Operating Goals for the District.

Whereas the District Board feels that it is in the best interests of the District to adopt annual operating goals and to review end of the calendar year performance for those goals as a guidance measure for the Board, District Officers and employees; and, whereas the individual Committees of the Board and President/CEO have monitored and reviewed the 2018 performance of the District throughout the year and are recommending approval to the Board that the 2018 Calendar Year Operating Goals for the District are complete.

Mr. Blosser advised that Exhibit "A" to Resolution 2019-1, included in the packets and forwarded to the Board for review, contains the FY 2018 Operating Goals Year-End narrative report and the updated attachments. The narrative (shown in red) is the changes to the 3rd Quarter report (provided at the Board Retreat in October) and updated to the end of year. Mr. Blosser summarized the highlights of the updated individual goals information.

Mr. Blosser provided a brief update on a meeting with the Seattle Department of Construction & Inspections (SDCI), regarding approval for WSCC to secure the building, change the hours of access and/or shut down the building, if necessary, for certain periods of time on a temporary basis, for licensed events such as PAX and Comic-Con, for safety and security as event attendee lines are screened with magnometers (MAGs) to enter the events. Mr. Blosser and Mr. Torgelson (SDCI) are in the process of executing a letter between the City and WSCC and more information will be provided to the Board once an agreement has been reached.

Mr. Blosser updated the Board on the Vice President of Operations position, advising that the services of a search firm / headhunter is being considered at this time and that the job description and position elements are being updated. The Executive team is engaging Mr. Hendricks to assist with the process.

Mr. Blosser and the individual Board Committees are recommending the completed 2018 Operating Goals be approved as contained in Resolution 2019-1.

Mr. Hillis made a motion to approve Resolution #2019-1, approving the satisfactory completion of the 2018 Calendar Year Operating Goals. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

B. Wild Rye: 2018 Year-end Report

Mr. Blosser provided a review of Wild Rye performance for 2018. Statement of Financial Performance was provided to the Board in their packets comparing last years' operations for 2017 with 2018. Wild Rye total revenues for 2018 were \$91,958, and total expenses for 2018 were \$261,676; realizing a net loss of \$171,651. Mr. Blosser stated that performance has been break-even for the last 3 years, and for 2018 the team was tasked to report whether Wild Rye performance could be turned around. The Wild Rye space is a very difficult site in terms of retail as cooking cannot be done on site due to inability to vent. For the entire life of Wild Rye, the WSCC/ARAMARK kitchen has been supporting the production of food for the day-to-day operations of the café however for the purposes of the 2018 financial performance review, the kitchen costs have now been included as opposed to just reporting the day-to-day operations of Wild Rye as the cost scenario. This evaluation is helpful to evaluate exactly what is happening and how much the costs are involved with this retail unit. WSCC is required to have retail in this space, and WSCC/ARAMARK have operated Wild Rye at The Conference Center (TCC) since the opening of that building in 2010 to meet the land use permit requirement for retail. Wild Rye is a department of WSCC's ARAMARK operation, not an independent business. Mr. Blosser advised that it is time to take a look at this and discern our options for the future of this retail space. He provided the Board with a potential option of leasing the Wild Rye retail space to a new retailer to potentially generate approximately \$30,000 per year in rent, saving the net loss of \$171,651 and relieving the kitchen of this

workload each day that Wild Rye is open; purchase a flexible portable stand and equipment for approximately \$85,000 to provide coffee, breakfast and lunch items from the TCC lobby as necessary for event activities. This equipment could be utilized elsewhere in the building as well when not needed at TCC. Mr. Blosser advised that sale operations on the flexible portables would generate an estimated net income of \$44,000 and continue to grow. Mr. Blosser stated that a couple of options are being pursued with interested parties for lease of the space, and at present time no changes will be made until an executed lease is in place. WSCC owns the name "Wild Rye" and will continue to utilize Wild Rye in our names for some of the products we produce, and the new bakery that will be located in the Summit building will be named Wild Rye. Mr. Finneran and Mr. Hillis stated that this is a good idea and the right timing for moving forward. Mr. Blosser advised that as this project progresses, details would be brought to the Board for approval.

C. WSCC Retail Report: 2018 Year-end Report

Mr. Blosser reported on the Retail Summary for the year ending December 2018. WSCC has 17 retail spaces, totaling 21,962 square feet. All 17 rentable spaces are currently leased. Fiscal 2018 YTD (actual) total rental revenue was \$716,152, up from 2017 by \$205,351. Summary of activities during 2018:

- Long-time retail tenant "La Creperie Voila" was sold to a new ownership group in July. The new owners retained the name and primary menu offering of sweet and savory crepes, with some additions to round out the menu.
- WSCC executed a master lease with Pine Street Group effective July 10, 2018 to accommodate those Addition project subcontractors utilizing existing WSCC space as project offices.
- WSCC executed a lease agreement effective October 10, 2018 with the current Subway franchise operator for a "Gyro Stop" outlet in the Level 1 space formerly occupied by the Goldbergs' deli.
- Negotiations are continuing with FedEx Office for term renewal of their lease. This is the last of the on-going Level 1 retail leases for which WSCC is incorporating a relocation provision upon lease renewal. FedEx has proposed modifications to the standard relocation language; the WSCC is preparing a counter proposal.
- Planning and permitting has continued for the base construction of the two retail kiosks on Pike Street which were developed during the renovation of the current Administrative Offices.
- WSCC extended the lease term for current retail tenant, FastSigns.

Over the coming 6 months, staff will work to have the construction completed on the Pike Street street-front retail spaces adjacent to the WSCC Administrative offices in preparation for leasing during 2019. As well, lease renewal process, including modifications to the lease to incorporate the now-standard WSCC relocation provision will be undertaken with one (1) current tenant: Tougo Coffee.

VIII. STAFF REPORTS

A. Parking Report

Mr. Tesfaye reported that parking revenues for December 2018 were up 3% from the revenues reported December 2017; and December YTD revenues were up 1.61% from the same period in 2017, 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 December 2018, average rate per day per stall was:

- Freeway Park garage has 660 stalls available. There are 3 categories: Monthly Parking (289 parkers) at an average rate per stall of \$191.76 per month; Employee Debit Card (610 card holders); and Daily Parkers with an average daily rate per stall of \$26.49. Monthly Parking usage averaged 315 per day (48%); Employee Debit Card usage averaged 54 per day (8%); and Daily Parking usage averaged 77 per day (12%). Total stalls occupied on average were 445 per day, or 67%.

- WSCC garage had 815 stalls available. There are 5 categories: Monthly Parking (148 parkers) at an average rate per stall of \$272.48 per month; Daily Parkers (386 parkers) at an average monthly rate per stall of \$162.39; Validations (49 average per day); HCF, Admin & Validation (2 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 386 per day (47%); Validations average usage was 49 per day (6%); HCF, Admin & Validation average usage was 2 per day (0%); Monthly Parking (Employee & Retail) average usage was 39 per day (5%); and Monthly Parking (Carpool & Unassigned) average usage was 4 per day (1%). Total stalls occupied on average were 480 per day, or 59%.

Mr. Tesfaye provided a “Year in Review” glance at the results from both the WSCC Garage and the Freeway Park Garage. Of the \$3,723,747 total parking revenues collected in 2018, 63% was from the WSCC Garage, while 37% was from Freeway Park Garage. Of the \$2,353,400 total YTD parking revenues for the WSCC Garage, 28% was derived from Monthly Parking and 72% from Daily Parkers. Of the total YTD parking revenues for the Freeway Park Garage, 57% was derived from Monthly Parking and 43% from Daily Parkers. A total of 179,984 transactions were conducted during 2018, with 87% occurring at the WSCC Garage and 13% at the Freeway Park Garage. Of the 156,402 transactions at the WSCC Garage, approximately 31% of the transactions were processed by the cashiers, with 69% of the transactions conducted at the machines; during 2018, 70% used a debit/credit card, 9% paid in cash, 21% utilizing the event-related validations, and less than 1% paying by check. Of the 23,255 transactions at the Freeway Park Garage, approximately 21% of the transactions were processed by the cashiers, with 79% of the transactions conducted at the machines; during 2018, 83% used a debit/cred card, 10% paid in cash, 7% utilizing the event-related validations, and there were no payments by check. Mr. Tesfaye reported on the usage of the EV Charging Stations for the date range of January 1, 2018 to December 31, 2018. During 2018, the stations have seen 793 transactions; revenue from the charging stations for these 793 transactions totaled \$2,424 plus the parking fees. Cost of energy expended was \$781.25 and energy consumed was 6,510.38.

Mr. Finneran requested Mr. Tesfaye and Mr. Firth create a more detailed report looking at the parking garage operations, providing revenue per stall per day and to be reported on a month-to-month basis. Mr. Finneran wished the report to separate the transient revenues from the monthly parker revenues to give a clear picture of how much revenue per stall per day.

B. Food Service Report

Mr. Dolquist introduced William Krach to the Board. Mr. Krach has joined the ARAMARK team as Controller.

Mr. Dolquist reported total sales for December 2018 were \$2,924,734, exceeding reforecast by \$454,240, and exceeding prior year by 318%. Total costs for December 2018 were \$964,614, below reforecast 30%. December 2018 total WSCC PFD revenue was \$1,967,733, exceeding reforecast by \$1,747,666, and \$1,603,661 above prior year. Looking at the year-to-date numbers, Product Costs came in at 17.3%, 2.4% below reforecast, and Labor came in 23.4%, same percentage as reforecast. Year-to-date sales are at \$26,320,728, exceeding reforecast by \$3,479,846, and \$5,370,732 above prior year actuals. Food service return to WSCC PFD year-to-date is \$12,256,987, exceeding prior year by \$4,164,789. ARAMARK continues to focus on the Food Management and Labor Management programs and reports are showing positive results.

IX. FINANCIAL REPORT

Mr. Firth reported December 2018 total operating revenues were up 150.7% compared to the same period in 2017, and above budget by 172.4%. For the month of December 2018, Food Service revenues were up by 282.3%. Retail revenue was up 33.4%, Building Rent revenue was down 56%, Parking revenue was down 7.3%, and Facility Services revenue was above budget by 162.3%. Year-to-date Operating Revenues were 16.3% ahead of budget at \$41,435,426, and above prior year by 17%.

Operating expenses for December 2018 were above budget for the month by 18.4%; and the corresponding sales were up 172.4%. Staff continued to conservatively manage expenses in FY2018.

Operating surplus for December 2018 was \$695,692. Year-to-date the operating surplus through December totaled \$4,517,311, compared to the budget amount of \$22,312.

For the month of December 2018, marketing revenues were ahead of budget by 6.5%; and the monthly marketing expenses totaled \$1,205,146, above budget by 3.2%. Year-to-date December 2018 total Marketing revenues were up 16.3% compared to the same period in 2018, and ahead of budget by 0.5%. Marketing expenses for year-to-date 2018 totaled \$14,137,715, below budget by 0.9%. Marketing surplus for December was \$84,093, an increase of 21% over the same period in 2017. Year-to-date the marketing surplus through December totaled \$696,306, up from budget by 42.1%.

Addition Project Fund expenditures for December 2018 were \$8,700,656.

Non-Operating Revenues for the month of December were \$10,457,031, above budget by 32%. This was due in part to the \$1,702,283 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 December 2018, for regular and additional lodging taxes, totaled \$102,971,555. Non-Operating Expenses during the month for transfer of additional lodging tax, debt service, capital improvement projects, and addition budget totaled \$16,099,919, above budget by 302.5%. Non-Operating Expenses year-to-date through December 2018, which includes transfer of additional lodging tax, debt service, capital improvement projects and the addition budget, totaled \$244,121,593, above budget by 64.9%.

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 January 22, 2019 Board meeting at 3:42 p.m. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.