

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
November 22, 2016

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) at 2:03 p.m., in Room 303, of the Convention Center.

MEETING ATTENDANCE

Board Directors in Attendance

Frank K. Finneran, Chair
Susana Gonzalez-Murillo
J. Terry McLaughlin
Craig Schafer
Karen Wong

Board Directors Absent

Deryl Brown-Archie, Vice Chair
Robert Flowers
Nicole Grant
Jerry Hillis

Officers in Attendance

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

Consultants / Vendors in Attendance

Brian McFadin, ARAMARK
Keith Hedrick, ARAMARK
Becky Bogard, Bogard & Johnson, LLC
Matthew Hendricks, Hendricks - Bennett, PLLC
Matt Griffin, Pine Street Group
Johnny B, PSAV
Brock Bradley, PSAV
Tom Norwalk, Visit Seattle
Rob Hampton, Visit Seattle
Patrick Smyton, Visit Seattle

Staff in Attendance

Krista Daniel	Josh Dennis
Daniel Johnson	Tamara Mc Donald
Michael McQuade	Michael Murphy
Dilisha Patel	Lorrie Starkweather
Susnios Tesfaye	Ron Yorita

II. APPROVAL OF MINUTES

September 27, 2016 WSCC PFD Regular Board Meeting

Mr. McLaughlin made a motion to approve the minutes of the September 27, 2016 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

There were no public comments.

IV. CHAIRMAN'S REPORT

A. Recognition of the Service of Karen G.C. Wong, Resolution 2016-19

A RESOLUTION by the District Board recognizing the service of Karen Wong.

Ms. Gonzalez-Murillo made a motion to approve Resolution #2016-19, recognizing the service of Karen G.C. Wong. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

B. Election of Board Chair and Vice-Chair

The Bylaws of the Washington State Convention Center Public Facilities District, Article III, Section 3.3. Board Officer Election: Term of Office state *"Except for an initial board officer who may serve an initial four-year term, Board Officers shall serve a two-year term, unless terminated earlier by the Board. The terms of Board Officers routinely expire on December 31 of the second year of his or her Board Officer term. The Board shall elect a Board Officer from among its members at its regular meeting closest to January 1 in any year following the year in which the term of a Board Officer has expired. Each Board Officer shall hold office until his or her successor is elected. There shall be no restriction on Board members serving successive terms as Chair or Vice Chair."*

Notification of the requirement for the election of Chair and Vice-Chair was provided to the Directors at the November 2, 2016 Board Retreat meeting, at which time Mr. Finneran and Ms. Brown-Archie stated they would both stand for reelection if that was the will of the Directors.

Mr. McLaughlin made a motion to elect Mr. Frank Finneran, Chairman of the Board; and to elect Ms. Deryl Brown-Archie, Vice Chair of the Board, with positions ending December 31, 2018. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all Directors present. (5 to 0, with 4 Directors absent).

C. Board of Directors 2017 Committee Assignments, Resolution 2016-20

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Committees for 2017.

Mr. Finneran advised that the Board Committees will remain similar to 2016 with the following change: Ms. Gonzalez-Murillo moving to Chair of the Art Committee. Ms. Gonzalez-Murillo expressed her concern with the Art Committee only having two members, and with prohibitive scheduling not allowing other members to attend at Committee meetings. Mr. Finneran advised he would take these concerns under advisement and would monitor going forward.

Mr. Schafer made a motion to approve Resolution 2016-20, ratifying the membership on the Board Committees for 2017, as presented. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

D. District Regular Meeting Dates Fiscal Year 2017, Resolution 2016-21

A RESOLUTION by the District Board Adopting It's 2017 Official Meeting Schedule.

Mr. McLaughlin made a motion to approve Resolution 2016-21, establishing the WSCC Board of Directors 2017 regular meetings schedule as presented. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

E. Ratification of District Officers, Resolution 2016-22

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Officers and Administrative Officers for 2017.

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

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

Mr. McLaughlin made a motion to approve Resolution 2016-22 ratifying the appointment of Board and District Officers for 2017. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

D. 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 Payment

Informational Items:

1. WSCC Sales Productivity Report
2. WSCC Monthly Expenditures Auditing Officer Certification
3. Government Relations Consultant Report
4. Visit Seattle and WSCC Sales Reports
5. Parking Report
6. Food Service Report
7. Financials

Mr. McLaughlin made a motion to approve the Consent Agenda as presented. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

VI. PFD COMMITTEE REPORTS

A. Addition Committee

1. Update Report

Mr. Finneran reported that we had a good presentation at the Retreat on the Addition, which provided an update on what the facility is going to look like, where it's going from an interior design point of view, and hearing a little bit about the more difficult parts which is the schedule and the required funding. From a facility perspective, it should be a stunning building with several really prominent features of the building, not the least of which is the hill climb on its south border rising from the lobby/public space on the first level, the gigantic atriums, the artworks that will be suspended in them, are just some of the examples. The project is coming along quite well.

Mr. Finneran requested Mr. Griffin provide the board with an update on the Addition Project. Mr. Griffin spoke with regards to the critical path, the entitlement process, and the schedule. The project is still aiming to begin construction in September 2017. Mr. Griffin commented on the budget, and advised the big item is the general contractor whose guaranteed maximum price is shown in the budget as \$900 million. The design development documents are on track to be completed by LMN Architects before the end of December. Pine Street Group is in the process of looking at the tax revenue as the tax revenue has increased in 2016 over 2015, but not at the rate expected. Mr. Griffin provided an update on the Project Labor Agreement.

2. Approval of 2017 Addition Budget Items

Mr. Finneran advised that the Addition Committee has reviewed the 2017 budget for expenditures estimated for the Addition project and is recommending the budget to the Board for approval as presented and to be included in the 2017 WSCC Budget. The Finance Committee has also reviewed the budget document. The expenditure of \$69 million is to come from the Unrestricted Reserve Account for the purposes of funding the Addition.

Mr. McLaughlin made a motion to approve the Addition Capital Budget expenditures for 2017 in the amount of \$69 million which was presented to the Finance and Addition Committees that are attached to these minutes as Exhibit "A" that correspond with the Addition Budget to achieve the desired actions related to the Addition Project, and will be included in the 2017 WSCC Budget. Ms. Wong seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

3. Discussion and Possible Action Regarding Traction Power Substation General (TPSS) Contract

Mr. Finneran advised that as part of the agreement between WSCC and King County to acquire the CPS property, King County has requested that WSCC to move the power station that runs the overhead electric buses that is located in the middle of the site where we will be building the Addition. At the end of the day, King County will reimburse WSCC for these expenses. Mr. Finneran is requesting Board approval to execute the contract with Clark-Lewis.

Mr. Schafer made a motion to authorize the Board Chair to sign the Traction Power Substation General Contractor/Construction Manager Agreement, substantially in the form included in the Board packet, with Clark-Lewis in an amount not to exceed \$7.75 million. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

B. Facility Committee

1. Approval of 2017 Capital Project List

In Mr. Hillis' absence, Mr. Finneran advised that the Facility Committee provided the 2017 Capital Project List to the Board for review at the Board Retreat in November. Mr. Barnes provided an update report, advising that there has been no change to the list or project amounts with the exception of a carry-forward of \$150,000 requested for the streetscape project. This is not an additional funding request, but to cover invoices that may not show up by December 31 that we are already encumbered for and will be paid in 2017.

Mr. McLaughlin made a motion to approve the 2017 Capital Project List of Items that are attached to these minutes as Exhibit "B" to be completed in 2017 and the funding necessary to accomplish these projects. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

C. Finance Committee

1. 2017 Operating Budget Discussion

In Mr. Flowers absence, Mr. Finneran reported that the draft 2017 Operating Budget was provided in the board packets. Due to unforeseen circumstances, the Finance Committee was not able to meet and review the document prior to today's Board meeting. The draft document will be revised as necessary and reviewed by the Finance Committee prior to bringing it to the Board for approval at the December 20, 2016 Regular meeting of the Board.

2. WSCC Investment Policy Discussion

Mr. Finneran advised that the document provided to the Board members today is a modified policy that was to be reviewed by the Finance Committee prior to today's Board meeting. The District Board previously approved the District's Investment Policy Statement (Board Policy #13) by Resolution 2010-15, adopted November 12, 2010. This revised policy will be reviewed by the Finance Committee for recommendation to the full Board as to necessary modifications and will be brought forward at a future Regular meeting of the Board.

3. Update on Microsoft Events for 2017

Mr. Finneran requested Mr. Blosser provide an update on the information received with respect to Microsoft's TechReady summer program. Mr. Blosser advised that Microsoft gave notice last Thursday, November 17, 2016, that they are combining three meetings; TechReady at WSCC in July 2017, a meeting in Bellevue and a large meeting in Orlando; and they are combining all three into one event to be held in Las Vegas. This is a \$2.2 million revenue loss just for food and beverage for WSCC. TechReady produces additional revenues making it a \$2.5 million hit to the budget. We also received some information from Microsoft that they are reducing the January meeting spend from \$2.2 to \$1.9 million. Staff is looking at how we make this business up. At the end of the day, it's about a \$1 million net loss number. As you can see from the draft 2017 operating budget, we were looking at a break even and now need to focus on filling this void. Microsoft's decision had nothing to do with WSCC or Seattle in terms of servicing the business. Corporately, their new management team made the decision to combine the three meetings into one and host it in Las Vegas. This will be a very large event, with Las Vegas seeing approximately 35,000 room nights. Mr. Blosser was asked if the new Addition was online, could WSCC and Seattle get this piece of business back? Mr. Blosser advised that it would still be a tight fit with those three meetings combined, but it would be easier, but there would be a question of hotel room capacity. Visit Seattle and WSCC teams have notified the hotels of the loss of business.

4. Approval of Banking Services Contractor Selection, Resolution 2016-24

Mr. Finneran advised that as Ms. Gonzalez-Murillo would be excusing herself from voting on this contractor selection, the matter cannot be put before the remaining four Directors for approval as a quorum cannot be reached. This item tabled to the December 20, 2016 Regular meeting of the Board.

D. Operating Goals Committee

1. Approval of the 2017 Operating Goals, Resolution 2016-25

A RESOLUTION by the District Board Adopting the Recommendation of the Operating Goals Committee for 2017.

Mr. McLaughlin made a motion to adopt Resolution 2016-25, the recommendations of the Operating Goals Committee for the establishment of the 2017 Operating Goals as presented. Mr. Schafer seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

E. Art Committee

1. Approval of New Member to the Washington State Convention Center Art Foundation Board of Directors, Resolution 2016-26

A RESOLUTION by the District Board approving a new member to the Washington State Convention Center Art Foundation Board of Directors.

Mr. McLaughlin made a motion to approve Ms. Alyson E. Soma as a member of the Washington State Convention Center Art Foundation Board of Directors. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

F. Marketing Committee

1. Approval of WSCC 2017 Sales Plan and WSCC 2017 Marketing & Communications Plan, Resolution 2016-27

A RESOLUTION of the District Board approving the 2017 Sales Plan and 2017 Marketing and Communications Plan.

Mr. Schafer advised that the Marketing Committee has reviewed the WSCC 2017 Sales Plan and WSCC 2017 Marketing & Communications Plan, and the Committee recommends approval of Resolution 2016-27.

Mr. Schafer made a motion to approve Resolution 2016-27, approving the District Sales Plan for 2017 and the District Marketing & Communications Plan for 2017. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

VI. PRESIDENT’S REPORT

A. Approval of 2017 Insurance: Property Coverage

Mr. Blosser advised that WSCC Insurance Broker, Alliant Insurance Services Inc., has reviewed options with staff and the Finance Committee for the WSCC Property Coverage for the year 2017. Staff and the Finance Committee have reviewed Alliant’s report with suggested coverages and the associated costs, and recommend Board approval of FM Global as the provider of property coverage for the WSCC from November 30, 2016 to November 30, 2017. The premium for the coverage has been incorporated into the budget for 2017.

Mr. McLaughlin made a motion to approve the recommendations of WSCC’s insurance broker, Alliant Insurance Services, Inc., to select FM Global as the provider of property insurance for the District for the period November 30, 2016 to November 30, 2017. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

B. Approval of WSCC Parking Rate Increases

Mr. Blosser requested Mr. Firth and Mr. Tesfaye to provide information on proposed parking rate increases for the Convention Center Garage and Freeway Park Garage. Mr. Tesfaye advised that the most recent rate change was approved by the Board in January 2013 and became effective April 1, 2013. In consideration of the Convention Center’s location at the edge of downtown business, shopping and entertainment activity, WSCC has historically made gradual parking rate changes that have increased revenues without putting the Convention Center at a competitive disadvantage. Following a comparison of daily and monthly parking rates for parking facilities located near the Convention Center, Mr. Tesfaye provided the Board with the proposed rate increase, as outlined, which sees an increase in the rates for 2-3 hours to 10-12 hours. There will be no increase at this time for the rate for 0-2 hours, as this would allow for more turn over in the garages during local and special events. Mr. Tesfaye also requested approval from the Board to adjust parking rates periodically to provide special rates for early bird specials, evening specials, or weekend specials during those times when there is no significant activity in the facility. Following discussion, the President/CEO was authorized to approve special parking rates as necessary.

	EARLY BIRD	EVENING	0-0.5 hrs	0.5-1 hrs	1-1.5 hrs	1.5-2 hrs	2-3 hrs	3-4 hrs	4-5 hrs	5-6 hrs	6-7 hrs	7-8 hrs	8-10 hrs	10-12 hrs	12-24 hrs
AVERAGE OFFICE/HOTEL GARAGE			\$8.00	\$9.22	\$12.33	\$12.33	\$15.22	\$19.44	\$22.78	\$23.89	\$26.17	\$26.44	\$27.33	\$31.89	\$35.11
WSCC GARAGE			\$5.00	\$6.00	\$7.00	\$8.00	\$12.00	\$14.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$22.00	\$29.00
FREEWAY PARK GARAGE			\$4.00	\$6.00	\$7.00	\$8.00	\$11.00	\$13.00	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$28.00
WSCC GARAGE (current)			\$5.00	\$6.00	\$7.00	\$8.00	\$10.00	\$12.00	\$14.00	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$29.00
FREEWAY PARK GARAGE (current)			\$4.00	\$5.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$15.00	\$16.00	\$17.00	\$18.00	\$28.00

Mr. Tesfaye also proposed that the monthly parking rates for the WSCC Garage and Freeway Park Garage be increased:

<u>Monthly Parking Rates</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
WSCC Garage	\$280.00	\$300.00
Freeway Park Garage	\$230.00	\$255.00

Mr. Blosser made a recommendation to implement the increases to WSCC parking rates beginning February 1, 2017, and the amounts have been included in the 2017 Operating Budget.

Mr. Schafer made a motion to approve rate increases for monthly and hourly parking rates in the WSCC Garage and in Freeway Park Garage, as presented. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

VII. EXECUTIVE SESSION

The Chairman announced that the Board of Directors would hold an Executive Session consistent with RCW.42.30.110 (1) (g) as permitted by the Open Public Meetings Act for twenty (20) minutes. The purpose of the Executive Session was to review the WSCC President's performance for fiscal year 2016, and consider an amendment to the contract and compensation for fiscal year 2016. The Executive Session commenced at 3:00 p.m. and lasted twenty minutes. In addition to the Board members present (Finneran, McLaughlin, Gonzalez-Murillo, Schafer, Wong), attendance at the Executive Session included Mr. Blosser and Mr. Hendricks. The regular open meeting reconvened at 3:20 p.m.

Upon reconvening, the Chairman asked if a Board member would make a motion acknowledging that the WSCC President, having received a performance review for fiscal year 2016 as submitted to the Board by the Chairman at the Executive Session, and having met established criteria for payment of incentive compensation, and that he be awarded the total allowable amount of incentive compensation provided within his existing contract.

Ms. Gonzalez-Murillo made a motion to approve the total allowable incentive compensation to the President / CEO under his current Employment Agreement for meeting all performance criteria set forth in the Agreement. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

The Chairman requested a motion to approve, as described to the Board previously, the second Addendum to the WSCC President's current employment agreement to be effective January 1, 2017.

Mr. Schafer made a motion to approve the second Addendum to the WSCC President's current employment agreement to be effective January 1, 2017. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

ADJOURNMENT

Mr. McLaughlin moved to adjourn the November 22, 2016 Board meeting at 3:21 p.m. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

Exhibit "A"

WSSC Addition Project ALL: 11/10/16 BUDGET (USES)	Current Est. 9/20/16	Projected 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total	Total end of 2017
Land	285,663,890	76,582,000	494,000	163,817,000	250,000	90,000	70,000	70,000	195,000	195,000	15,329,000	80,000	80,000	778,000	181,448,000	258,030,000
Architectural and Engineering	83,499,000	33,058,000	2,550,000	2,980,000	2,950,000	2,950,000	3,000,000	2,900,000	2,700,000	2,800,000	2,600,000	2,675,000	1,875,000	1,275,000	31,255,000	64,313,000
Construction	1,070,068,000	14,361,000	1,049,000	1,322,000	2,211,000	2,020,000	1,974,000	1,759,000	3,306,000	2,834,000	15,794,000	11,102,000	18,356,000	15,824,000	77,551,000	91,912,000
Leasing and Marketing	3,780,000	615,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000	1,215,000
Financing	73,578,000	430,000	100,000	100,000	80,000	80,000	80,000	75,000	50,000	50,000	51,053,000	-	-	-	51,668,000	52,098,000
Miscellaneous	48,152,000	2,146,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	15,151,000	83,000	83,000	103,000	16,084,000	18,230,000
Project Administration	41,000,000	6,388,000	220,000	220,000	1,400,000	250,000	250,000	250,000	250,000	250,000	250,000	4,450,000	528,000	528,000	8,846,000	15,234,000
Contingency	68,652,000	1,100,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,000,000	13,100,000
Total Development Budget (Uses)	1,674,393,000	134,680,000	5,546,000	169,572,000	8,024,000	6,523,000	6,507,000	6,187,000	7,634,000	7,262,000	101,227,000	19,440,000	21,972,000	19,558,000	379,452,000	514,132,000
Other cash flow uses																
STG escrow deposit											5,750,000				5,750,000	5,750,000
Total USES		134,680,000	5,546,000	169,572,000	8,024,000	6,523,000	6,507,000	6,187,000	7,634,000	7,262,000	106,977,000	19,440,000	21,972,000	19,558,000	385,202,000	519,882,000
BUDGET (SOURCES)																
CPS Note (Includes deduction of \$15,000,000 payment at closing of loan)				146,011,000											146,011,000	146,011,000
Transit related construction/ramp reimbursement											3,440,000	2,000,000	-	-	5,440,000	5,440,000
TPSS reimbursements & NEPA reimbursements				5,149,000	698,000	1,562,000	1,421,000	1,375,000	1,185,000	1,089,000	617,000	493,000	493,000	493,000	14,575,000	14,575,000
Total BUDGET (SOURCES) before Bond Proceeds				151,160,000	698,000	1,562,000	1,421,000	1,375,000	1,185,000	1,089,000	4,057,000	2,493,000	493,000	493,000	166,026,000	166,026,000
WSSC Unrestricted funds used		134,680,000	5,546,000	18,412,000	7,326,000	4,961,000	5,086,000	4,812,000	6,449,000	6,173,000					219,176,000	353,856,000
Bond Proceeds (used lower end of range)											(895,000,000)				(895,000,000)	(895,000,000)
Project fund investment income												(660,000)	(645,000)	(645,000)	(1,950,000)	(1,950,000)
BUDGET (NET USES) after Bond Proceeds		134,680,000	5,546,000	18,412,000	7,326,000	4,961,000	5,086,000	4,812,000	6,449,000	6,173,000	(792,080,000)	17,607,000	645,000	645,000	1,116,126,000	1,250,806,000
Net use of cash		134,680,000	5,546,000	18,412,000	7,326,000	4,961,000	5,086,000	4,812,000	6,449,000	6,173,000	(792,080,000)	17,607,000	645,000	645,000	(714,418,000)	
Cumulative		134,680,000	140,226,000	158,638,000	165,964,000	170,925,000	176,011,000	180,823,000	187,272,000	193,445,000	(598,635,000)	(581,028,000)	(580,383,000)	(579,738,000)		
Unrestricted Cash New Bond Debt for Addition Project												(3,400,000)	(3,400,000)	(3,400,000)	(10,200,000)	
Unrestricted Cash Addition Project			(5,546,000)	(18,412,000)	(7,326,000)	(4,961,000)	(5,086,000)	(4,812,000)	(6,449,000)	(6,173,000)	-				(58,765,000)	
2017 Unrestricted Cash Addition Expenditures																(68,965,000)
Bond Proceeds Expenditures on Addition Project											(102,920,000)	(16,947,000)	(21,479,000)	(19,065,000)	(160,411,000)	
Accumulative Addition Expenditures			5,546,000	23,958,000	31,284,000	36,245,000	41,331,000	46,143,000	52,592,000	58,765,000	161,685,000	182,032,000	206,911,000	229,376,000	(229,376,000)	
Unrestricted Net Month Uses/Source of Funds			(1,830,308)	1,857,626	1,847,462	2,327,204	3,533,859	3,208,437	4,455,799	5,748,463	6,326,304	6,585,001	4,711,818	3,866,509	42,638,174	
Unrestricted Beg. Bal. 01/01/2017	95,572,776															
Unrestricted minus \$20 MM Operating	-20,000,000															
Remaining Unrestricted Fund Bal. 2017 ¹	75,572,776		68,196,468	51,642,094	46,163,556	43,529,760	41,977,619	40,374,056	38,380,855	37,956,318	44,282,622	47,467,623	48,779,442	49,245,950		

¹ January Remaining Unrestricted Fund Balance 2017 includes \$75,572,776 plus Unrestricted Cash Addition Project and Unrestricted Net Month Uses/Sources of Funds. Accumulative Addition Expenditures are not included in the calculation for any of the months.

Notes:

Financing note: \$51,053,000 incurred in Sep-17 relates to bond financing costs of which \$45,327,000 is debt service reserves

Unrestricted funds used:

2016	134,680,000
to Sep 2017	58,765,000
Thru Dec 2017 (no bond proceeds -construction start delayed to 2018)	13,125,000
	<u>206,570,000</u>

Bond financing (assuming first bonds issued in Sep 17):

	Range (1)	
Needed total bonds	1,225,000,000	1,240,000,000
Bonds outstanding at year-end	925,000,000	895,000,000
Bonds expected to issue	300,000,000	345,000,000

(1) Range of bond proceeds based on assumptions of hotel tax revenue growth and short-term financing options. Numbers to be confirmed by PFM

CPS Note at year-end

Beginning balance	146,011,000
Accrued interest to 7/1/17 added to note balance	973,407
	<u>146,984,407</u>

Exhibit "B"

2017 UNRESTRICTED RESERVE CAPITAL PROJECT LIST

	<i>Life Cycle / Plant Projects</i>		
CPUR 2017-001	Project Management	\$	122,000.00
CPUR 2017-002	Pike Street Concrete Sealer	\$	410,000.00
CPUR 2017-003	Level 6 High Roofs (2Levels) Replacement	\$	955,000.00
CPUR 2017-004	WDOT Lighting System Replacement	\$	25,000.00
CPUR 2017-005	Freeway Park Garage Elevator	\$	260,000.00
CPUR 2017-006	Meeting Room Battery Powered Door Locks	\$	525,000.00
CPUR 2017-007	Domestic Water Pump Replacement	\$	75,000.00
CPUR 2017-008	Metal Roll Up Door Replacements	\$	25,000.00
CPUR 2017-009	SOUTH GLASS REPLACEMENT	\$	30,000.00
CPUR 2017-010	MECHANICAL FAN, HEAT PUMP REPLACEMENT	\$	45,000.00
CPUR 2017-011	SECURITY CAMERA REPLACEMENT	\$	95,000.00
CPUR 2017-012	Sound System Replacements	\$	60,000.00
CPUR 2017-013	AV System Replacements	\$	120,000.00
CPUR 2017-014	CONCRETE PANEL REPLACEMENT	\$	15,000.00
	Total Life Cycle / Plant Projects		\$ 2,762,000.00
	<i>Building Enhancements</i>		
CPUR 2017-015	Exterior Signage Conversion	\$	450,000.00
CPUR 2017-016	Room 206 Sales Studio Conversion	\$	350,000.00
CPUR 2017-017	Level 1 Retail Conversion	\$	750,000.00
CPUR 2017-018	Retail T.I. allowance	\$	105,000.00
CPUR 2017-019	Artwork Stanchion system	\$	12,500.00
			\$ 1,667,500.00
	<i>Furniture, Fixtures , Equipment</i>		
CPUR 2017-020	Information Technology / Systems	\$	105,000.00
CPUR 2017-021	Custodial Department	\$	45,000.00
CPUR 2017-022	Security Department	\$	80,000.00
CPUR 2017-023	Event Services Department	\$	240,000.00
	Total FF&E		\$ 470,000.00
	Total Capital Projects 2017		\$ 4,899,500.00
	2016 Project Carry Over		
CPUR 2016-017	Pike Street Improvements	\$	150,000.00
	Total 2017 Capital Budget Authorization		\$ 5,049,500.00