

Minutes

Washington State Convention Center
Public Facilities District

Regular Meeting of the Board of Directors
November 24, 2015

I. CALL TO ORDER

Frank K. Finneran, Board Chairman, convened a regular meeting of the Washington State Convention Center Public Facilities District (WSCC) at 2:08 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
Susana Gonzalez-Murillo
J. Terry McLaughlin
Karen Wong

Board Directors Absent

Jerry Hillis
Craig Schafer

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

Stephen Kiely, ARAMARK
Becky Bogard, Bogard & Johnson, LLC
Gary Fluhrer, Foster Pepper, PLLC
Matthew Hendricks, Hendricks - Bennett, PLLC
Matt Griffin, Pine Street Group
Johnny Baca, PSAV
Fred Eoff, Public Financial Management
Tom Norwalk, Visit Seattle
Rob Hampton, Visit Seattle
Patrick Smyton, Visit Seattle

Visitors

Susan Finneran, The Commerce Bank of Washington
Stefan Moritz, UniteHERE Local 8
Lacey Ahlf, Skanska-Hunt
Ed Hartwell, Skanska-Hunt

Staff in Attendance

Krista Daniel	Josh Dennis
Daniel Johnson	Sun Kim
Tamara Mc Donald	Michael McQuade
Michael Murphy	Kathleen Smith
Lorrie Starkweather	Ron Yorita

II. APPROVAL OF MINUTES

September 22, 2015 WSCC PFD Regular Board Meeting

October 27 & 28, 2015 WSCC PFD Board Strategic Planning Retreat Meeting

Ms. Gonzalez-Murillo made a motion to approve the minutes of the September 22, 2015 Regular Board meeting and the minutes of the October 27 & 28 Special Meetings (Strategic Planning Retreat) as presented. Ms. Wong 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. Board of Directors 2016 Committee Assignments, Resolution 2015-13

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Committees for 2016.

Mr. Finneran advised that the Board Committees will remain similar to 2015 with the following changes: Mr. McLaughlin moving to the Operating Goals Committee as Chair; Ms. Gonzalez-Murillo remaining on the Operating Goals Committee, Mr. Finneran being added to the Finance Committee.

Mr. Flowers made a motion to approve Resolution 2015-13, ratifying the membership on the Board Committees for 2016, as presented. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

B. District Regular Meeting Dates Fiscal Year 2016, Resolution 2015-14

A RESOLUTION by the District Board Adopting It's 2016 Official Meeting Schedule.

Ms. Brown-Archie made a motion to approve Resolution 2015-14, establishing the WSCC Board of Directors 2016 regular meetings schedule as presented. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

C. Ratification of District Officers, Resolution 2015-15

A RESOLUTION by the District Board ratifying recommendations related to the appointment of District Officers and Administrative Officers for 2016.

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 2015-15 ratifying the appointment of Board and District Officers for 2016. Mr. Flowers 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

Ms. Brown-Archie made a motion to approve the Consent Agenda as presented. Mr. Flowers 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 the Addition Committee met earlier today, as it does on a monthly basis, and discussed the overall conduct of the project. The Committee reviewed the expenses and the contracts that our development manager (Pine Street Group) has entered into and/or expended since the last meeting. Mr. Finneran reported that LMN Architects have completed the Schematic Design phase and are moving to Design Development phase. Mr. Finneran requested Mr. Griffin provide the board with an update on the Addition Project. Mr. Griffin spoke to the project schedule, entitlement process, provided an update on the status of land acquisition, budget and financing, design, and contracts.

2. Update on CPS Site

Mr. Finneran provided an update on the recent announcement by King County Executive Dow Constantine regarding the impending sale of the CPS property to WSCC. Mr. Fluhrer advised that closing is anticipated by mid-year 2016.

3. Approval of 2016 Addition Budget Items

Mr. Finneran advised that the Addition Committee has reviewed the 2016 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 2016 WSCC Operating Budget. The Finance Committee has also reviewed the budget document.

Mr. Flowers made a motion to approve the 2016 Addition Budget Items which were 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. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

4. Approval of Pine Street Group Contract Amendment, Resolution 2015-16

A RESOLUTION approving the First Amendment to the Development Management Agreement with Pine Street Group.

Mr. Finneran advised that the Pine Street Group contract amendment has been reviewed by Mr. Hendricks, General Counsel to WSCC and the Addition Committee. The Addition Committee is recommending approval of the Pine Street Group contract amendment for co-development consulting & services.

Ms. Brown-Archie made a motion to approve the First Amendment to the Development Management Agreement with Pine Street Group for co-development consulting and services as contained in Resolution 2015-16. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

5. Approval of Purchase and Sale Agreement with Sound Transit, Resolution 2015-21

A RESOLUTION approving the purchase of property from Central Puget Sound Regional Transit Authority ("Sound Transit").

Mr. McLaughlin made a motion to approve the purchase of property from Sound Transit as outlined in Resolution 2015-21. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

6. Approval of Final Settlement of Condemnation Proceedings, Resolution 2015-23

A RESOLUTION approving the settlement of the condemnation proceeding to acquire real property necessary for the Addition Project and authorizing the payment of funds to complete the transaction.

Mr. McLaughlin made a motion to approve the revised Resolution 2015-23 approving the settlement of the condemnation proceedings to acquire real property necessary for the Addition Project and authorizing the payment of funds to complete the transaction. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

7. Addition Project Outreach Goals

Mr. Finneran advised that the Outreach Committee had sent the Addition Committee a recommendation of MWBE goals for the Addition Project to consider. The goal for LMN Architects is 17% and the goal for Skanska-Hunt is 8% / \$55-\$65 million. The Addition Committee has reviewed these outreach goals and agrees with the Outreach Committee's recommendation for Addition Project goals.

Ms. Gonzalez-Murillo made a motion to approve the outreach goals for the Addition Project; LMN Architects 17%, and Skanska-Hunt 8% / \$55 - \$65 million. Ms. Brown-Archie seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

B. Facility Committee

1. Approval of 2016 Capital Project List

In Mr. Hillis' absence, Mr. Finneran advised that the Facility Committee provided the 2016 Capital Project List to the Board for review at the Board Retreat in October. Mr. Barnes provided an update report, advising that there has been a change to the list due to building operational needs as well as a potential safety issue in the Ballroom. HVAC compressor replacement was added for \$45,000 to make sure building operations work correctly, and then replacement of Ballroom rigging point cable slings over the steel beams. Recent inspections found approximately 8 of the forty slings showing signs of surface corrosion and were deemed unsafe. Staff is recommending replacement of all points, at a cost of \$150,000, to ensure there are no safety issues with any of the slings. Mr. Blosser advised that the total amount for all projects for 2016 has not changed and the funds have been adjusted to provide the needed funds to cover the costs of these two projects.

Mr. Finneran advised that the Facility Committee recommends approval of the 2016 unrestricted reserve capital projects as presented, and that the Committee is in agreement with these projects as well as the necessary funding to complete these projects and recommends inclusion in the 2016 Budget.

Mr. McLaughlin made a motion to approve the 2016 Capital Project List of Items that are attached to these minutes as Exhibit "B" to be completed in 2016 and the funding necessary to accomplish these projects. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

2. Authorization for Continuous Funding for Multiple-Year Projects

Mr. Finneran advised that the Facility Committee is seeking to approve authorization for continuous funding of the 2014/2015 Capital Projects currently under construction or in different phases of completion due to event schedule and contractor scheduling for 2015 requiring carry-forward to 2016. Funding for these projects were all approved in 2014 and 2015 and these funds need to be applied in 2016 for these multiple year projects. The Facility Committee is recommending approval to the board.

Ms. Brown-Archie made a motion to approve the authorization for continuous funding of the 2015 Capital Projects currently under construction. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

C. Finance Committee

1. Approval of 2016 Operating Budget, Resolution 2015-17

A RESOLUTION by the District Board Adopting An Operating Budget for the District for 2016.

Mr. Flowers advised that the Finance Committee had reviewed and discussed with staff the 2016 Operating Budget and are recommending Board approval of the 2016 Operating Budget.

Mr. Flowers made a motion to approve Resolution 2015-17 to adopt the 2016 Fiscal Year Operating Budget. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

2. Approval of Financial Auditor Selection

Mr. Flowers advised that the contract for the Washington State Convention Center PFD Financial Audit Services had no further renewals available and a Request for Proposals (RFP) was sent out for these services. Staff received four responses from qualified firms to provide these services, with a short-list of the firms Miller & Miller and Clark Nuber being interviewed. After tabulating the interview scores with the evaluation scores, staff recommended the firm of Miller & Miller as the apparent successful proposer to provide annual Financial Auditor Services to the District, and the Finance Committee concurs with this recommendation.

Mr. Flowers made a motion to approve the selection of the firm of Miller & Miller as the apparent successful proposer for Financial Auditor Services to the Washington State Convention Center PFD, and directs the President/CEO to execute the necessary documents to complete this selection. Mr. McLaughlin seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

D. Operating Goals Committee

1. Approval of the 2016 Operating Goals, Resolution 2015-18

A RESOLUTION by the District Board Adopting an Operating Budget for the District for 2016.

Ms. Gonzalez-Murillo advised that the Board reviewed the proposed 2016 Operating Goals at the Board Retreat in October and recommended revisions to Goal #10, and more definition to the training elements for Goal

#11. A taskforce was charged by the Chairman at the October board retreat to rework the language for Goal #10. The taskforce met and created the language now contained in Goal #10. Ms. Brown-Archie has reviewed the new language as well. The taskforce feels Goal #10 addresses the issues raised at the Retreat and describes a better process to actively understand what the public agencies are doing for Seattle concerning safety, civility and security-related issues and where the WSCC might fit in to be of support.

Goal #11 refers to creating an employee engagement plan to identify all of the areas used for employee training, recognition, performance evaluation, wellness, and workplace tools to help optimize business performance. The new engagement plan is attached, and outlines what is to be completed and the timing to complete the items listed.

Ms. Gonzalez-Murillo advised that the Operating Goals Committee is recommending approval of the new language contained in these two goals. The Operating Goals Committee is recommending approval of the 2016 Operating Goals and Resolution 2015-18.

Ms. Gonzalez-Murillo made a motion to adopt Resolution 2015-18, the recommendations of the Operating Goals Committee for the establishment of the 2016 Operating Goals as presented. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

2. Operating Goals Fiscal Year 2015, Accomplishments Report

Ms. Gonzalez-Murillo requested Mr. Blosser provide an update on the status of the Operating Goals for Fiscal Year 2015. Mr. Blosser provided a verbal accomplishments report and a final report on the 2015 Operating Goals will be provided to the Board at the January 2016 meeting.

E. Art Committee

1. WSCC Art Foundation Gift Request

Ms. Wong reported that the Art Committee is in a position to ask for Board approval to continue to show 2 important Doris Chase artworks, "Encircling" and "Winged" as gifts to the Art Foundation from the Chase family. The Art Committee is requesting the Board's approval to continue to show these works as gifts. We truly appreciate the Chase family for their generous donation of these beautiful Doris Chase artworks, "Winged" and "Encircling", which have been on loan to the WSCC for more than a decade.

Ms. Wong made a motion that the WSCC Board of Directors approve the recommendation of the WSCC Board Art Committee that two works by Doris Chase, *Encircling* and *Winged*, which have been accepted as gifts from the Chase family by the WSCC Art Foundation, be displayed at the Convention Center. Mr. Flowers seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

2. Celebrate Art Reception

Ms. Wong updated the Board on the Celebrate Art Reception being held Friday, December 4, 2015. Invitations have been extended to the Directors, the WSCC art partners, WSCC Art Foundation supporters, and members of our neighborhood to join the Art Committee at this event.

F. Marketing Committee

1. Approval of WSCC 2016 Sales Plan and WSCC 2016 Marketing & Communications Plan, Resolution 2015-19

A RESOLUTION of the District Board approving the 2016 Sales Plan and 2016 Marketing and Communications Plan.

Mr. Schafer advised that the Marketing Committee has reviewed the WSCC 2016 Sales Plan and WSCC 2016 Marketing & Communications Plan, and the Committee recommends approval of Resolution 2015-19.

Ms. Brown-Archie made a motion to approve Resolution 2015-19, approving the District Sales Plan for 2016 and the District Marketing & Communications Plan for 2016. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

2. Approval of Visit Seattle Sales & Marketing Contract, Resolution 2015-20

A RESOLUTION by the District Board approving the Contract with Seattle's Convention and Visitors Bureau ("Visit Seattle").

Mr. Schafer advised that the Marketing Committee and Visit Seattle met to discuss the 2016 – 2020 Visit Seattle contract and has agreed to all of the language contained in the contract attached to Resolution 2015-20. The Marketing Committee is recommending approval of Resolution 2015-20.

Ms. Brown-Archie made a motion to approve Resolution 2015-20, approving the contract with Visit Seattle. Ms. Wong seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

G. Government Affairs Committee

1. Approval of Public & Legislative Advisory Services Agreement

Ms. Brown-Archie advised that the contract for WSCC Public & Legislative Advisory Services will expire at the end of November. A Request for Qualifications (RFQ) for Public and Legislative Advisory Services was issued in October to solicit firms to provide these services to the Board. Staff received three proposals from the firms of Bogard & Johnson, EccoConnect/Righi Consulting and DESH International & Business Law. The three proposals were reviewed and scored by the Government Affairs Committee, the Chairman, and the President/CEO, with the firm of Bogard & Johnson being determined to be the most responsive proposal. The Government Affairs Committee recommends the firm of Bogard & Johnson to be the apparent successful proposer for the WSCC PFD Public & Legislative Advisory Services.

Ms. Brown-Archie made a motion to approve the selection of the firm of Bogard & Johnson as the apparent successful proposer for the WSCC PFD Public & Legislative Advisory Services, and directs the President/CEO to negotiate final terms and execute a contract with Bogard & Johnson. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all the Directors present.

VI. PRESIDENT'S REPORT

A. Approval of 2016 Insurance: Liability and 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 and General Liability Coverage for the year 2016. 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 and Alliant Liability Insurance Program as the provider of liability coverage for the WSCC from November 30, 2015 to November 30, 2016. The premiums for the coverages have been incorporated into the budget for 2016.

Mr. Flowers made a motion to approve the recommendations of WSCC's insurance broker, Alliant Insurance Services, Inc., to select FM Global and Alliant Liability Insurance Program as the providers of property and liability insurance for the District for the period November 30, 2015 to November 30, 2016. Ms. Brown-Archie 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 2015, and consider an amendment to the contract and compensation for fiscal year 2016. The Executive Session commenced at 3:29 p.m. and lasted twenty minutes. In addition to the Board members present (Finneran, Brown-Archie, Flowers, McLaughlin, Gonzalez-Murillo, Wong), attendance at the Executive Session included Mr. Hendricks. The regular open meeting reconvened at 3:49 p.m.

Upon reconvening, the Chairman requested a motion to the effect that the WSCC President, having received a performance review for fiscal year 2015 as submitted to the Board by the Chairman at the Executive Session, and having met established criteria for payment of incentive compensation, be awarded the amount of incentive compensation to the extent provided within his existing contract, and that Addendum 1 to the WSCC President's current employment agreement be approved adjusting base compensation.

Mr. Flowers 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, and to approve Addendum 1 to the President / CEO's current employment agreement adjusting base compensation. Ms. Gonzalez-Murillo seconded and the motion was carried by the unanimous affirmative vote of all Directors present.

ADJOURNMENT

Ms. Brown-Archie moved to adjourn the November 24, 2015 Board meeting at 3:50 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: 11/9/15	"APPROVED"	Assignments	Projected 2015	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total	Total end of 2016		
BUDGET (US\$)																			
Financial Plan																			
\$2515																			
Land																			
Land purchase	254,730,000	Arns	64,590,000	1,500,000						100,000						1,600,000	68,190,000	Relocation, \$1.5M Kollas serv. RT paid in 2015 Payments in 2016	
Flooding payments	5,000,000	Arns																	
Land carry	-290,000	Arns	-1,030,000	(50,000)	(50,000)	(50,000)	(50,000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	(160,000)	(1,190,000)	Zinc lease through April.	
Entitlements	2,470,000	Jess	1,490,000	60,000	60,000	60,000	60,000	60,000	60,000	40,000	40,000	40,000	40,000	40,000	40,000	600,000	2,090,000	\$60,000/month for Hills. Remainder in EA	
Title and closing costs	360,000	Arns	0						180,000							180,000	180,000		
Land Subtotal	362,230,000																		
Architectural and Engineering																			
A&E (Basic Services)	48,800,000	Jess	8,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	32,000,000		
L&M Consultants & other services	8,260,000	Jess	1,720,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	4,200,000	5,920,000		
Owner consultants	5,710,000	Jess	1,250,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,600,000	4,850,000	Includes Project Coordinator	
Reimbursables	2,450,000	Jess	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000	1,900,000		
Testing and inspections	2,080,000	N/A	0								25,000	25,000	25,000	25,000	25,000	125,000	125,000	TPSS related	
Feasibility costs	540,000	Done	767,000	-	-	-	-	-	-	-	-	-	-	-	-	-	767,000		
Architectural and Engineering Subtotal	68,240,000																		
Construction																			
Construction costs	701,000,000	Chris F/ Chris I	1,750,000	500,000	500,000	500,000	500,000	500,000	1,500,000	1,500,000	1,500,000	500,000	500,000	2,000,000	4,000,000	14,000,000	15,750,000	Procon \$500k/mth, SIM const Jan-Aug, Nov & Dec per BII	
Transit related construction	12,000,000	Chris F					400,000	1,000,000	1,450,000	1,750,000	2,350,000	1,800,000	1,500,000	1,250,000	500,000	12,000,000	12,000,000		
TPSS costs	5,000,000	Chris F			500,000		500,000			1,000,000	1,000,000	1,000,000	1,000,000			5,000,000	5,000,000		
Owner change order contingency	25,000,000																		
Co-development costs	0																		
Tenant allowance	9,750,000	N/A																	
Utility rebates	-2,000,000	N/A																	
Permits	3,000,000	Jess	100,000	50,000	50,000	50,000	100,000	50,000	550,000	50,000	50,000	50,000	450,000	50,000	50,000	1,550,000	1,650,000		
WSST (3.1%)	22,816,000	Chris F		15,500	15,500	15,500	15,500	15,500	46,500	46,500	46,500	15,500	62,000	124,000	124,000	434,000	434,000		
WSST (6.5%)	48,000,000	Chris F		32,500	32,500	32,500	32,500	32,500	97,500	97,500	97,500	32,500	32,500	130,000	260,000	910,000	910,000		
Construction Subtotal	834,566,000																		
Leasing and Marketing																			
Retail leasing commissions	1,300,000	N/A																	
Advertising, promotion, & outreach	3,000,000	Jess	170,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000	530,000		
Leasing and Marketing Subtotal	4,300,000																		
Financing																			
Interest cost (Financing)	N/C																		
CPS interest payments	N/C																		
Financing fees	7,190,000	Arns	250,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	225,000	475,000	DOC review 2017 cost	
Debt service reserve	57,500,000	Arns																	
Operating reserve	N/C																		
Financing Subtotal	64,690,000																		
Miscellaneous																			
Utility & connection fees	3,990,000	CD											800,000			800,000	800,000	20% deposit on utility work	
Builder risk & OCIP	13,260,000	Arns	75,000				600,000									600,000	675,000	Phased OCIP and BR costs	
Legal & accounting	1,930,000	Arns	600,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000	1,020,000	Primarily TP & Hendricks	
Building start-up & commissioning	1,430,000	N/A																	
King County funding	567,000	Done	567,000														567,000		
Public art	4,500,000	Jess		30,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	120,000	Consultant	
Furniture, fixtures, & equipment	15,000,000	N/A																	
Miscellaneous Subtotal	40,677,000																		
Project Administration																			
Development Fees	20,000,000	Arns	1,000,000	1,000,000												1,000,000	2,000,000	Assumes CPS PSA deal done in Dec 2015	
Development Reimbursables	20,000,000	Arns	1,200,000	320,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,520,000	5,720,000		
Project Administration Subtotal	40,000,000																		
Contingency	102,945,000		300,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	6,000,000	6,300,000		
Total Development Budget (E+M)	1,417,648,000		84,899,000	6,828,000	4,708,000	4,208,000	5,758,000	5,263,000	7,489,000	8,189,000	8,714,000	7,068,000	7,943,000	7,137,000	8,579,000	81,884,000	168,763,000		
Other cash flow items																			
WSSCOT lease payments (Annual)				320,000												320,000	320,000	If fully prepaid could be additional \$1.2M	
TPSS reimbursements									(2,200,000)	(40,000)	(40,000)	(1,040,000)	(1,065,000)	(1,065,000)	(1,065,000)	(6,515,000)	(6,515,000)	Cost paid rebid. at CPS closing & 30 days in arrears after Includes TPSS const, T&I and \$1.4m A&E	
Total project payments			84,899,000	7,148,000	4,708,000	4,208,000	5,758,000	5,263,000	5,289,000	8,149,000	8,674,000	6,028,000	6,878,000	6,072,000	7,514,000	75,689,000	162,568,000		
CPS Payment																15,000,000	15,000,000		
Total			84,899,000	7,148,000	4,708,000	4,208,000	5,758,000	5,263,000	20,289,000	8,149,000	8,674,000	6,028,000	6,878,000	6,072,000	7,514,000	90,689,000	177,568,000		

Exhibit "B"

2016 UNRESTRICTED RESERVE CAPITAL PROJECTS

Project #		Project Budget	
<i>Life Cycle / Plant Projects</i>			
CPUR 2016-001	Project Management	\$	120,000.00
CPUR 2016-002	Kitchen Ceiling ALL (Aluminum Grid)	\$	110,000.00
CPUR 2016-003	Elevator Control Replacements	\$	135,000.00
CPUR 2016-004	TCC Door Acces Control Replacement	\$	85,000.00
CPUR 2016-005	Parking Ticket System Upgrade	\$	65,000.00
CPUR 2016-006	Truck Corridor Bird Netting	\$	75,000.00
CPUR 2016-007	Metal Roll Up Door Replacements	\$	40,000.00
CPUR 2016-008	Meeting Room Sound Sys replacements	\$	50,000.00
CPUR 2016-009	Door Hardware Replacement	\$	15,000.00
CPUR 2016-010	South Glass Replacement	\$	30,000.00
CPUR 2016-011	Magnetic Door Holds at 4D	\$	30,000.00
CPUR 2016-012	Mechanical Heat Pump Replacement	\$	85,000.00
CPUR 2016-013	Security Camera Replacements	\$	15,000.00
CPUR 2016-014	Concrete Replacement	\$	15,000.00
CPUR 2016-015	HVAC Compressor Replacement	\$	45,000.00
CPUR 2016-016	Ballroom Rigging Point Replacements	\$	150,000.00
	Total Life Cycle / Plant Projects		\$ 1,065,000.00
<i>Building Enhancements</i>			
CPUR 2016-017	Pike Street Improvements	\$	3,875,000.00
CPUR 2016-018	Level 1 Improvements	\$	1,305,000.00
CPUR 2016-019	Vacant Retail TI Allowance	\$	125,000.00
CPUR 2016-020	Room 206 Sales Studio Conversion	\$	275,000.00
CPUR 2016-021	Parking Garage Signage Conversion	\$	150,000.00
CPUR 2016-022	Vacant Admin Office Carpet & Paint	\$	80,000.00
CPUR 2016-023	Garage Stairwells Security Fencing	\$	65,000.00
CPUR 2016-024	Pike Street PTZ Camera	\$	15,000.00
	Total Building Enhancements		\$ 5,890,000.00
<i>Furniture, Fixtures , Equipment</i>			
CPUR 2016-025	Information Technology / Systems	\$	125,000.00
CPUR 2016-026	Genie Scissor Lift	\$	25,000.00
CPUR 2016-027	Custodial Department	\$	30,000.00
CPUR 2016-028	Set-Up Dept	\$	24,000.00
	Total FF&E		\$ 204,000.00
Total New Capital Projects 2016			\$ 7,159,000.00
11/16/2015			