



**SEATTLE
COLLEGES**

Central • North • South • SVI

District VI | 206.934.3872 | Fax 206.934.3894 | Voice Relay 800.833.6388
1500 Harvard Avenue, Seattle WA 98122-3803 | www.seattlecolleges.edu

SEATTLE COLLEGE DISTRICT BOARD OF TRUSTEES

February 19, 2015

STUDY SESSION

2:00 p.m.

Room 401

Seattle Vocational Institute
2120 South Jackson Street
Seattle, WA 98144

REGULAR SESSION

3:00 p.m.

Room 401

Seattle Vocational Institute
2120 South Jackson Street
Seattle, WA 98144

STUDY SESSION AGENDA

CALL EXECUTIVE SESSION

2:00 p.m.

A. To Discuss the Performance of Public Employees

2:30 p.m.

B. To Discuss Proposal Under Attorney-Client Privilege Exemption

REVISED REGULAR SESSION AGENDA

- 3:00 p.m. CALL TO ORDER**
- 3:00 p.m. ROLL CALL**
- 3:00 p.m. INTRODUCTION OF VISITORS – REMIND VISITORS TO SIGN IN**
- 3:05 p.m. APPROVAL OF AGENDA | ACTION** **Tab 1**
- 3:05 p.m. ACCOLADE – TRANSFORMING LIVES AWARDS**
Bryce Kasota – Seattle Central College
Shaina Huntley – North Seattle College
Niloufar Ghodsian – South Seattle College
- 3:15 p.m. PUBLIC COMMENTS**
Fifteen minutes are regularly set aside for others to express their views on any matter except those restricted to Executive Session.
- 3:30 p.m. PRESENTATION**
SVI: Past, Present and Future
Presenters: Paul Killpatrick, President, Seattle Central College
Al Griswold, Associate Vice President, Workforce Education
- 3:50 p.m. RECOMMENDED BOARD ACTIONS | ACTION**
- A. Approval of January 8, 2015 Meeting Minutes **Tab 2**
- B. Tender of Gifts **Tab 3**
- C. Approval of the Nondisturbance Agreement with the Pacific Hospital Preservation & Development Authority **Tab 4**
- D. Approval of Memorandum of Understanding with the Department of Commerce and the Foundation to Re-assume Control of the Leasehold at a Future Date **Tab 5**
- E. Possible Agenda Item: Delegation of Authority to the Chancellor to Enter into a Lease with the Foundation for the Seattle Colleges for Space at the Pacific Tower

4:00 p.m.

INFORMATIONAL ITEMS

- A. Chancellor's Report
 - 1. Meeting with Seattle Public Schools Update
 - 2. Monthly Strategic Plan Focus
 - Colleges' Strategic Plans
- B. Quarterly Financial Summary Tab 6
- C. First Reading – Policies 250, 252, 258 Tab 7
- D. Legislative Update

4:30 p.m.

ORAL REPORTS

- A. Associated Student Body Presidents
 - 1. Mr. Brian Pak Wing Leung, Seattle Central College
 - 2. Ms. Sarah Baker, North Seattle College
 - 3. Mr. Shane Brookman, South Seattle College
- B. AFT Seattle Community Colleges
Ms. Kimberly McRae, Co-President
Ms. Tracy Lai, Co-President
- C. Washington Federation of State Employees
Mr. Ty Pethe, President
- D. College Presidents and Vice Chancellors
 - 1. Cabinet
- E. Board of Trustees
 - 1. Ms. Carmen Gayton, Chair
 - 2. Mr. Steve Hill, Vice Chair
 - 3. Ms. Teresita Batayola
 - 4. Mr. Jorge Carrasco
 - 5. Ms. Courtney Gregoire

4:45 p.m.

ADJOURNMENT

The next meeting of the Board of Trustees will be held on Thursday, March 12, 2015 at North Seattle College, 9600 College Way North, Seattle, WA 98103. There will be a Study Session at 2:00 p.m., and the Regular Meeting will follow at 3:00 p.m.



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MINUTES OF THE SEATTLE COLLEGE DISTRICT

BOARD OF TRUSTEES MEETING held Thursday, January 8, 2015 at
Seattle College District Office, 1500 Harvard Avenue, Seattle, WA 98122

PRESENT FOR REGULAR MEETING HELD AT 3:05 P.M.

Trustees

Ms. Carmen Gayton, Chair
Mr. Steve Hill, Vice Chair
Ms. Teresita Batayola
Mr. Jorge Carrasco

Chancellor

Dr. Jill Wakefield

Presidents/Vice Chancellors

Dr. Warren Brown, NSC
Dr. Paul Killpatrick, SCC
Mr. Gary Oertli, SSC

Vice Chancellors

Dr. Kurt Buttleman
Mr. Charles Sims

Advisory Representatives

Mr. Al Griswold, SVI
Mr. Derek Edwards, AAG
Ms. Kimberly McRae, AFT Seattle
Ms. Tracy Lai, AFT Seattle
Mr. Ty Pethe, WFSE

Mr. Brian Pak Wing Leung, SCC Student
Ms. Anya Gepfrich for Sarah Baker, NSC Student
Mr. Shane Brookman, SSC Student

Secretary

Ms. Harrietta Hanson

ABSENT

Ms. Courtney Gregoire, Trustee
Dr. Mary Ellen O'Keeffe, Vice Chancellor
Ms. Sarah Baker, NSC Student

Board of Trustees Meeting Minutes

January 8, 2015

Page Two

CALL TO ORDER

Board Chair, Ms. Carmen Gayton, called the meeting to order at 3:05 p.m.

ROLL CALL

The secretary, Harrietta Hanson, called the roll.

INTRODUCTION OF VISITORS

Ms. Gayton welcomed the visitors. Visitors introduced themselves. They included: Victor Kuo, Cheryl Stuart, Earnest Phillips, LaVerne Lamoureux, Heather Emlund, Peter Lortz, Judy Reed, Samantha White, Daniel Cordas, David Sandler, Melissa Mixon, Maureen Nutting.

APPROVAL OF January 8, 2015 AGENDA

Ms. Gayton asked for a motion to approve the January 8, 2015 Agenda. **Ms. Batayola moved, and Mr. Carrasco seconded the motion. Motion passed unanimously (4-0).**

PUBLIC COMMENTS

Ms. Maureen Nutting addressed the Board regarding naming a building at North Seattle College in Lynda Wilkinson's name.

PRESENTATION

"Pathway to Completion Second Year Report"

Dr. Wakefield introduced Judy Reed, Associate Director for Pathway to Completion.

Ms. Reed provided background information of the Pathway to Completion initiative. It is based on a two-year grant from the Bill & Melinda Gates Foundation to increase completion rates. The initiative, launched in fall 2012, aims to address the issue that more than two-thirds of high school students entering college require at least one course of pre-college mathematics and only 18% of all students finish with an award in three years. The grant performance targets for pre-college math students are to increase by 25% students who: 1) complete their pre-college math sequence within one year; 2) complete their first 15 credits within one year; 3) complete their first 30 credits within two years; 4) complete their first required college level math within two years.

Ms. Reed talked about the work across campuses and collaboration between the colleges and Seattle public schools. She provided details on the "Start to Finish" model developed to improve completion. Components of the model, including mandatory orientation, proactive advising and advisor dashboard, provide students a strong start and encourage them to persist, in addition to providing tools for advisors to track student progress.

Ms. Samantha White, Pathway to Completion coordinator, reported on the latest data on students participating in accelerated pre-college math. Programs such as Statway, Algebra Express and Self-Paced Modular Math help students, new to pre-college math, increase their

completion of pre-college math sequence within one year. The research data clearly show strong first-year and promising second year results.

The college presidents also reported on what their colleges are doing to continue the momentum and build on the success of the initiative. Mr. Oertli reported that South is building on early success and is working to improve student experience by 2017. He indicated that every time the executive team meets, members will spend an hour talking and planning on how to provide seamless support to students, including career services. In addition, the college has hired their first completion coach to support the initiative.

Dr. Killpatrick said that Seattle Central has made orientation available both online and in person, greatly increasing the number of students attending orientation. The college has also hired navigators and streamlined degree pathway to remove obstacles to completion. Dr. Brown reported that North has added evening advising and additional support services for students attending evening classes. The college has also introduced several new initiatives to reach undecided and prospective students, and advance student success.

APPROVAL OF MEETING MINUTES

Ms. Gayton asked for a motion to approve the December 11 meeting minutes. **Ms. Batayola pointed out that it was not noted in the minutes that Mr. Carrasco was absent at the December 11 meeting. As such, an amendment to the minutes will be made. Mr. Hill moved, and Mr. Carrasco seconded the motion. Motion passed unanimously (4-0).**

SECOND READING AND FINAL ACTION – POLICY & PROCEDURE 419

Mr. Carrasco moved to approve Policy and Procedure 419 – Discrimination and Harassment. Ms. Batayola seconded the motion. Motion was passed unanimously (4-0).

RECOMMENDED STRATEGIC PLAN UPDATE

Ms. Gayton asked for a motion to approve the 2010-2017 Strategic Plan as presented, extending the 2010-2015 Strategic Plan to 2017. **Mr. Carrasco moved, and Ms. Batayola seconded the motion. Motion was passed unanimously (4-0).**

RECOMMENDATION ON BUILDING NAMING AT NORTH SEATTLE COLLEGE

Ms. Gayton asked for a motion to accept the administration's recommendation that a plaque honoring Lynda Wilkinson be affixed to the Health Services and Student Resources (HSSR) building, and that a Wall of Distinction be designated in the HSSR building to recognize outstanding North Seattle employees. **Mr. Carrasco moved, and Mr. Hill seconded the motion. Motion was passed unanimously (4-0).**

INFORMATIONAL ITEMS

- A. Chancellor's Report
 - 1. Martin Luther King, Jr., Celebration

Dr. Wakefield invited the Board and the audience to the Martin Luther King Jr. Celebration scheduled on January 16 at the Mt. Zion's Church. This will be the 42nd year that Seattle Colleges has hosted the community celebration event.

2. Pacific Tower Project Update

Dr. Wakefield thanked Mr. Hill representing the Board working with the Foundation and the Department of Commerce on the New Market Tax Credit (NMTC) financing. Because of the NMTC requirements, the financing process has become incredible complicated, and might delay the occupancy date from September 2015 to January 2016.

3. Dr. Wakefield reported that a meeting has been scheduled with the Seattle Public Schools' executive team on January 12 to talk about developing partnerships further and aligning programs. In addition, Dr. Larry Nyland has accepted the invitation to join the Chancellor's Advisory Council.

Ms. Lamoureux gave an update on legislators serving in the colleges' catchment area, committee compositions, and other related legislative activities. Ms. Lamoureux also reported on the Capital Budget as well as the transportation budget which will affect our colleges.

Dr. Buttleman continued with his presentation on the new State budget reallocation proposal; he also provided a brief summary on the highlights of the proposed biennium budget.

ORAL REPORTS

A. Associated Student Body Presidents

Mr. Brian Pak Wing Leung, of SCC's Associated Student Council (ASC), reported that: 1) ASC has joined the Washington Community and Technical College Student Association (WACATCSA). The major focus of the organization is to speak out on legislative issues affecting students; 2) for the February 5 rally in Olympia, ASC plans to organize 100 students to attend; 3) the student government is working with the bookstore to find ways to cut textbook costs to students.

Ms. Anya Gepfrich, of NSC's Student Administrative Council (SAC), reported: 1) SAC is planning several theatrical productions during the week of Valentine's Day; 2) the student government is recruiting to fill three new cabinet positions; 3) they are looking forward to the next district-wide student leadership meeting to inform and share common concerns, and to find ways to support students and higher education.

Mr. Shane Brookman, of SSC's United Student Association (USA), reported that: 1) the student government had a great retreat earlier this month. He feels refreshed, motivated and looks forward to work on issues this coming year; 2) USA was able to recruit a new Vice President and Legislative Liaison to replace Elsa Chefo who

resigned in November; 3) the student leadership will also attend the rally in Olympia on February 5.

B. American Federation of Teachers (AFT) Seattle Community Colleges, Local 1789

Ms. McRae reported that an Agreement Management Meeting has been scheduled next Thursday. She looks forward to ironing out the issues on professional development for part-time faculty and clarifying the language in the contract. Ms. McRae invited the Board to join AFT Seattle's rally in Olympia on February 5.

Ms. Lai thanked the trustees for their comments regarding naming a building at North Seattle College to honor Lynda Wilkinson and other faculty members. She expressed her disappointment in the Board's decision. Ms. Lai also commented on the compensations for faculty members; their salary had been frozen since 2008. She urged unity to address legislators and gather support in restoring the cost-of-living adjustment (COLA) and increment funding.

C. Washington Federation of State Employees (WFSE)

Mr. Pethe said that it will be a busy session in Olympia. He plans to advocate training for employees and asks for adequate funding for higher education, especially new revenue sources. He hopes to work collaboratively with AFT Seattle and the student government on issues such as equity and access to education. In addition, he will be working on reclassification, compensation and workplace violence issues.

D. Chancellor, College Presidents and Vice Chancellors

Mr. Oertli reported that South Seattle's annual dinner "Gifts from the Earth" is sold out.

E. Board of Trustees

No reports.

ADJOURNMENT

The meeting was adjourned at 4:35 p.m.

The next meeting of the Board of Trustees will be held on Thursday, February 19, 2015 at Seattle Vocational Institute, 2120 South Jackson Street, Seattle, WA 98144. There will be a Study Session at 2 p.m. and the Regular Meeting will follow at 3:00 p.m.

APPROVED BY:

Carmen Gayton, Chair

Date



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MEMORANDUM

TO: Board of Trustees

FROM: Dr. Jill Wakefield
Chancellor

DATE: February 19, 2015

SUBJECT: TENDER OF GIFTS TO SEATTLE COLLEGES

Background

Periodically gifts are contributed to Seattle Colleges to assist the District in achieving its educational goals and objectives. There are two major categories: (1) Cash Gifts and (2) In-Kind Gifts, such as equipment, supplies and materials.

On the attached pages are summaries of the gifts received during the period of December 1, 2014 – January 31, 2014.

Recommendation

In accordance with established Board Policy No. 152, it is recommended that the Board of Trustees accept the gifts tendered to the Seattle Colleges as shown on the attached schedules.

Submitted by:

Dr. Kurt Buttleman
Vice Chancellor of Finance & Technology

Transmitted to the Board with a favorable recommendation.

Dr. Jill Wakefield
Chancellor

TENDER OF GIFTS TO SEATTLE COLLEGE DISTRICT
AS OF JANUARY 31, 2015
CASH

DONOR	GIFT AND PURPOSE	CENTRAL	NORTH	SOUTH	SIEGAL CENTER	DISTRICT	WIDE	SM
NSCC Education Fund	Emergency Assistance Grant 14-15		\$20,000.00					
	EMT Support - Ed Fund		\$480.00					
	Support of College Spark (Ingraham HS Program		\$15,629.00					
	Scholarships, equip., prof. development		\$110,000.00					
SCCC Foundation	Pres. Discretionary Fund-Childcare & Tutoring	\$500.00						
	General Scholarships Summer & Fall	\$55,757.00						
	Gen. Scholarships non endowed Summer & Fall	\$42,470.00						
	C Mithcell Scholarships- student Summer & Fall	\$21,152.00						
	Lockwood Faculty Development 2014-15	\$48,260.00						
	Evans Kane Faculty Development 2014-15	\$8,125.00						
	Emergency Scholarships - Fall	\$1,244.00						
	Promise Scholarships - Fall	\$3,365.00						
CAMPUS TOTALS		\$180,873.00	\$146,109.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL CASH GIFTS TO						\$326,982.00		
		SEATTLE COLLEGES						

TENDER OF GIFTS TO SEATTLE COLLEGE DISTRICT
AS OF JANUARY 31, 2015

IN-KIND

DONOR	GIFT AND PURPOSE	SIEGAL CENTER					DISTRICT-WIDE		SVI
		CENTRAL	NORTH	SOUTH	CENTER				

\$8,230.00

Misc. Watch Parts

NSCC Education Fund

CAMPUS TOTALS

\$0.00 \$8,230.00 \$0.00 \$0.00 \$0.00

TOTAL IN-KIND GIFTS TO SEATTLE COLLEGES
Heather Emlund
Financial Operations

Page 2

\$8,230.00

TENDER OF GIFT REPORT BOT JAN 2015In Kind

Memo

To: Jill Wakefield
From: Lincoln Ferris, Consultant to President Killpatrick
cc: Board of Trustees
Date: February 10, 2015
Re: Briefing for BOT Action Items on Pacific Tower

Action Items

As discussed with you and the Trustees in the last two meetings, to complete the Pacific Tower's physical plant upgrades, and to construct the college's tenant improvements, supplemental funding is needed. That funding will come from four sources: Borrowing; a sale of earned federal tax credits; a requested 2015-17 capital budget appropriation; and philanthropic giving. The Foundation for Seattle Colleges has been asked to play a pivotal role in the first two of those.

Commerce and the Foundation have discussed at length that:

- The Foundation borrow money from the Housing Finance Commission to leverage a tax credit sale to fund construction; and
- The Foundation to serve as the managing member of a new limited liability company to make the capital improvements to the Pacific Tower and "earn" the tax credits.

The tax credit financing requires shifting control of the Pacific Tower to the Foundation through a 30 year master sublease and changing the length of the District's sublease to a period of 19 years and 11 months

To facilitate this shift in roles, the District at this month's meeting will be asked to:

1. Approve entering into a 3-party non-disturbance agreement associated with the tax credit financing; and
2. Approve entering into a 3-party memorandum of understanding with the Dept. of Commerce and the Foundation regarding a right of reversion for Commerce to re-assume control of the leasehold at a future date.

Finally, the Trustees earlier granted you authority to re-negotiate the terms of the District's lease to shorten its period to the 19 years and 11 month length required by tax laws governing the federal tax credit programs. Those terms have been finalized and are summarized below.

Status of Project Financing Approvals

There are a number of agencies and financiers which must sign off on the tax credit package and borrowing model before this next round of financing can close. Here is a status report on each one.

Office of Financial Management & State Treasurer

Consultants to the Dept. of Commerce and legal counsel for the Foundation have reviewed at great length both the financial projections and the legal documents which underpin the proposed tax credit financing structure. The state agencies have retained independent counsel to review the legal authority for the state to enter into the transaction. Commerce expects to receive a formal opinion from the state's Solicitor General shortly. Presuming the opinion is favorable, Commerce anticipates that OFM and the Treasurer would approve the financing.

The OFM has proposed that the state use a certificate of participation to pay for \$2.5 million of the capital equipment and furnishings for the college's 85,000 sf space. This would correspond with a reduction in the borrowing from the Housing Finance Commission to \$3.5 million.

City of Seattle

The Seattle City Council has been asked by the Speaker of the House and Commerce to assume responsibility for repaying the principal of the \$3.5 million of the Housing Finance Commission loan. If they agree, the cost of servicing the loan to the Foundation would be reduced to no more than \$35,000 per year for seven years.

Pacific Hospital Preservation & Development Authority

At a special board meeting on January 15th, the Authority's board of directors approved the signing of the non-disturbance agreement required by the tax credit investor. That document has been executed, and the PHPDA sent a letter to the National Park Service acquiescing to the Dept. of Commerce's application for historic tax credits for the rehabilitation of the Pacific Tower.

Washington Dept. of Archaeology & Historic Preservation / National Park Service

Commerce's application for tax credits has been approved by the state's historic preservation officer and forwarded to the National Park Service with three minor comments. The technical services division of the Park Service has agreed to expedite the application and started its thirty day review process as of the 8th of February. Congressman McDermott received a promise of expedited review in a teleconference with the head of the technical services division.

WA State Housing Finance Commission

The Housing Commission has provided the Foundation a term sheet for the requested \$6 million loan. The Foundation has retained Mark Kantor of the law firm of Kantor, Taylor to represent it in negotiating the final terms of the loan. At present, their term sheet is for interest-only loan payments for the first seven years, a fifteen year term within which the loan must be fully repaid, one percent interest rate and no penalties for early repayment.

Enterprise Community Partners / Craft3

The historic tax credit program has the investor releasing the proceeds of the tax credit sale in two primary tranches; 30% at closing of the tax sale and the balance upon certification that the improvements have been completed. A "bridge loan" of that remaining 70% is taken out to provide working capital during the construction period. The Foundation has received a term sheet from Enterprise and Craft3 to provide the bridge loan at 5.5% interest. The

principal would be repaid from the proceeds of the tax credit sale and the interest payments come out of the construction budget.

2015-17 Capital Budget

The Governor placed \$6 million into his proposed capital budget for the Pacific Tower. The rationale for this amount was the need to install interior storm windows in the Tower to improve energy efficiency and the comfort of tenants, where existing single pane windows are drafty and leak water. The Speaker of the House has said he will protect this request in budget negotiations.

Rationale for Action Items

A. Non-Disturbance.

The non-disturbance agreement (NDA) requires that the fee simple owner of the Pacific Tower, the PHPDA, will not foreclose on the property or otherwise interfere in the ability of the tax credit investor to earn its tax credits over the seven year compliance period of the New Market Tax Credit investment. In a worst case scenario where the state legislature would fail to appropriate operating funds to pay the rent and maintenance and operation charges, the NDA would replace Commerce with the Foundation as the master tenant, but prevent the PHPDA from evicting the building tenants.

To help persuade the PHPDA to accept this risk, the Foundation and Commerce have asked the District to replace the Foundation as the master tenant at the end of the seven year compliance period. Again, this would only take effect if Commerce were to default on its responsibilities under the existing master lease. Because the Foundation has limited resources and the state has a legal obligation to honor the master lease, it was deemed more appropriate to have the District replace the Foundation in shouldering responsibility for the master lease once the tax credits have been fully earned.

B. Funding and Restoration Agreement

A primary concern for the Office of Financial Management has been relinquishing control to the Foundation of the leasehold asset and leasehold improvements while retaining the legal obligation to pay the PHPDA rent and maintenance and operating charges. To approve the tax credit financing, they requested an agreement with the Foundation to return the asset once the tax credit compliance period was completed, as well as a reversion of the District's lease to its original terms and length. The Foundation, in turn, wanted assurance that it would have access to an income stream to repay the Housing Finance Commission loan or a complete retirement of that loan before it gave control of the leasehold back to the state. The memorandum of understanding sets out the terms under which the state could regain control and revert to the 30 year lease with the District.

Timeline

The tax credit investor, US Bank, desires to close the New Market Tax Credit sale simultaneously with the Historic Tax Credit sale. They anticipate that closing would happen within five working days of the National Park Service providing approval of Commerce' application for the tax credits. In a best case scenario, that approval would be in hand by the end of February and the transaction would close in the first week to ten days of March.

The formal approval from the Office of Financial Management and the State Treasurer hinges on receiving the Solicitor General's opinion. At the risk of being proven overly optimistic, I believe their final decision will be in hand by the 20th of February.

NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of [____], 2015 ("Effective Date") by and among **PACIFIC HOSPITAL PRESERVATION AND DEVELOPMENT AUTHORITY**, a public corporation chartered by the City of Seattle ("Owner" or "Lessor"), **STATE OF WASHINGTON**, acting through the Department of Commerce ("Lessee"), **PACIFIC TOWER QALICB LLC**, a Washington limited liability company ("Sublessee") and **SEATTLE COMMUNITY COLLEGE DISTRICT VI**, an agency of the State of Washington ("College").

RECITALS

WHEREAS, Owner is the owner of certain improved real property located in the City of Seattle, Washington, more particularly described on Exhibit A attached hereto, together with certain improvements thereon and all appurtenances, easements, rights of way and other rights belonging to or in any way pertaining thereto (the "Real Estate"); and

WHEREAS, Owner and Lessee have entered into a certain Tower and Adjacent Property Lease Agreement dated November 12, 2013 (as amended, restated or otherwise modified from time to time, the "Building Lease"), whereby Owner has agreed to lease to Lessee, and Lessee has agreed to lease from Owner, a certain portion of the Real Estate, which includes space in the building commonly known as Pacific Tower, together with certain ancillary rights associated therewith, as more particularly described on Exhibit B attached hereto (the "Leased Premises"); and

WHEREAS, Lessee has or will sublease the Leased Premises to the Foundation for the Seattle Colleges, a Washington nonprofit corporation ("Original Sublessee" or "Foundation"), pursuant to that certain Sublease dated January __, 2015 ("Sublease Agreement"). Original Sublessee's right, title and interest as subtenant under the Sublease Agreement was or will be assigned to Seattle Colleges – Pacific Tower LLC, a Washington limited liability company ("Seattle Colleges LLC"), and then Seattle Colleges LLC's right, title and interest as subtenant under the Sublease Agreement was or will be assigned to Sublessee pursuant to that certain Assignments and Assumptions of Sublease dated January __, 2015. The Sublease Agreement, as assigned, and as amended, restated or otherwise modified from time to time, shall be referred to herein as the "Sublease"; and

WHEREAS, Lessee previously subleased a portion of the Leased Premises to College pursuant to that certain Pacific Tower Sublease Agreement dated as of November 12, 2013, and as thereafter amended ("College Sublease"). The College has or will consent to the subordination of the College Sublease to the Sublease pursuant to a separate consent and subordination agreement. Lessee's right, title and interest as sublandlord under the College Sublease was or will be assigned to the Foundation; then the Foundation's right, title and interest as sublandlord under the College Sublease was or will be assigned to Seattle Colleges LLC; then Seattle Colleges LLC's right, title and interest as sublandlord under the College Sublease was or will be assigned to Sublessee. The College Sublease, as assigned, and as amended, restated or otherwise modified from time to time, shall be referred to herein as the "College Sub-Sublease";

and

WHEREAS, Lessee has previously entered into a variety of subleases (as amended) of space with nonprofit and governmental entities for various parts of the Leased Premises ("Occupant Subleases"). Each of the sublessees under the Occupant Subleases has or will consent to the subordination of the Occupant Subleases to the Sublease pursuant to separate consent and subordination agreements. Lessee's right, title and interest as sublandlord under the Occupant Subleases was or will be assigned to the Foundation; then the Foundation's right, title and interest as sublandlord under the Occupant Subleases was or will be assigned to Seattle Colleges LLC; then Seattle Colleges LLC's right, title and interest as sublandlord under the Occupant Subleases was or will be assigned to Sublessee. The Occupant Subleases, as assigned, and as amended, restated or otherwise modified from time to time, shall be referred to herein as the "Occupant Sub-Subleases"; and

WHEREAS, Sublessee intends to complete tenant improvements in the Leased Premises and in other areas of the Pacific Tower ("Pacific Tower Tenant Improvements"). In connection therewith, the Foundation and Sublessee will incur debt and enter into tax credit financing structures to fund the completion of the Pacific Tower Tenant Improvements.

WHEREAS, Sublessee has entered into and delivered that certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of _____, 2015 (as amended, restated or otherwise modified from time to time, the "Deed of Trust"), in favor of the following parties (collectively, the "Lender"): (a) Consortium America LX, LLC, a Delaware limited liability company ("Consortium Lender"), (b) URP Subsidiary CDE XXIII, LLC, a Maryland limited liability company ("URP Lender"), and (c) Seattle Subsidiary Investment Fund VIII LLC, a Washington limited liability company ("SIF Lender"); and

WHEREAS, the Deed of Trust will be recorded in the Official Records of King County, Washington as security for loans from Lender to Sublessee in the aggregate principal amount of Twenty Two Million Five Hundred Thousand and 00/100 Dollars (\$22,500,000) (the "Loans") as evidenced by the following promissory notes of Sublessee (collectively, the "Notes"): (i) a promissory note payable to the order of Consortium Lender in the principal amount of [Three Million Five Hundred Seventy Five Thousand Eighty Three] and 00/100 Dollars (\$[3,575,083]); (ii) a promissory note payable to the order of Consortium Lender in the principal amount of [One Million Three Hundred Twenty Four Thousand Nine Hundred Seventeen] and 00/100 Dollars (\$[1,324,917]); (iii) a promissory note payable to the order of URP Lender in the principal amount of [Five Million Eight Hundred Ninety Eight Thousand Eight Hundred Eighty Four] and 00/100 Dollars (\$[5,898,884]); (iv) a promissory note payable to the order of URP Lender in the principal amount of [Two Million One Hundred One Thousand One Hundred Sixteen] and 00/100 Dollars (\$[2,101,116]); (v) a promissory note payable to the order of SIF Lender in the principal amount of [Six Million Six Hundred Forty Eight Thousand Eighty Three] and 00/100 Dollars (\$[6,648,083]); and (vi) a promissory note payable to the order of SIF Lender in the principal amount of [Two Million Nine Hundred Fifty One Thousand Nine Hundred Seventeen] and 00/100 Dollars (\$[2,951,917]) (the Deed of Trust, the Notes and all other documents evidencing, securing or otherwise executed in connection with the Loans, are hereinafter

collectively referred to as the "Loan Documents").

AGREEMENT

NOW, THEREFORE, in consideration of the forgoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. NONDISTURBANCE.

A. Notwithstanding anything to the contrary, with respect to the subleasehold interest created under the Sublease, Lessee hereby agrees that the Sublease and the Sublessee's rights and enjoyment of possession of the Leased Premises shall be and remain undisturbed and unaffected, regardless of whether or not there is any past, current or future default in the performance by Sublessee of any terms, covenants or conditions of the Sublease.

B. If an Event of Default (as defined in the Building Lease) by Lessee under the Building Lease occurs that would give Owner the right to terminate the Building Lease ("Lessee Default") during the period commencing on the Effective Date and expiring on the date that is eight (8) years thereafter (the "Nondisturbance Period"), Owner agrees to forbear from terminating the Building Lease and the parties hereto agree, that upon written notice to Lessee and Sublessee that a Lessee Default has occurred ("Default Notice"), Owner shall assume all of Lessee's right, title and interest in the Sublease and all of Lessee's obligations and covenants under the Sublease for the remainder of the Nondisturbance Period without the execution of any further instruments on the part of any of the parties hereto. Owner further agrees that, during the remainder of the Nondisturbance Period, Sublessee's possession and occupancy of the Leased Premises and Sublessee's rights and privileges under the Sublease shall not be diminished, disturbed or interfered with by Owner, its nominee or assignee, as applicable. Following a Lessee Default during the Nondisturbance Period, Owner, in addition to seeking a Damage Award (as defined below), shall be entitled to the rent due and payable under the Sublease, which rent is \$1 dollar per year. Owner further agrees not to disturb the rights of College pursuant to the College Sub-Sublease or the rights of the tenants under the Occupant Sub-Subleases.

C. If a Lessee Default does not occur during the Nondisturbance Period, then following the expiration of the Nondisturbance Period, the Building Lease shall continue in full force and effect, Lessee shall continue to be obligated to pay to Owner all Rent (as defined in the Building Lease) due and owing under the Building Lease (including, without limitation, Base Rent, Taxes and/or Impositions and Operating Costs) and the provisions of this Section 1 shall no longer apply. Foundation agrees to facilitate restoration of Lessee as sublandlord under the College Sublease and the Occupant Subleases when possible.

D. In the event that a Lessee Default occurs during the Nondisturbance Period, then immediately following the expiration of the Nondisturbance Period, the right, title and interest of Lessee (or its successors or assigns) as tenant under the Building Lease shall be assigned to and assumed by College and Owner shall thereafter recognize College as a direct

tenant of Owner (at which time the interest of sublandlord under the Sublease shall also be assigned to and assumed by College) and College shall attorn to and recognize Owner as its direct landlord, and shall pay to Owner all Rent due and owing under the Building Lease (including, without limitation, Base Rent, Taxes and/or Impositions and Operating Costs); provided that, the parties agree that if the Building Lease is subsequently terminated by Owner due to a default by College as tenant under the Building Lease, Owner's remedies under Section 18.6.3 of the Building Lease shall be reduced by the amount of the Damage Award received by Owner.

E. Notwithstanding anything herein to the contrary:

(i) Owner and Lessee hereby agree that, if Owner delivers a Default Notice during the Nondisturbance Period, in addition to its remedies under the Building Lease (other than any right to terminate the Building Lease or Lessee's right to possess the Leased Premises) Owner shall be entitled to recover from Lessee as damages an amount equal to the excess of the Rent (including, without limitation, Base Rent, Taxes, Impositions and Operating Costs) payable by Lessee under the Building Lease for the remainder of the Nondisturbance Period, over the rent that Owner is entitled to receive from Sublessee during the Nondisturbance Period ("Owner Remedies"). The amount of damages that Owner is entitled to receive from Lessee, following a final and unappealable judgment, is referred to herein as the "Damage Award"; and

(ii) Sublessee agrees that, in the event that Owner, following receipt of the Damage Award and prior to the end of the Nondisturbance Period, fails to provide utilities and/or maintain the Leased Premises pursuant to the terms and conditions in the Building Lease or the Sublease, Owner will not be deemed to be in default under the Building Lease or the Sublease, as applicable, if such failure is solely due to Owner's inability to pay for the same as a result of the Damage Award being less than the amount reasonably required to perform such obligations.

2. ATTORNMENT.

A. If there is a Lessee Default at any time during the Nondisturbance Period, Sublessee agrees that Sublessee shall be bound to Owner, its nominee or assignee, as applicable, under all of the terms, covenants and conditions of the Sublease for the balance of the Nondisturbance Period, with the same force and effect as if Owner, its nominee, or assignee, as applicable, were the landlord under the Sublease. Sublessee does hereby attorn to Owner, or its nominee or assignee, as the case may be, as its landlord, said attornment to be effective and self-operative immediately following receipt of the Default Notice without the execution of any further instruments on the part of any of the parties hereto; provided, however, that Sublessee shall be under no obligation to pay rent to Owner, or its nominee or assignee, as the case may be, by reason of such attornment until Sublessee receives the Default Notice. The respective rights and obligations of Sublessee and Owner, or their respective nominees, assignees or purchasers, as the case may be, upon such attornment, to the extent of the then remaining balance of the Nondisturbance Period, shall be and are the same as set forth in the Sublease; it being the intention of the parties hereto for this purpose to incorporate the Sublease in this Agreement by reference with the same force and effect as if set forth at length herein.

B. Both Owner and Sublessee hereby waive any and all rights to terminate the Sublease by reason of a Lessee Default during the Nondisturbance Period.

3. CONSENT TO DEED OF TRUST AND LOAN DOCUMENTS. Owner acknowledges and consents to Sublessee's execution and delivery of the Deed of Trust and the other Loan Documents to Lender; provided in no event shall Owner's fee interest in the Real Estate be encumbered by the Deed of Trust or subordinated to it; the Deed of Trust shall encumber only Sublessee's subleasehold interest. Owner further acknowledges and consents that Lender shall be entitled to exercise any or all remedies pursuant to the terms of the Deed of Trust including, without limitation, foreclosure of Lender's lien upon the subleasehold interest, subject in all respects to the terms and conditions of the Sublease. Owner acknowledges and agrees that upon a foreclosure or other exercise of remedies by Lender under the Deed of Trust or other Loan Documents, Lender (or its successors or assigns) shall be entitled and subject to all of the other rights and obligations as the sublessee under the Sublease and hereunder.

4. OWNER NOT BOUND BY CERTAIN ACTS OF LESSEE. If Owner or its nominee or assignee (each an "Owner Party") shall succeed to the interest of Lessee under the Sublease, such party shall not be liable for any act or omission of any prior landlord (including Lessee) unless such act or omission continues during Owner's control of the Leased Premises after receipt of notice from Sublessee of such act or omission and such Owner Party thereafter takes no action to cure; nor subject to any offsets or defenses which Sublessee might have against any prior landlord (including Lessee), including without limitation all rights of offset, which shall be of no force and effect from and after the date an Owner Party succeeds to the interest of Lessee under the Sublease; nor bound by any rent or additional rent which Sublessee might have paid for more than one month in advance; nor bound by any amendment or modification of the Sublease made without its consent. In the event of a default by Lessee under the Sublease or any occurrence that would give rise to an offset against rent or claim against Lessee under the Sublease, Sublessee will use its best efforts to set off such defaults against rents currently due Lessee (subject to the limits on Sublessee's offset rights set forth in this Agreement) and will give Owner written notice of such defaults or occurrence at the address of Owner as set forth below and will give Owner such time as, in Owner's opinion, is reasonably required to cure such default or rectify such occurrence, provided Owner uses reasonable diligence to correct the same. Owner shall have no obligation to cure any such default. Sublessee agrees that notwithstanding any provision of the Sublease to the contrary, Sublessee will not be entitled to cancel the Sublease, or to abate or offset against the rent, or to exercise any other right or remedy until Owner has been given notice of default and opportunity to cure such default as provided herein. If, in Owner's opinion, Lessee's default is not curable by Owner, Owner may at its option assume all of Lessee's right, title and interest in the Sublease and all of Lessee's obligations and covenants under the Sublease, and thereafter Sublessee shall attorn to Owner or Owner's nominee or assignee as the sublandlord under the Sublease, and if Owner so elects, Sublessee shall not have the right to terminate the Sublease as a result of Lessee's default.

5. LEASE PAYMENTS. Following Sublessee's receipt of a Default Notice, all rents and other payments due under the Sublease be paid directly to Owner and Lessee hereby authorizes and directs Sublessee and the Sublessee agrees to pay any payments due under the

terms of the Sublease to Owner. Any payments by Sublessee to Owner in accordance with this Agreement shall be deemed and shall constitute a payment of rent under the Sublease.

6. SUBLESSEE'S RIGHT TO CURE DEFAULTS. Owner agrees to give prompt notice to the Sublessee of any default by Lessee under the Building Lease, specifying the nature of such default, and thereupon Sublessee shall have the right (but not the obligation) to cure such default. Subject to the terms and conditions of this Agreement, Owner shall not exercise any remedies under the Building Lease by reason of such default unless and until it has afforded Sublessee thirty (30) days after Lessee's receipt of such notice to cure such default and an additional thirty (30) day period in addition thereto if the circumstances are such that the default is curable but cannot reasonably be cured within the original thirty (30) day period and Sublessee has commenced and is diligently pursuing such cure. It is specifically agreed that Owner will not require Sublessee to cure any default of Lessee.

7. LIMITATION ON OWNER'S PERFORMANCE. Except as expressly provided herein, nothing in this Agreement shall be deemed or construed to be an agreement by Owner to perform any covenant of Lessee as landlord under the Sublease. Sublessee agrees that if Owner assumes all of Lessee's right, title and interest in the Sublease pursuant to Section 1.B. above, then, upon subsequent transfer of the Real Estate by Owner to a new owner, Owner shall have no further liability under the Sublease after said transfer.

8. SUCCESSORS AND ASSIGNS. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their heirs, administrators, representatives, successors and assigns, including without limitation each and every holder, from time to time, of the Building Lease or the Sublease or any other person having an interest therein and shall inure to the benefit of Lender and its respective successors and assigns. The Lender and U.S. Bancorp Community Development Corporation are express third party beneficiaries of the provisions of this Agreement.

9. CHOICE OF LAW. This Agreement is made and executed under, and in all respects is to be governed and construed by, the laws of the State of Washington (excluding its choice-of-law principles).

10. CAPTIONS AND HEADINGS. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

11. EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

12. SEVERABILITY. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of

this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

13. AMENDMENTS. No provision of this Agreement may be amended, changed, waived, discharged, or terminated except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

14. ATTORNEYS' FEES. If any action is brought by any party to this Agreement as a result of a breach or default of this Agreement by any other party, the prevailing party will be entitled to reasonable attorneys' fees and costs incurred in connection with such action prior to and at trial and on any appeal therefrom.

15. NOTICES. Any and all notices, elections, demands, or requests permitted or required to be made under this Agreement shall be in writing, signed by the party giving such notice, election, demand or request, and shall be delivered personally, or sent by registered, certified, or Express United States mail, postage prepaid, or by Federal Express or similar service requiring a receipt, to the other party at the address indicated below, or to such other party and at such other address within the United States of America as any party may designate in writing as provided herein. The date of receipt of such notice, election, demand or request shall be the earliest of (i) the date of actual receipt, (ii) three (3) business days after the date of mailing by registered or certified mail, (iii) one (1) business day after the date of mailing by Express Mail or the delivery (for redelivery) to Federal Express or another similar service requiring a receipt, or (iv) the date of personal delivery (or refusal upon presentation for delivery).

(a) If to the Owner:

Pacific Hospital Preservation and Development Authority
1200 12th Avenue South, Quarters 2
Seattle, Washington 98144
Attention: Executive Director

(b) If to the Lessee:

State of Washington Department of Commerce
P.O. Box 48300
Olympia, Washington 98504-2525
Attention: Chief Financial Officer

(c) If to Sublessee:

Pacific Tower QALICB LLC
c/o Foundation for the Seattle Colleges
1500 Harvard Avenue
Seattle, Washington 98122
Attention: Bill Grinstein

and

Pacifica Law Group
1191 2nd Avenue, Suite 2000
Seattle, Washington 98101-3404
Attention: Gerry Johnson

and

Consortium LX, LLC
1055 Thomas Jefferson Street N.W., Suite 600
Washington, D.C. 20007
Attention: _____

and

Leverage Law Group
4601 College Blvd., Suite 280
Leawood, Kansas 66211
Attention: Paul O' Hanlon

and

URP Subsidiary CDE XXIII, LLC
1131 McCormick Road, Suite 470
Hunt Valley, MD 21031
Attention: _____

and

Nixon Peabody LLP
401 9th Street N.W., Suite 900
Washington, D.C. 20004
Attention: Andrew Potts

and

Seattle Subsidiary Investment Fund VIII LLC
700 5th Avenue, Suite 5752
Seattle, Washington 98104-5068
Attention: _____

and

Kantor Taylor Nelson Evatt & Decina PC
901 Fifth Avenue, Suite 4000

Seattle, Washington 98164
Attention: Tom Nelson

and

U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 63103
Attention: Director of Asset Management – HTC
Project Reference # 23454

and

Husch Blackwell LLP
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Attention: Edward J. Lieberman

(d) If to College:

Seattle Community College District
Washington District VI
1500 Harvard Avenue
Seattle, Washington 98122
Attention: Chancellor

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[COUNTERPART SIGNATURE PAGES FOLLOW]

**COUNTERPART SIGNATURE PAGE
NONDISTURBANCE AND ATTORNMENT AGREEMENT**

The undersigned, Owner, has executed this Nondisturbance and Attornment Agreement as of the date first above written.

OWNER:

PACIFIC HOSPITAL PRESERVATION AND DEVELOPMENT AUTHORITY, a public corporation chartered by the City of Seattle

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____) SS.

On this ____ day of _____, 2015 before me appeared _____, to me personally known, who being by me duly sworn (or affirmed), did say that he is a manager of _____, a _____, and the instrument was signed on behalf of such company by due authority and said _____ acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

My commission expires:

**COUNTERPART SIGNATURE PAGE
NONDISTURBANCE AND ATTORNMENT AGREEMENT**

The undersigned, Lessee, has executed this Nondisturbance and Attornment Agreement as of the date first above written.

LESSEE:

STATE OF WASHINGTON, acting through the
Department of Commerce

By: _____

Name:

Title:

STATE OF _____)

)

SS.

COUNTY OF _____)

On this ____ day of _____, 2015 before me appeared _____, to me personally known, who being by me duly sworn (or affirmed), did say that he is a manager of _____, a _____, and the instrument was signed on behalf of such company by due authority and said _____ acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

My commission expires:

COUNTERPART SIGNATURE PAGE
NONDISTURBANCE AND ATTORNMENT AGREEMENT

The undersigned, Sublessee, has executed this Nondisturbance and Attornment Agreement as of the date first above written.

SUBLESSEE:

PACIFIC TOWER QALICB LLC, a Washington
limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____) SS.

On this ____ day of _____, 2015 before me appeared _____, to me personally known, who being by me duly sworn (or affirmed), did say that he is a manager of _____, a _____, and the instrument was signed on behalf of such company by due authority and said _____ acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

My commission expires:

COUNTERPART SIGNATURE PAGE
NONDISTURBANCE AND ATTORNMENT AGREEMENT

The undersigned, College, has executed this Nondisturbance and Attornment Agreement as of the date first above written.

COLLEGE:

SEATTLE COMMUNITY COLLEGE
DISTRICT VI, an agency of the State of
 Washington

By: _____
Name: _____
Title: _____

STATE OF _____)
)
COUNTY OF _____) SS.

On this ____ day of _____, 2015 before me appeared _____, to me personally known, who being by me duly sworn (or affirmed), did say that he is a manager of _____, a _____, and the instrument was signed on behalf of such company by due authority and said _____ acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

My commission expires:

EXHIBIT A

Legal Description of Real Estate

LOTS 1 THROUGH 5 AND 20 THROUGH 24, BLOCK 4, AND LOTS 4 THROUGH 9 AND 26 THROUGH 31, BLOCK 8, GOLF HEIGHTS ADDITION TO THE CITY OF SEATTLE AS DESCRIBED IN THE PLAT THEREOF RECORDED IN VOLUME 24 OF PLATS, PAGE 12, RECORDS OF KING COUNTY, WASHINGTON, TOGETHER WITH THE STREETS AND ALLEYS ATTACHING THERETO BY OPERATION OF LAW AS VACATED BY THE CITY OF SEATTLE UNDER ORDINANCE NO. 59530.

EXHIBIT B

Depiction of Leased Premises

FUNDING AND RESTORATION AGREEMENT

BY AND BETWEEN

**STATE OF WASHINGTON,
ACTING THROUGH THE DEPARTMENT OF COMMERCE**

AND

**FOUNDATION FOR THE SEATTLE COLLEGES,
A WASHINGTON NOT-FOR-PROFIT CORPORATION**

AND

**SEATTLE COLLEGE DISTRICT VI,
AN AGENCY OF THE STATE OF WASHINGTON**

DATED: _____, 2015

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FUNDING AND RESTORATION AGREEMENT

This Funding and Restoration Agreement (the "Agreement") is made as of _____, 2015 by and among the State of Washington ("State") acting through the Department of Commerce ("Commerce"), the Foundation for the Seattle Colleges ("Foundation"), a Washington not-for-profit corporation, and the Seattle College District VI, an agency of the State of Washington ("College"), (collectively, the "Parties").

ARTICLE 1

Recitals

The Pacific Hospital Preservation and Development Authority is the owner of the property commonly known as Pacific Tower ("Owner" or "Lessor"). Lessor and Commerce entered into a certain Tower and Adjacent Property Lease Agreement dated November 12, 2013 for a substantial portion of the Pacific Tower (the "Leased Premises").

The Washington State Legislature in 2013 provided both operating and capital budget appropriations to Commerce for the creation of a community healthcare, education and innovation center at the Pacific Tower. It further directed Commerce to enter into a long term lease with the building's owner. Commerce in January of 2013 subleased a substantial portion of its Leased Premises to College for College's use as a satellite campus focusing on the education and training of professionals, technicians and others in health care-related fields. Commerce also subleased other space to a variety of nonprofit organizations, many of which have health care related missions.

The College on behalf of itself and its sister colleges in the Seattle College District has committed to a strategic plan for the nursing and allied health professions that will include having the Pacific Tower satellite campus hosting new baccalaureate programs in nursing, dental hygiene, respiratory care, healthcare services management and community health and education. These baccalaureate programs are the capstone degrees of the three colleges' healthcare training programs. Students enrolling in any allied health certificate program can accumulate credits and certifications which will count towards the requirements of one or more of the baccalaureate programs.

With the opening of the Pacific Tower satellite campus, the College anticipates doubling its enrollment in the nursing and allied health professional training and degree programs within two years' time.

In order for Commerce's Leased Premises to be suitable for its intended use as College's health care services satellite campus, the space requires very substantial renovation, specifically including comprehensive tenant improvements (the "Project"). The total estimated cost of the Project exceeds Fifty Million Dollars (\$50,000,000). Of that amount, the State Legislature has appropriated some Twenty Million Dollars (\$20,000,000) toward Project costs, which will be supplemented by a variety of additional public and private grants totaling some Seven Million Dollars (\$7,000,000). Additional funding is planned to be secured through a Foundation borrowing in the principal amount of Six Million Dollars (\$6,000,000). The Project is eligible for additional investment made possible through two Federal tax credit programs, the New Markets

Tax Credit program (“NMTC”) and the Historic Rehabilitation Tax Credit program (“HTC”). Such tax credit investments will together generate an additional Seventeen Million Dollars (\$17,000,000) for Project-related costs. Completion of the entire Project on a schedule necessary for the College campus to open as planned would not be possible without the tax credit-related investments.

Access to the tax credit investment requires, among other measures: (a) the introduction of a nonprofit entity as the principal sublessee of Commerce meeting a requirement under Commerce’s lease with the Owner and having the ability to create additional for-profit entities to participate in the tax credit structure; (b) the creation and involvement of such multiple special purpose for-profit entities to enable tax credit lenders and investors to take advantage of Federal tax credits available for the Project; and (c) strict adherence to certain rules and procedures required under tax credit transactions.

The Washington State Housing Finance Commission (“WSHFC”) is the entity authorized under state law to issue tax exempt debt on behalf of eligible nonprofit organizations in Washington State. WSHFC also manages a facility through which it makes direct loans to nonprofits for eligible capital projects.

The participation of a nonprofit corporation is essential for the viability of the Project for a variety of legal and practical reasons, including playing a role in the requisite tax credits structures and as a borrower of supplemental funding for the Project costs. College and Commerce asked Foundation to serve in that capacity because of its close relationship with College. Although

such participation represents a substantial expansion of Foundation's traditional role, Foundation determined that it would participate in the transaction as requested, including the restructured real property relationships between the Parties to enable access to the tax credit programs and borrowing funds to help pay for Project costs that would benefit College.

To be successful vehicles for investment, the tax credit structures must remain undisturbed and in place for the duration of the respective compliance periods required under Federal tax law. Toward that end, Owner agreed to enter into the Nondisturbance and Attornment Agreement attached as Exhibit ____("NDA"). However, parties to tax credit transactions have greater flexibility with respect to retention of such transaction structures following expiration of the compliance periods. The Parties desire to make provision for that eventuality in this Agreement.

ARTICLE 2

Effective Date; Incorporation of Documents and Materials

Section 2.1 Effective Date. This Agreement will be effective upon the date when it is executed and delivered by authorized representatives of Commerce, Foundation and College.

Section 2.2 Exhibits (Incorporated by Reference).

[LIST]

ARTICLE 3

Tax Credit Structure

Section 3.1 Real Property Interests. At present, College is a subtenant of Commerce and Foundation has no interest in the property. The existing structure is illustrated in Exhibit _____. In order to access tax credits for the Project, these relationships must be restructured in material respects and the resulting structure must remain in place and function in accordance with applicable rules and procedures for the duration of the required tax credit compliance periods. The requisite structure to establish eligibility of the Project for tax credits is summarized in Exhibit _____. Commerce and College agree to restructure their existing sublandlord/subtenant relationship and Foundation agrees to participate in the tax credit transaction, all in a manner consistent with the structure reflected in Exhibit _____.

Section 3.2 Support for Foundation Role. The central role in the transaction envisioned for Foundation requires Foundation to ensure that certain procedures are respected; accounting and other functions are provided; and reports are generated. Under an Agreement between the Seattle College District VI and the Foundation for Seattle Community Colleges dated March 14, 2014, College agreed to provide certain administrative support services to College. Although the transaction has been structured such that Foundation's costs in performing such obligations are largely funded within the transaction, College agrees that, to the extent that resources internal to the transaction are insufficient to enable Foundation to perform such obligations, College will ensure that such obligations continue to be performed at no cost to Foundation. The earlier agreement shall be amended, substantially in the form attached as Exhibit ___, to require College

provide to Foundation such additional support as Foundation may need to ensure its consistent and uninterrupted ability to perform its responsibilities under the tax credit structure.

ARTICLE 4

Project Funding

Section 4.1 Washington State Housing Finance Commission Loan. In order to secure essential additional funding to pay Project costs associated with tenant improvements to be made to the space to be occupied by College, the Foundation's Board adopted a resolution on December 17, 2014 authorizing it to borrow up to Six Million Dollars (\$6,000,000) from the WSHFC, on terms and conditions consistent with the prerequisites identified in its resolution. If such a loan can be negotiated on terms and conditions consistent with Foundation's resolution, in Foundation's sole determination, Foundation shall enter into such a loan and apply the proceeds of such loan to Project costs through the tax credit structure along with other available Project funding.

Section 4.2 Foundation as Leverage Lender and Other Tax Credit-Related Roles. If the tax credit transaction proceeds on a basis reasonably acceptable to the Parties, Foundation shall participate in such transaction as represented in Exhibit ____ and perform the functions expected of it, including but not limited to forming the required special purpose entities and serving as leverage lender of a substantial portion of Project funding that will flow through the tax credit structure.

Section 4.3 Commerce to Request Appropriations. The Parties understand that the continued annual appropriation of funds by the State Legislature to fund (a) Commerce's

obligations under its lease with Owner; (b) College's obligations under its sublease under the tax credit structure; and (c) costs of tenant and capital improvements to space occupied by College is essential to the integrity of the tax credit structure and College's continued occupancy and use of the Leased Premises. Commerce shall continue to request appropriations sufficient to fully fund such obligations, increasing as needed to cover any increasing costs, for each state budget biennium during the term of such leases. In the event Commerce defaults under such lease and either Foundation or College is recognized as lessee by Owner under the NDA, Commerce shall continue to request such appropriations on behalf of College sufficient to fully fund Foundation's or College's obligations under a lease with Owner, increasing as needed to address increasing costs, for each state budget biennium during the term of any such lease. Commerce also agrees to observe procedures for flowing appropriated funds through the tax credit structure in providing such funds to College or the Foundation. Appropriated funds in excess of amounts needed to fund Commerce, College or Foundation obligations under their respective leases or sublease may be applied to pay for tenant or capital improvements to College-occupied spaces.

ARTICLE 5

Project Management and Operation

Section 5.1 Independent Project Management. Commerce shall retain, at Project expense, independent professional project management services to provide continuous oversight of Project construction through its completion. The qualifications of Commerce's identified Project manager or Project management firm as well as the scope of the services to be provided and reporting obligations to both Foundation and College shall be reasonably acceptable to College

and Foundation. Commerce agrees to replace its Project manager if College or Foundation legitimately request that it do so.

Section 5.2 Insurance. *[Can we require that Foundation be named an additional insured under Commerce/College liability insurance through the State risk management program? Other options?]*

Section 5.3 Foundation Use of Tower Floor Eight Conference Center. During the term of College's tax credit structure sublease or its sublease with Commerce or Foundation, Foundation shall be entitled to use the Tower Floor Eight Conference Room at no charge for up to twelve (12) events annually. Such events shall be related to performance of its core mission to raise funds in support of College, such as capital campaign, donor cultivation, board and other events and meetings.

ARTICLE 6

Default and Restoration

Section 6.1 Commerce Default During Nondisturbance Period. In the event of a default by Commerce under its lease with Owner during the (nondisturbance period) and Foundation has been recognized by the owner as its tenant pursuant to the NDA, Foundation shall maintain the tax credit structure until it has an opportunity to assign its lease to College.

Section 6.2 Restoration. Subject to Commerce's satisfaction of the requirements of Section 6.3, Foundation shall use its good faith best efforts^[A1] to restructure the transaction following the expiration of the compliance periods for the tax credits. Any such restructuring shall result in removal of Foundation as a sublessee and restoration of College and other subsublessees as direct sublessees of Commerce such that the structure reflected in Exhibit ____ is restored through subleases substantially similar to those represented in such exhibit and were in effect prior to implementation of the tax credit structure. College and Commerce shall enter into the subleases required to accomplish such restoration.

Section 6.3 Outstanding Debt. Foundation's obligation to restructure the real property interests of the Parties consistent with either Section 6.1 or Section 6.2 is specifically subject to prior retirement of any outstanding debt or other financial obligations incurred or accrued by Foundation resulting from its performance of its role under the tax credit transaction. Such debt specifically includes but is not necessarily limited to the Foundation's WSHFC loan described in Section 3.1. In the alternative and in lieu of immediate retirement of such debt or obligation, the Foundation may, in its sole discretion, accept continued access to sufficient revenue from Project tenant lease payments to fully amortize the outstanding principal remaining to be retired. The terms of any such arrangement, including but not limited to a security interest in such revenue, must be acceptable to Foundation in its sole discretion.



**SEATTLE
COLLEGES**

Central • North • South • SVI

District VI | 206.934.3872 | Fax 206.934.3894 | Voice Relay 800.833.6388
1500 Harvard Avenue, Seattle WA 98122-3803 | www.seattlecolleges.edu

MEMORANDUM

TO: Board of Trustees
FROM: Kurt R. Buttleman
DATE: February 19, 2015
SUBJECT: Quarterly Financial Summary - Information only

Background

Seattle College District budgets and accounts for its funds in accordance with policies and procedures of the State of Washington Office of Financial Management (OFM) and the State Board for Community and Technical Colleges (SBCTC).

The attached Annual Financial Summary provides summary data for all of the campuses and the District Office.

Recommendation

It is recommended that this item be received as information only.

Submitted by:

Dr. Kurt Buttleman
Vice Chancellor of Finance & Technology

Transmitted to the Board with a favorable recommendation.

Dr. Jill Wakefield
Chancellor

Quarterly Financial Report
Period Ending December 31, 2014
District Summary



Executive Overview

This quarterly report for the Seattle Colleges includes financial information from July 1 – December 31, 2014. Overall, the colleges continue to proceed conservatively in the face of decreased tuition revenue. Some key components include:

- Operating expenses are being managed within budgets
- Tuition revenue is at \$21.1M which is 57.7% of the target and compares to \$20.5M and 55.4% for the same period in 2013
- Enrollment continues to be a significant financial concern
- There are no significant financial concerns in other funds at this time

Financial Sustainability

Seattle Colleges is well positioned in several categories that demonstrate financial sustainability:

- Operating Budget Expenses are below budget and being managed at the department level
- Tuition Revenue continues to be below target due to soft enrollment
- Total reserves are within the 5-10% policy requirement
- Local Funding sources remain a diversified source of revenue, however the colleges are increasingly reliant on these sources as tuition revenue declines
- Cash balances are strong in large revenue budgets such as International Students and Grants & Contracts
- Self-support programs continue to run positive cash balances
- Retail and other fund balances remain in positive cash positions

Operating Budget (State Funding, Tuition, and Indirect Cost Recoveries)

- The total Year to Date operating expenditures of \$52.4M through 12/31/14 are at 41.1% of the operating budget compared to 45% last year. Total expenditures are approximately \$2.2M below the same period last year.
- Labor (salary and benefit) costs are at 44.3% of the annual budget and remain fairly consistent with last year. Expenses of \$45.2M compared to last year at \$47M is a decrease of about 4%. Healthcare expense reductions contributed to this decrease.
- Expenditures in Goods & Services (aka Non-Labor expenses) are also in close alignment with last year. The expenditures total of \$7.3M this December compares to \$7.6M last year. Spending of 28.5% this year actual to budget compared to 30.1% of budget last year.

Grants & Contracts

- International Student program revenue totaled \$16.9M through this reporting period. The revenue is closely aligned with the \$16M collected at this time last year.
- Grants continue to be a strong funding opportunity for the SCC with an active balance of close to \$39.6M at the current time. This is the multi-year grant total of all active grants. See the Active Grants report for more detail.

Fund Reporting

Non-operating funds are displayed in a balance sheet and income statement format.

- Fund 522, Associated Students revenue is \$1.8M which is down from \$2.5M and reflects our lower enrollment this year. The cash balance is up by 9% at \$6.1M this year, compared to \$5.6M last year at this time due to lower spending in Fall quarter compared to this time last year.
- Fund 569, Food Service income is \$106K on revenues of \$1.2M. Last year at this time the income was \$(104K) on revenues of \$905K. This is reflected in a cash balance of \$(209K), compared to a cash balance of \$(447K) at this time last year.
- Fund 570, Auxiliary Enterprise revenue increased by 7.5% compared to the previous year. The revenue of \$7.7M is greater than the year-to-date expenses of \$5.2M and contributes to the bottom line. The cash balance is up by 7% at \$16M this year, compared to \$15M last year due to lower expenses at this point in the year.

Reserves

- Per Seattle Colleges Policy 608, the Colleges and the District Office continue to maintain accounts as required. Total reserve for the District is \$12.2M and 5.9% of the aggregate total of the annual budget.

Seattle Colleges Quarterly Financial Summary



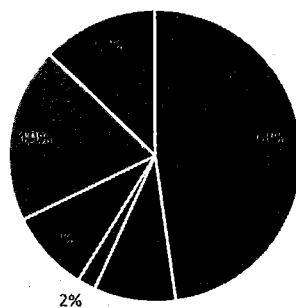
All Campuses Seattle College, as of 12/31/2014

Operating Budget Analysis

Operating Budget Program Roll-up

Program	FY Budget	% of Budget	YTD Expense	Balance	% of Spend
Instruction	\$60,136,352	47.2 %	\$25,070,679	\$35,065,673	41.7 %
Contingency	\$7,463,159	5.9 %		\$7,463,159	0.0 %
IT Instructional Support	\$10,701,326	8.4 %	\$4,745,152	\$5,956,174	44.3 %
Library	\$2,433,491	1.9 %	\$1,077,901	\$1,355,590	44.3 %
Student Services	\$11,263,478	8.8 %	\$4,705,043	\$6,558,435	41.8 %
Institutional Support	\$22,079,043	17.3 %	\$10,147,534	\$11,931,509	46.0 %
Plant Operations	\$13,426,564	10.5 %	\$6,701,443	\$6,725,121	49.9 %
Total	\$127,503,413	100.0 %	\$52,447,752	\$75,055,661	41.1 %

YTD Operating Expenses



- Instruction
- IT Instructional Support
- Library
- Student Services
- Institutional Support
- Plant Operations

Operating Budget Analysis by Category

Category	FY Budget	YTD Expense	Balance	% of Spend
Full-Time Faculty	\$19,122,551	\$6,255,780	\$12,866,771	32.7 %
Faculty Stipends	\$1,200,262	\$579,116	\$621,146	48.2 %
Part-Time / Pro Rata Faculty	\$21,761,317	\$10,772,556	\$10,988,761	49.5 %
Classified	\$17,001,957	\$7,623,008	\$9,378,949	44.8 %
Exempt	\$16,532,908	\$7,613,297	\$8,919,611	46.0 %
Overtime	\$28,742	\$66,189	(\$37,447)	230.3 %
Hourly, Students & Others	\$2,110,070	\$1,544,470	\$565,600	73.2 %
Benefits	\$24,183,938	\$10,712,247	\$13,471,691	44.3 %
Sub Total Labor Costs	\$101,941,745	\$45,166,662	\$56,775,083	44.3 %
Goods & Services	\$18,327,761	\$5,293,413	\$13,034,348	28.9 %
Travel	\$364,596	\$173,263	\$191,333	47.5 %
Equipment	\$1,687,867	\$939,057	\$748,810	55.6 %
Personal Services	\$242,895	\$112,931	\$129,964	46.5 %
Client Services	\$4,938,549	\$762,427	\$4,176,122	15.4 %
Sub Total Non-Labor Expenses	\$25,561,668	\$7,281,090	\$18,280,578	28.5 %
Total	\$127,503,413	\$52,447,751	\$75,055,662	41.1 %
Offsets such as indirect cost, program recoveries and	(\$14,971,293)	(\$5,792,353)	(\$9,178,940)	38.7 %
Total (Net)	\$112,532,120	\$46,655,398	\$65,876,722	41.5 %

Prior Year Expense Analysis

Sub-Object	Current YTD	Prior YTD	Difference	% Change
Labor	\$45,166,662	\$47,007,913	(\$1,841,251)	-3.9 %
Non-Labor	\$7,281,090	\$7,640,569	(\$359,479)	-4.7 %
Total FMS	\$46,655,398	\$46,186,527	\$468,871	1.0 %

Seattle Colleges Quarterly Financial Summary

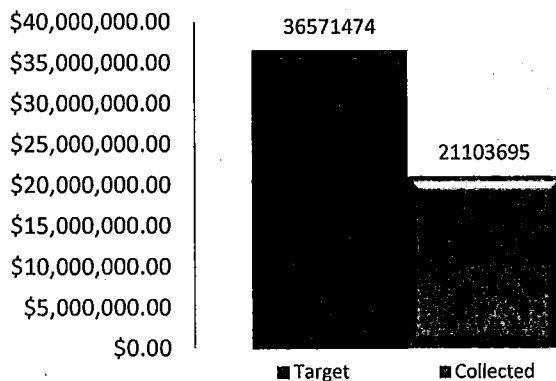


All Campuses Seattle College, as of 12/31/2014

Revenue

Tuition Revenue Collection

Campus	Target	Collected	% of Annual Target	PY End Actual Revenue
District	\$36,571,474	\$21,103,695	57.7%	\$41,175,982



Indirect (All Programs)	\$1,197,528	\$503,717	42.1%	\$514,379
Program Cost Recovery	\$11,494,096	\$4,284,409	37.3%	\$6,931,000
Total	\$12,691,624	\$4,788,126	37.7%	\$7,445,379

Other Revenue

Revenue Source	FY Target	Collected	% of Target	Prior Year
Intensive English	\$7,263,951	\$7,597,455	104.6 %	\$5,834,832
International Program	\$17,925,364	\$16,868,656	94.1 %	\$15,965,925
Running Start	\$2,480,000	\$1,136,838	45.8 %	\$960,268
Total	\$27,669,315	\$25,602,949	92.5 %	\$22,761,025

Reserve Status

Unrestricted Reserves

Title	Fund	Cash Balance	% of Total
Grants and Contracts	145	\$4,474,619	
Local Reserve	148	\$484,000	
Operating Reserve	149	\$5,750,000	
Associated Students Reserve	522	\$40,000	
Parking Reserve	528	\$500,000	
Total		\$12,213,698	5.9%
Total District Budget		\$205,981,017	

Bookstore Inventory Reserves

Title	Fund	Cash Balance	% of Total
Total - All Campuses		\$1,670,429	1.2 %

Seattle Colleges Quarterly Financial Summary



SEATTLE COLLEGES
Central • North • South • SVI

All Campuses Seattle College, as of 12/31/2014

Financial Statements by Fund

Local Funds - Fund 148 (Student Fees, Retail Revenue, Other Operations such as Phone, etc)

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 13,413,626	\$ 13,148,075
Accounts Receivable	\$ 128,673	\$ 253,303
Inventory	\$ 38,982	\$ 38,982
Total Assets	\$ 13,581,281	\$ 13,440,360
Liabilities & Equity		
Accounts Payable	\$ 590,416	\$ 1,492,420
Total Liabilities	\$ 590,416	\$ 1,492,420
Equity		
Accumulated Earnings	\$ 11,945,285	\$ 10,679,411
Gain/Loss	\$ 1,045,580	\$ 1,268,529
Total Equity	\$ 12,990,865	\$ 11,947,940
Total Liabilities & Equity	\$ 13,581,281	\$ 13,440,360

Income Statement	YTD	Prior Year-End
Revenue	\$ 5,405,646	\$ 10,238,275
Expenses		
Labor & Benefits	\$ 2,444,317	\$ 4,771,416
Goods & Services	\$ 1,174,540	\$ 2,568,706
Other Expenses	\$ 741,209	\$ 1,629,623
Total Expenses	\$ 4,360,066	\$ 8,969,746
Gain/Loss	\$ 1,045,580	\$ 1,268,529

Associated Students - Fund 522

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 6,075,757	\$ 5,894,531
Accounts Receivable	(\$ 1,737)	\$ 1,439
Fixed Assets	\$ 263,584	\$ 263,584
Accum. Depreciation	(\$ 144,490)	(\$ 116,909)
Total Assets	\$ 6,193,114	\$ 6,042,645
Liabilities & Equity		
Long-Term Liabilities	\$ 114,393	\$ 114,393
Equity		
Accumulated Earnings	\$ 5,650,958	\$ 4,697,289
Gain/Loss	\$ 212,953	\$ 961,282
Total Equity	\$ 5,863,911	\$ 5,658,571
Total Liabilities & Equity	\$ 6,193,114	\$ 6,042,644

Income Statement	YTD	Prior Year-End
Revenue	\$ 1,806,174	\$ 4,357,201
Expenses		
Labor & Benefits	\$ 1,153,272	\$ 2,424,680
Goods & Services	\$ 102,333	\$ 328,145
Other Expenses	\$ 337,616	\$ 643,094
Total Expenses	\$ 1,593,221	\$ 3,395,919
Gain/Loss	\$ 212,953	\$ 961,282

Seattle Colleges Quarterly Financial Summary



SEATTLE COLLEGES
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All Campuses Seattle College, as of 12/31/2014

Financial Statements by Fund

Bookstore - Fund 524

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 3,853,721	\$ 2,670,832
Accounts Receivable	\$ 76,085	\$ 1,168,084
Total Assets	\$ 3,929,805	\$ 3,838,916
Liabilities & Equity		
Accounts Payable	\$ 114,008	\$ 134,260
Total Liabilities	\$ 114,008	\$ 134,260
Equity		
Accumulated Earnings	\$ 3,711,053	\$ 3,464,329
Gain/Loss	\$ 104,744	\$ 240,327
Total Equity	\$ 3,815,797	\$ 3,704,656
Total Liabilities & Equity	\$ 3,929,805	\$ 3,838,916

Income Statement	YTD	Prior Year-End
Revenue	\$ 516,082	\$ 1,238,740
Expenses		
Labor & Benefits	\$ 3,119	\$ 0
Goods & Services	\$ 373,772	\$ 906,272
Other Expenses	\$ 34,446	\$ 92,142
Total Expenses	\$ 411,338	\$ 998,413
Gain/Loss	\$ 104,744	\$ 240,327

Parking - Fund 528

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 1,948,926	\$ 2,256,138
Accounts Receivable	\$ 28,262	\$ 47,700
Prepaid Expenses	\$ 0	\$ 188
Fixed Assets	\$ 4,085,321	\$ 4,085,321
Accum. Depreciation	(\$ 3,923,762)	(\$ 3,921,275)
Total Assets	\$ 2,138,748	\$ 2,468,072
Liabilities & Equity		
Long-Term Liabilities	\$ 38,428	\$ 38,428
Total Liabilities	\$ 61,628	\$ 158,857
Equity		
Accumulated Earnings	\$ 2,303,497	\$ 2,098,274
Gain/Loss	(\$ 226,378)	\$ 210,940
Total Equity	\$ 2,077,119	\$ 2,309,214
Total Liabilities & Equity	\$ 2,138,747	\$ 2,468,071

Income Statement	YTD	Prior Year-End
Revenue	\$ 1,217,404	\$ 2,693,161
Expenses		
Labor & Benefits	\$ 296,509	\$ 588,067
Goods & Services	\$ 1,146,826	\$ 1,878,095
Other Expenses	\$ 447	\$ 16,058
Total Expenses	\$ 1,443,782	\$ 2,482,221
Gain/Loss	(\$ 226,378)	\$ 210,940

Seattle Colleges Quarterly Financial Summary



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All Campuses Seattle College, as of 12/31/2014

Financial Statements by Fund

Food Service - Fund 569

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	(\$ 208,584)	\$ 51,855
Accounts Receivable	\$ 53,546	\$ 35,055
Inventory	\$ 15,294	\$ 15,294
Fixed Assets	\$ 237,603	\$ 237,603
Accum. Depreciation	(\$ 131,464)	(\$ 107,165)
Total Assets	(\$ 33,605)	\$ 232,642
Liabilities & Equity		
Accounts Payable	\$ 31,891	\$ 390,840
Long-Term Liabilities	\$ 68,034	\$ 68,034
Total Liabilities	\$ 99,925	\$ 458,874
Equity		
Accumulated Earnings	(\$ 239,120)	(\$ 320,679)
Gain/Loss	\$ 105,589	\$ 94,447
Total Equity	(\$ 133,531)	(\$ 226,232)
Total Liabilities & Equity	(\$ 33,606)	\$ 232,642

Income Statement	YTD	Prior Year-End
Revenue	\$ 1,238,496	\$ 2,514,795
Expenses		
Labor & Benefits	\$ 600,625	\$ 1,259,966
Goods & Services	\$ 52,193	\$ 1,141,347
Other Expenses	\$ 480,089	\$ 19,035
Total Expenses	\$ 1,132,907	\$ 2,420,348
Gain/Loss	\$ 105,589	\$ 94,447

Auxilliary Enterprises - Fund 570

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 15,935,753	\$ 14,978,731
Accounts Receivable	\$ 1,613,905	\$ 1,789,793
Fixed Assets	\$ 815,437	\$ 815,437
Accum. Depreciation	(\$ 486,854)	(\$ 464,974)
Total Assets	\$ 17,878,241	\$ 17,118,987
Liabilities & Equity		
Accounts Payable	\$ 313,537	\$ 2,104,930
Long-Term Liabilities	\$ 494,585	\$ 494,585
Total Liabilities	\$ 808,122	\$ 2,599,515
Equity		
Accumulated Earnings	\$ 14,499,297	\$ 12,738,026
Gain/Loss	\$ 2,570,821	\$ 1,781,445
Total Equity	\$ 17,070,118	\$ 14,519,471
Total Liabilities & Equity	\$ 17,878,240	\$ 17,118,986

Income Statement	YTD	Prior Year-End
Revenue	\$ 7,726,981	\$ 11,700,093
Expenses		
Labor & Benefits	\$ 4,071,318	\$ 7,182,686
Goods & Services	\$ 534,621	\$ 1,582,071
Other Expenses	\$ 550,221	\$ 1,153,891
Total Expenses	\$ 5,156,160	\$ 9,918,648
Gain/Loss	\$ 2,570,821	\$ 1,781,445

Seattle Colleges Quarterly Financial Summary

All Campuses Seattle College, as of 12/31/2014



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Financial Statements by Fund

Student Housing - Fund 573

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 478,037	\$ 395,285
Total Assets	\$ 478,037	\$ 395,285
Liabilities & Equity		
Accounts Payable	\$ 66,251	\$ 89,459
Total Liabilities	\$ 66,251	\$ 89,459
Equity		
Accumulated Earnings	\$ 305,826	\$ 275,836
Gain/Loss	\$ 105,960	\$ 29,991
Total Equity	\$ 411,786	\$ 305,827
Total Liabilities & Equity	\$ 478,037	\$ 395,286

Income Statement	YTD	Prior Year-End
Revenue	\$ 432,664	\$ 693,523
Expenses		
Labor & Benefits	\$ 0	\$ 0
Goods & Services	\$ 326,704	\$ 662,367
Other Expenses	\$ 0	\$ 1,166
Total Expenses	\$ 326,704	\$ 663,532
Gain/Loss	\$ 105,960	\$ 29,991

Agency - Fund 840

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 9,156,093	\$ 5,200,581
Accounts Receivable	\$ 1,064,808	\$ 4,143,609
Total Assets	\$ 10,220,901	\$ 9,344,190
Liabilities & Equity		
Accounts Payable	\$ 1,439,518	\$ 7,111,256
Total Liabilities	\$ 1,439,518	\$ 7,111,256
Equity		
Accumulated Earnings	\$ 2,169,090	\$ 2,087,050
Gain/Loss	\$ 6,612,292	\$ 145,883
Total Equity	\$ 8,781,382	\$ 2,232,933
Total Liabilities & Equity	\$ 10,220,900	\$ 9,344,189

Income Statement	YTD	Prior Year-End
Revenue	\$ 6,750,486	\$ 714,885
Expenses		
Labor & Benefits	\$ 0	\$ 0
Goods & Services	\$ 45,562	\$ 219,841
Other Expenses	\$ 92,633	\$ 349,161
Total Expenses	\$ 138,194	\$ 569,002
Gain/Loss	\$ 6,612,292	\$ 145,883

Printing/Motor Pool - Fund 448

Balance Sheet	YTD	Prior Year-End
Assets		
Cash	\$ 263,907	\$ 238,141
Fixed Assets	\$ 204,334	\$ 204,334
Accum. Depreciation	(\$ 204,513)	(\$ 204,513)
Total Assets	\$ 263,729	\$ 237,962
Liabilities & Equity		
Accounts Payable	\$ 9,385	\$ 15,861
Long-Term Liabilities	\$ 17,579	\$ 17,579
Total Liabilities	\$ 26,964	\$ 33,440
Equity		
Accumulated Earnings	\$ 204,530	\$ 147,021
Gain/Loss	\$ 32,234	\$ 57,502
Total Equity	\$ 236,764	\$ 204,523
Total Liabilities & Equity	\$ 263,728	\$ 237,963

Income Statement	YTD	Prior Year-End
Revenue	\$ 103,229	\$ 319,999
Expenses		
Labor & Benefits	\$ 79,795	\$ 151,989
Goods & Services	(\$ 8,800)	\$ 110,508
Other Expenses	\$ 0	\$ 0
Total Expenses	\$ 70,995	\$ 262,497
Gain/Loss	\$ 32,234	\$ 57,502



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1500 Harvard Avenue, Seattle WA 98122-3803 | www.seattlecolleges.edu

MEMORANDUM

TO: Board of Trustees
FROM: Kurt Buttleman
DATE: February 19, 2015
SUBJECT: Policy 250 – First Reading

Background

The attached SCD Facilities Use Policy revision is suggested to update this policy.

Recommendation

It is recommended that this item be received as information only.

Submitted by:

Dr. Kurt R. Buttleman
Vice Chancellor for Finance & Technology

Transmitted to the Board of Trustees with favorable recommendation.

Dr. Jill Wakefield
Chancellor

SEATTLE COLLEGE DISTRICT POLICY

NUMBER: 250

TITLE: USE OF SEATTLE COLLEGES DISTRICT FACILITIES

Because the Seattle College District is an educational institution provided and maintained by the people of the state, its campuses, buildings, properties, and facilities shall be reserved at all times for those activities which either are related directly to its educational or public service mission or are justifiable on the basis of their contributions to the cultural, social, or economic development of the state.

Authority SCD WAC 132F.136

Board of Trustees - Revision & Adoption History

Adopted: 4/6/1981

Revised: 6/11/2009



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1500 Harvard Avenue, Seattle WA 98122-3803 | www.seattlecolleges.edu

MEMORANDUM

TO: Board of Trustees
FROM: Kurt Buttleman
DATE: February 19, 2015
SUBJECT: Policy 252 – First Reading

Background

The attached Naming of Seattle College District Facilities policy revision is suggested to clarify the process for naming Seattle College District Facilities.

Recommendation

It is recommended that this item be received as information only.

Submitted by:

Dr. Kurt R. Buttleman
Vice Chancellor for Finance & Technology

Transmitted to the Board of Trustees with favorable recommendation.

Dr. Jill Wakefield
Chancellor

Seattle College District Policy

NUMBER: 252

TITLE: Naming of Seattle College District Facilities

Adopted Date: 6/7/1995 Last Revised: 3/12/2002

Buildings and facilities shall generally be named in a manner descriptive of their basic functions. ~~Only in very unusual circumstances shall an individual's name be used.~~ However, in case of a unique, extraordinary professional or financial significant personal contributions of someone closely associated with ~~to the College District~~ Seattle Colleges, it will be proper for an individual's or organization's name to be bestowed upon a building, facility, outdoor space, or room contained therein. ~~In the case of a small facility or rooms, names may be rotated if there is a need to honor more than one person.~~

Decisions to name buildings, facilities, outdoor space, or rooms ~~permanently~~ shall require three months to elapse between the first written request ~~to~~ from the Chancellor to the Board of Trustees and the time when further action shall be taken on such proposal by the Board of Trustees.

Additionally, ~~t~~The Board of Trustees may exercise discretion to authorize ~~other~~ naming of facilities under terms and conditions it deems reasonable.

Board of Trustees - Revision & Adoption History

Adopted: 6/7/1995

Revised: 3/12/2002

MEMORANDUM

TO: Board of Trustees

FROM: Kurt Buttleman

DATE: February 19, 2015

SUBJECT: Policy 258 – First Reading

Background

The attached Seattle College District Enterprise Activities policy revision is suggested to clarify our processes.

Recommendation

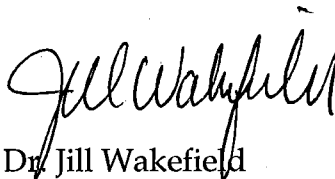
It is recommended that this item be received as information only.

Submitted by:



Dr. Kurt R. Buttleman
Vice Chancellor for Finance & Technology

Transmitted to the Board of Trustees with favorable recommendation.



Dr. Jill Wakefield
Chancellor

SEATTLE COLLEGE DISTRICT POLICY

NUMBER: 258

TITLE: DISTRICT ~~COMMERCIAL~~ ENTERPRISE ACTIVITIES

AUTHORITY: ~~Senate Substitute Bill 5688 - Chapter 97 Laws of 87~~
RCW 28B.63

As covered under the above authority, Seattle College District VI shall authorize only those District Enterprise ~~commercial~~ activities that provide goods, services or facilities to students, faculty, staff and invited guests, and which meet one of the following criteria:

- A. The goods, services or facilities are ~~substantially and directly consistent with related~~ to the institution's instructional or public service mission.
- B. Provision of the goods, services, or facilities on campus represents a special convenience to and supports the campus community, or facilities extracurricular or public service.
- C. Fees charged for the goods, services, or facilities take into account the full direct and indirect costs.

In addition, each campus may establish a Commercial ~~Activities~~ Enterprise Committee which shall carry out the following responsibilities:

- 1. Review existing activities for compliance with the law.
- 2. Respond to inquiries or concerns from local businesses and prepare recommendations to the president/vice chancellor or executive director in response to such inquiries.

The campus president/vice chancellor or executive director will review the recommendation of the ~~Commercial~~ Enterprise Activities Committee and make final response.

Board of Trustees - Revision & Adoption History

Adopted: 7/13/1989

Revised: 4/7/1998

MEMORANDUM

TO: Board of Trustees
Seattle Community College District

FROM: Sarah E. Baker
Student Administrative Council Chair
North Seattle College

DATE: February 19, 2015

SUBJECT: STUDENT ADMINISTRATIVE COUNCIL BOARD REPORT -Information Only

- **Arts Lectures and Activities Board (ALA):** Recently ALA has been planning for Student Leadership and Multicultural Programs to host Frank Warren, founder of the PostSecret Project. PostSecret is a community art project that encourages people to anonymously mail in their secrets on one side of a post card. The cards are then displayed online every Sunday for other people to see. Globally recognized, it is the largest advertisement-free blog in the world! People will be coming from across state lines as well as from Canada. Due to a capacity limit of 1,000 people, special tickets are being given to students of North Seattle College to ensure them a seat.
- **Student Leadership and Multicultural Programs (SLMP):** An annually celebrated show, SLMP is happy to be hosting the Vagina Monologues on the North Seattle campus February 12th and 13th. Auditions have already passed and women from the college as well as the community at-large have come together to perform. Men have been encouraged to participate as

volunteers and by coming to the show. All donations will go to New Beginnings, a local organization that provides services to women whose lives have been affected by domestic violence. Additional donations of new, in-box feminine products will be collected to be donated to the Jubilee Women's Center.

- **Humans vs. Zombies:** The student leadership office has also been hosting a campus-wide game of tag called Humans Versus Zombies. Approximately 100 students, staff and faculty participate in this week long game where zombies try to tag humans and turn them into zombies. At the end of the week there is a zombie bash and whichever group has more individuals wins!
- **Student Administrative Council (SAC)** – SAC has continued meeting with different staff and faculty representatives from various departments around campus: Michael Lilliston, Interim Director of Food services, has attended meetings twice to answer questions about and discuss different ways students can provide helpful feedback for our main eating area, the Grove. Chilan Ta, manager of the Women's Center, has met with SAC recently to discuss the possibility of providing lactation spaces on campus for new mothers. Art Brochet from the City of Seattle DOT met with us two weeks ago to discuss student opinions of the new pedestrian overpass. He will be coming to the college to speak at the Open Student Forum.

MEMORANDUM

TO: Board of Trustees

FROM: Shane Brookman
President, United Student Association

DATE: February 19, 2015

SUBJECT: United Student Association (USA) REPORT – INFORMATION ONLY

Quarterly Blood Drive

On January 14th, the United Student Association partnered with the Puget Sound Blood Center to facilitate our quarterly blood drive. Thanks to the hard work of our Community Service Officer, Thao Tang, the event was a huge success. The Puget Sound Blood Center reported collecting 25 units which will save 75 lives.

Movie Screening

On January 29th, Social Activities Officer, Troy Qiu, held three screenings of the movie, *Guardians of the Galaxy*. The event promoted campus community building and provided an opportunity for students to meet and interact with other students in a fun and relaxed atmosphere.

Legislative Rally Preparation

USA's Vice President, Andy Ribaud, organized South students to attend the annual state-wide Community and Technical College Student Rally, which took place on February 5 in the rotunda of the Capitol Building. Students were also invited to attend a February 2 orientation, including Seattle College's Director of Government Relations, LaVerne Lamoureux, and a presentation regarding WACTCSA and the legislative issues our student advocacy will be focused on -- funding for higher education, EBT use on college campuses.

Campus Conversations: Smoking

This year, the USA and College Council have agreed to hold a series of discussions, between students, faculty and staff to engage our campus community and provide an opportunity for open dialogue about specific issues that affect our entire campus population. The first *Campus Conversation*, regarding smoking on campus, was held on February 3.



**SEATTLE
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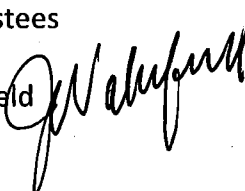
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OFFICE OF THE CHANCELLOR

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MEMORANDUM

TO: Board of Trustees

FROM: Jill A. Wakefield
Chancellor 

DATE: February 19, 2015

SUBJECT: Chancellor's Report - Information Only

Martin Luther King Jr. Celebration

Our 42nd Community Celebration of Martin Luther King Jr. at Mount Zion Baptist Church was, by all accounts, a moving tribute to a great leader in our nation's history. Dreams realized and dreams to be fulfilled was the focus. Renowned artist and writer Barbara Earl Thomas headlined the program that also included Rev. Aaron Williams, Congressman Adam Smith, King County Executive Dow Constantine, Seattle Mayor Ed Murray, and emcee Tonya Mosley. Fifth-grade students from John Stanford International School proved to be the highlight of the program as they read poems about their dreams (some read in different languages). DaNell Daymon and Greater Works ignited the crowd with their rousing music and the program closed as it has for many years, with Rev. McKinney leading those gathered in singing *We Shall Overcome*.

Meeting with Mayor Ed Murray

I met with Mayor Murray on January 30 to discuss the newly formed Department of Education and Early Learning, and how our district can partner with the city to support this initiative. We discussed our work to train Pre-K instructors, Pacific Tower, our partnership with Seattle Public Schools, and higher education initiatives in southeast Seattle.

Meeting with Seattle Public Schools

The presidents and I had a good meeting with the Seattle Public Schools executive team on January 12. We discussed collaboration possibilities, including the re-institution of the Articulation Council, providing one year of free college to all Seattle Public Schools high school graduates, and initiatives to reduce the amount of developmental education students must take.

ACCT National Legislative Summit

Trustee Teresita Batayola, LaVerne Lamoureux and I attended the Association of Community College Trustees' 2015 National Legislative Summit in Washington, DC. The program offered community college leaders knowledge on current issues and to advocate on education, workforce training, and economic development policy issues in the 114th Congress.

Puget Sound Business Journal Roundtable

I recently participated in an education roundtable sponsored by the *Puget Sound Business Journal*. We discussed the funding climate for higher education in Washington state, how technology is shaping the role of higher education, workforce development, the rising cost of tuition, and STEM education efforts. We also discussed our individual organization's challenges and accomplishments. I was joined on the panel by:

- Jean Floten, Chancellor, Western Governors University
- Yolanda Spiva Watson, President and CEO, College Success Foundation
- Vi Boyer, CEO, Independent Colleges of Washington
- Gene Sharratt, Executive Director, Washington Student Achievement Council
- Randy Hodgins, Director of External Affairs, University of Washington
- Dave Cillay, Vice President of Global Campus, Washington State University
- Niria Santa Lucia, Executive Director, Washington State Opportunity Scholarship
- Kris Bartanen, Academic Vice President, University of Puget Sound

SCCtv

SCCtv is embarking on an industry best practice called "server virtualization" that will save the self-funded organization money and increase its overall efficiency. The project—led by Cise Yare, SCCtv's acting network manager—calls for an upgrade from the existing Windows 2003 servers to Dell PE servers with the Windows 2012 operating system. It will cost less than \$30,000 and consolidate about 50 percent of the current hardware.

Government Affairs

The board of trustees, former trustees, presidents, staff, and I have been involved in public policy meetings at the city, state, and federal levels for the last six weeks.

The city has taken an interest in providing more general educational opportunities to residents in southeast Seattle. Discussions regarding a feasibility study are underway with legislators and city officials. We have asked to be engaged in the educational structuring of the needs assessment.

Rep. Jim McDermott has taken a keen interest in the Pacific Tower project and is working with us to keep information moving forward at the federal level for the historical tax credits.

I want to sincerely thank all of our students at North, South, and Central for participating in the February 5 rally for higher education. Our district was represented by nearly 200 students, and many stayed much of the day to attend scheduled legislator meetings.



MEMORANDUM

TO: Board of Trustees

FROM: Kurt R. Buttleman 

DATE: February 19, 2015

SUBJECT: Vice Chancellor for Finance & Technology Report - Info. Only

PROCUREMENT REFORM TRAINING

In 2012, the Legislature enacted a number of new laws regarding the acquisition of goods and services. Collectively this passage is known as Procurement Reform. One section of Procurement Reform requires specific training for all agency employees involved with the purchasing or contracting for goods and services to be completed by July 1, 2015 (RCW 39.26.110). The law states that after July 1, 2015, no state employee can legally make purchases or manage contracts unless he or she has met this obligation.

According to their agency responsibilities the Washington State Department of Enterprise (DES) most employees will be required to take one course. A few will be required to take more than one course. The four courses are:

- WA State Contract Management 101: four two-hour webinar sessions
- WA State Purchasing and Procurement 101: four two-hour webinar sessions
- WA State Executive Management Purchasing and Procurement: four two-hour webinar sessions
- WA State Small Purchases: This course consists of a one-hour eLearning session.

In addition, all agency employees who take one or more of the four courses described will also be required to take:

- WA State Purchasing and Procurement Ethics: This course consists of a one-hour eLearning session.

LIBRARY TECHNICAL SERVICES

The Seattle Colleges libraries recently licensed approximately 60,000 ebooks which can be read online or downloaded to personal devices.

Thanks to replacing 2 PT hourly positions with 1 FT classified position, the Library Technical Services dept. has been able to eliminate a multi-year backlog and make approximately 300 donated titles available to students, faculty, and staff.

TIME AND EFFORT REPORTING

Time and Effort reporting is a federally mandated requirement for colleges receiving federal grants. Seattle College employees paid from a federal grant must submit timesheets that meet these requirements.

In August 2013, the District Office Information Technology Group worked in conjunction with the Business and Payroll groups and developed our Time and Effort Reporting System specifications. A beta version of the Time and Effort Reporting System was developed and rolled out to test users. Since then, the Business and Payroll groups have been testing and various enhancements have been added. This system was designed and integrated with our existing Time and Leave Reporting system for more streamlined functionality.

Training is currently being developed and rollout is anticipated in mid-February 2015.

STUDENT PORTAL

The district Web Team is putting the finishing touches on the Student Portal. The rollout of the Portal includes a comprehensive communications plan for faculty and staff plus three orientation sessions at each college. Students will be briefed through emails, screensavers, posters, social media and video clips. Target launch is the first week of May for Summer/Fall registration with select students using the Portal during Spring quarter.

Features include:

- Responsive web design compatible on all media (mobile, tablet and desktop)
- Interface and student experience are unified across the district
- Single login for all student online services (SOS)
- A "shopping cart" like experience creates a bridge from the class schedule to registration
 - Students can save classes to their Favorites prior to the start of registration
 - Once registration opens they can register directly from their favorites folder
- Messages customized to individual students
- Incorporates student Educational Plans (a key outcome of the Pathways to Completion Grant)

AACC 2015 - SEATTLE COLLEGES AWARD FINALISTS

Early January 2015, Seattle Colleges submitted an application nomination for the Awards of Excellence - Community College Safety Planning and Leaders.

The Seattle Colleges EPAC, (Emergency Preparedness Advisory Committee) has been instrumental in developing campus & district wide improvements to our safety standards, practices, for all staff and students. This nomination was combined with examples of onsite safety awareness, posters, notifications, SeaTac drill participation, and letters of support from the relationships developed with the Seattle Police Department, City of Seattle, fellow Colleges and University Presidents and state safety representative.

It was formally announce that Seattle Colleges is one of four finalists, nationwide, selected to compete for the award. The winner will be announced at the 2015 AACC Conference hosted in San Antonio, TX in April 2015.

MEMORANDUM

TO: Board of Trustees

FROM: Paul T. Killpatrick, Ph.D.
President

DATE: February 19, 2015

SUBJECT: President's Report

Seattle Central

Waste Audit held to inform sustainability efforts

Student Leadership's newly-formed Sustainability Council organized a waste audit late last month to assess the amount and types of waste being generated in every corner of the Broadway-Edison building. This is an important step to becoming a greener campus. Information and data gained from this audit will be used by the Council to develop recommendations for more sustainable practices across the campus.

Culinary program recognized as "highly progressive"

Karp Resources, a consulting firm that specializes in food business and policy, recently acknowledged the Seattle Culinary Academy as a "highly progressive culinary arts school that maximizes student education and opportunity in spite of limited resources." Karp investigated culinary schools across the country to identify best examples of progressive programs with a strong commitment to sustainability. It is part of an effort to help Northwest Arkansas Community College (NWACC) revamp its culinary arts program. NWACC has funding from the Walton Foundation and, in the last month, the president and vice president of NWACC, as well as key funders from the Walton Foundation visited campus.

Apparel Design series hosts panel on changes in Seattle fashion

The School of Apparel Design & Development's Innovation Series hosted a panel earlier this month on changes in the fashion industry called "Finding Fashion — a New Look at Seattle Design." The panel featured three Seattle-area independent designers: Aykut Ozen, designer of handmade leather goods; Suk Chai, woman's luxury clothing designer; and Martina Brimmer, designer of hand-crafted bicycle panniers. The ticketed event raised proceeds that will help support the program.

Young girls to learn about tech careers at special event

More than 80 young women from seven area high schools are set to visit campus on Feb. 27 to learn more about IT careers as part of a special event called GLITTER (Get Launched in Technology Through Education and Resources). Now in its eighth year, the half-day event will allow participants to connect with women who have built successful IT careers, both on campus and in the private sector. A variety of workshops on applying to college, navigating financial aid and more will also take place.

"Right now women represent only about 15 percent of the technology workforce," said GLITTER organizer and IT Program Manager Lisa Sandoval. "We're hoping to make a dent in that statistic by showing these girls that careers in IT offer rewarding, lucrative and flexible options for women."

Distinguished alum returns to campus to share successful journey

Katie Hinde, Ph.D., Harvard professor, acclaimed scientist and former Seattle Central student, returned to campus Jan. 15 to reflect on her journey in two special presentations at the Broadway Performance

Hall. She spoke about her cutting edge biology research, her journey to a successful career as a female scientist, sexual harassment in the sciences, and much more. After each talk, students were given the opportunity to ask questions.

Hinde began her studies at Seattle Central, first as a Running Start student, and then in the College Transfer program, where she developed a passion for Anthropology. She is now a professor of Human Evolutionary Biology at Harvard University, where she directs the Comparative Lactation Lab, conducting cutting-edge research on mammal lactation. She also recently completed a groundbreaking study of sexual harassment and assault of students at STEM field sites, which yielded one of the most discussed articles of 2014.

Tsutakawa Fountain being restored

George Tsutakawa's "Fountain" has stood as an impressive link to Seattle Central's past since its installation by the renowned artist in 1973. In recent years, the fountain, located in the Atrium, has fallen into disrepair. In fall 2012, faculty, staff and students formed a committee to restore the piece, raising more than \$30,000 so far. Restoration efforts began over the recent holiday break, with Gerry Tsutakawa, artist, sculptor and son of George, worked many hours to clean the original surface by removing mineral deposits. Additionally, a new and efficient pump and filter system will be installed soon. By this spring, the fountain should be operational for the first time in many years.

New lighting brightens Harvard Avenue

In an effort to make Harvard Avenue safer for students, faculty, staff and visitors, 21 new LED light fixtures were recently installed, flooding this heavily-trafficked corridor with much-needed light. Lighting upgrades were originally scheduled as part of routine maintenance, but the project was expanded to address nighttime security concerns. The LED fixtures are a huge improvement in both light quality and energy efficiency and will help to keep this part of our campus community safe during evening hours.

New readerboard connects students and community

When students and staff returned for Winter Quarter, they were greeted by a brand-new, three-panel, digital readerboard that was installed during the holiday break. Located at the intersection of Broadway and Pine, the new sign will provide increased visibility of timely news and announcements for students, staff, faculty and the public. Additionally, the readerboard will connect the neighboring community to information about public events on campus, such as performances, public lectures, panel discussions, information sessions and other activities.

Seattle Central to host Science Olympiad

Seattle Central will once again host the Northwest Regional Science Olympiad Tournament on Saturday, Feb. 28. Around 400 students from dozens of local middle and high school teams will compete in 50 different events that involve applying math and science skills to conduct experiments and build projects. The top qualifying teams will advance to the state tournament at Highline College with hopes of advancing to the national competition in Nebraska. The Science Olympiad promotes quality STEM education and fosters passion for science among students nationwide.

Engineering mentor night connects students with professionals in their field

In January, Seattle Central's Women in Science and Engineering (WISE) club organized an Engineering Mentor night for students on campus looking to study for and break into engineering careers. The Puget Sound Engineering Council, an organization of local engineering professionals, co-sponsored the event. This was the first year that this annual event was completely student-organized. Nearly 150 students

showed up to speak with 20 professionals, who shared their experience working in a broad range of engineering careers.

Two campus events connect students with resources

- In late January, Seattle Central hosted its **annual resource fair for students seeking post-secondary education**. The Supported Academics Independent Life Skills (SAILS) program, which provides customized support to empower students with Autism Spectrum Disorders to reach their highest potential, teamed up with College Living Experience, a national organization dedicated to tailoring educational experiences to fit students' needs, to host the fair. Over 15 King County service providers were on hand to offer resources to students with disabilities who want to attend college. Along with SAILS, Seattle Central's Disability Support Services and Outreach helped to answer questions and highlight available resources.
- Current students also learned about the process of transferring during **College Transfer Week**, held in late January. Hosted by the College Transfer Center, the week-long event helped students gear-up for upcoming application deadlines to four-year colleges. Workshops covered the application process, transcripts, requirements and other topics, and local four-year institutions like Seattle University and UW held special info sessions.

SVI

Clinical Laboratory Assistant Program and re-vamped Phlebotomy Program launches Spring 2015

Seattle Vocational Institute will start the new Clinical Laboratory Assistant Program Spring Quarter. This program is designed to provide students with a wide-range of skills necessary for entering clinical lab services and phlebotomy. It is a three quarter evening program dedicated to introducing and refining viable skills to those who wish to work in a clinical setting. Upon completion of the program, students will receive certificates in Phlebotomy, Clinical Lab Assisting and ECG Technician.

In addition, the newly re-vamped Phlebotomy program has been extended to two quarters in order to provide full certification in phlebotomy. The course will be limited to incumbent workers who want to enhance their careers in the allied health field.

Police Chief, O'Toole holds forum at SVI

Chief Kathleen O'Toole of the Seattle Police Department held an open community forum at Seattle Vocational Institute last month. She answered questions from the attendees that were sometimes grueling, yet always insightful. Most of those in attendance expressed hope that the new chief and the community will have better relationships with the police department. Chief O'Toole promised to maintain an ongoing conversation with concerned community members.

SVI launches new website

Seattle Vocational Institute has launched a new website that was designed by the Central Web Team with content and input from the SVI Public Information Office and the SVI Marketing Committee. The result of this seven month effort has been overwhelmingly positive. The new website has generated requests for information from potential students in Bangkok, the United Kingdom and China, as well as other parts of the United States. The site is mobile friendly, current and colorful. The website also reflects the image and brand of the Seattle Colleges and creates a cohesive connection while maintaining the emphasis on short-term, high-demand career training. You can visit the new site at its new address <http://svi.seattlecolleges.edu>.

North Seattle College

Excelling in Teaching and Learning ▪ Advancing Student Success ▪ Building Community

Office of the President

TO: Board of Trustees
FROM: Warren Brown, President
DATE: February 19, 2015
SUBJECT: President's Report – Information Only

ADVANCING STUDENT SUCCESS

First Cohort of 'Seattle Open Doors' Students Begins College Transition Workshop

The first cohort of 12 students successfully transitioned from GED preparation instruction at the Seattle Public Schools' Interagency Academy to the Seattle Colleges for an 11-week, 132-hour College Transition Workshop in January. Students will visit all the college campuses and SVI, one week at each campus, to learn about college programs, resources and services. The workshop will emphasize career and educational planning and college success skills. Successful completers will begin professional-technical programs at a Seattle College in the spring. Each quarter a new cohort of students will take the workshop and transition into college programs.

Discussion of American Honors

North's faculty continue to discuss the pros and cons of pursuing a relationship with American Honors. In early January, North held a Skype discussion with Lisa Avery, chair of the American Honors Program at Community Colleges of Spokane. In the third year of the program, Spokane now has more than 100 students annually. North's faculty are being surveyed to gauge the interest in the American Honors program. American Honors is suggesting a pilot of 55 to 60 students for North next year.

Enrollment Efforts

The Marketing and Public Relations Department is working with North's Outreach team to launch a campaign directed at high school students. The campaign will include a letter to graduating seniors, a new poster and flyer for each of the high schools in North's service area as well as visits to some of those high schools. The campus also recently published the spring *Opportunity* booklet, which is distributed to 50,000 local households and mailed to 5,000 students who have applied but not yet enrolled at North. The publication promotes North's people and programs, as well as four information nights for prospective students February through May. Additionally, in an effort to help advance student success and build community, the college recently launched a student e-newsletter, TrueNORTH.

Application Day Assists Transfer Students

North Seattle College's Advising Department hosted Application Day on January 22. One hundred twenty-five transfer students received assistance with their applications to a four-year college or university, met with representatives from universities, got assistance on personal statements, learned about financial aid and scholarships, and received help identifying the right school.

Annual Internship and Career Fair

North's Annual Internship and Career Fair on February 10 offered opportunities to network, meet employers, and discover current internship and job opportunities. A drop-in Resume Lab provided assistance to students who wanted to update their resumes before the fair.

Faculty Member Offers New Workshops at Math and Science Learning Center

North Counseling faculty member Jenny Mao, Ph.D., is now teaching three 50-minute workshops quarterly in the Math and Science Learning Center. Applying recent research in cognitive learning and neurobiology, the workshops help students reduce math anxiety and improve skills in time management, concentration, memory and test-taking. The workshops are offered in collaboration with math faculty member Samuel Wilson, M.S., coordinator of the center.

Public Speaking Coaching at SLC

The Student Learning Center's Pilot Public Speaking Coaching Program started January 22, offering students extra help or practice for a class presentation. Coaches are Jose Amador (a local actor who has performed throughout Seattle) and Sonja Jones (a new Page One tutor with many years of experience coaching public speaking for business presentations).

EXCELLING IN TEACHING AND LEARNING

Exceptional Students Nominated for All-USA Academic Team

Elshan Aliyev and Lisa Padilla are nominees from North Seattle College in the 2015 All-USA Community College Academic Team competition. A first generation college student, Aliyev immigrated to the U.S. with his wife and two children six years ago, from Baku, Azerbaijan. Now a citizen, he is pursuing an Associate of Applied Science (AAS) degree in HVAC Technician and Project Management part time and is a full-time employee in the Maintenance Department at North. Padilla is president of the local Phi Theta Kappa chapter. Hispanic and the first female of her generation to attend college, Padilla suffers chronic health challenges but has earned her AAS degree and is taking additional courses for transfer to the University of Washington in Early Childhood Education.

North Staff Complete District Leadership Training

Twenty district employees completed and graduated from the District Leadership Link Professional Development training program on January 23. The final research presentations were well researched, presented and thought-provoking. North was well represented in the first Leadership Link graduating class by Lucas Reber, Kathy Rhodes, Lisa Sanford, Janet Sekijima and Ariel Zastrow.

Art Faculty Recommended for Tenure

Kelda Martensen, full time Art faculty member, completed her tenure process at the division level and has been recommended for tenure.

Advising Director Presents in March

Peggy Sharp, interim director of Advising and Student Success, will be presenting at the NACADA (professional associate for academic advising) Region 8 Conference in Coeur d'Alene, Idaho, on March 12. Her presentation is called "Paving the Road...and then Driving on It: Developing and Implementing a Strategic Plan that Works."

Project Management Training at North

Employee Services is hosting two project management all-day trainings, covering the basics of project management with specific project management tools and templates, as well as interactive activities. The first of the two workshops will be held at North on February 27; the second will be at South on March 27. Cass Tang will be the instructor.

Employee Climate Survey

In mid-February, North employees will be asked to share input about the college by participating in the online Employee Climate Survey. The eight-question survey is one of two employee surveys that the

college has conducted for the past three years. Participation in these surveys is critical because the results help North's leadership team understand what the college is doing well, what it needs to improve upon and to see its progress in meeting targets in North's 2011-16 Strategic Plan. Over the summer, North's executive team analyzed the results and discussed more than 1,000 comments submitted through the 2014 employee surveys. Since then, the college has made improvements based on the feedback and created a webpage that keeps employees informed of our: <https://erc.northseattle.edu/campus-climate>

BUILDING COMMUNITY

Kristen Jones Chosen as New Vice President for Instruction

Dr. Kristen Jones has accepted the offer to serve as North's next Vice President for Instruction (VPI). She will start in this position on April 1, 2015. Kristen currently serves as Vice President of Instruction and Student Services at Flathead Valley Community College, Kalispell, Montana. The four finalists for the VPI position participated in a campus forum and a full day of visits with college constituents. The hiring decision was based on input from both current employees and references.

Additional Hiring Updates

Campus forums for the four finalists for the position of dean of Basic and Transitional Studies took place in mid-January, and for the dean of Arts, Humanities and Social Sciences at the end of January/beginning of February. Decisions are anticipated soon. The hiring processes for the new Human Resources director and for a new director of Institutional Research are also in progress.

Campus-wide Lockdown Drill Helps Prepare for a Future Threat

A campus-wide lockdown drill took place in the morning and again in early evening on January 20. An informational message and shots fired video that was circulated earlier was helpful in preparing students, staff and faculty. The drill was designed to help the college community prepare for a real emergency by having each department and classroom come up with a plan on how to conduct a lockdown should there be a threat on campus. Darryl Johnson, director of Security, received feedback from many departments that they were able to lockdown. However, a lesson learned from this drill was not to rely solely on a locked door to feel secure. Next steps are more education and training for the community. More employees will be trained to send out messages on Rave Alert.

North Hosts Open Air: A Pop-Up Library

The Northgate branch of the Seattle Public library set up a pop-up library at the North Seattle College Library all week, January 26-30. The display featured digital resources, downloadable content, Seattle Public Libraries' databases, and many more resources available for college students. Visitors could sign up for library cards.

Proclamation for Blue Week at North Seattle College

President Brown proclaimed the week of January 26, 2015, to be Blue Week at North Seattle College, encouraging all employees to wear their favorite Seahawks apparel, decorate their offices and classrooms in Seahawks colors and show their support leading up to the February 1 Super Bowl game. Photographs were taken for a photo slideshow shared with the campus on Friday, January 30, as part of a Building Community activity.

North Seattle College Hosted Forum on Safe Routes to Schools

North Seattle College hosted a community forum on safe routes to schools in our area of Seattle on January 20. Licton-Haller Greenways and North's Sustainability Office invited schools, parent organizations, churches, community councils, and the college community to attend the meeting.

MEMORANDUM

TO: Board of Trustees

FROM: Gary Oertli, President

DATE: February 19, 2015

SUBJECT: PRESIDENT'S REPORT – INFORMATION ONLY

“Gifts from the Earth” Raises Record Total for South’s Foundation

January 24 marked the 12th annual “Gifts from the Earth” fundraiser at South Seattle College, and this year did not disappoint. Philanthropists and event sponsors who share a passion for supporting South’s mission raised nearly \$215,000 in one night, and those funds will be used by our Foundation to support students and their programs with scholarships, internships, emergency funding, tutoring and more. The evening also provided our culinary arts, wine studies and Hospitality Management B.A.S. students with great real-world experience, as they worked alongside South staff and 15 celebrity chefs to host a memorable night for our guests.

In Wake of Obama’s Announcement, 13th Year Promise Scholarship Lauded

President Barack Obama’s January announcement of a plan to make two years of community college “free for everybody who is willing to work for it” made national news in a flash, and South’s communications team shared the story of our 13th Year Promise Scholarship as a local example of how providing free tuition can jumpstart successful educations and careers. Looking to localize a big national story, Seattle media embraced the example – including The Seattle Times (with a front page story), Q13 Fox and KIRO News Radio. Additionally, Washington Senator Maria Cantwell and Congressman Adam Smith mentioned the program in their State Of The Union responses.

Wrapping up January in Olympia

I spent much of the last week of January in Olympia, meeting with elected officials alongside Seattle Colleges’ Director for Government Relations Laverne Lamoureux. Meetings were held with 34th District Rep. Eileen Cody, 37th District Rep. Sharon Tomiko Santos, 43rd District Rep. Brady Walkinshaw, 36th District Sen. Jeanne Kohl-Welles, 37th District Sen. Pramila Jayapal and 11th District Sen. Bob Hasegawa.

Mayor, Councilmembers Visits Youthbuild to Sign “Priority Hire” Legislation

Seattle Mayor Ed Murray and city councilmembers used the YouthBuild Program at South as the setting for signing landmark “Priority Hire” legislation into law on January 29. Signing the legislation increases hiring of local workers for city-funded construction projects, and sharing that moment with the city at YouthBuild was an ideal match. At YouthBuild, each year 30 young, disadvantaged youth learn construction skills while working toward their GED or high school diploma. After six months, in addition to earning industry certification and college credits at South, they have a skill set to enter the construction industry.

Presenting to the State Board on Apprenticeship and WEC

Holly Moore, executive dean of South’s Georgetown campus, gave back-to-back presentations on South’s robust apprenticeship programs to the State Board on Apprenticeships and Washington Environmental Council over February 4 and 5. It was a fine opportunity to showcase the work being done at our Apprenticeship and Education Center, where nearly 50 percent of the entire state of Washington’s apprenticeship training takes place.

Rainier Beach High School Students Visit Harbor Island Training Center

South Seattle College and Seattle Public Schools teamed up to give 25 Rainier Beach High School students a “try-a-trade day” experience at Harbor Island on February 12. Students toured Harley Marine, a Seattle Maritime Academy training vessel and the Harbor Island Training Center (HITC), where South and Vigor Industrial train students in welding skills on-site. After the tours, Rainier Beach students heard first-hand from current HITC students on how they, too, could build a career in Seattle’s bustling maritime industry.

Computer Science Instructor Receives \$5,000 Google Award

Ravi Gandham, South’s full-time computer science (CS) instructor, was awarded a \$5,000 Computer Science Engagement Award from Google in January. As part of Google’s initiative to support undergraduate CS educational efforts, the award will allow Ravi to further bolster his introductory classes. Ravi was selected due to his incredible work increasing the number of women in CS classes at South, his advisor role with the Women in STEM Club, and his heavy involvement in Ready, Set, Transfer! – Seattle Colleges’ program that provides talented, low-income students with the tools and support needed to pursue careers in science, technology, engineering and math.

Celebrating the Legacy of Dr. King at South

Thanks to the technical expertise of Seattle Colleges' District Office and Seattle Colleges Cable Television, students, staff and faculty at South were able to view a livestream of the 42nd Annual Community Celebration of Martin Luther King, Jr. in Olympic Hall on January 16. At the celebration, South Pastry and Baking Arts student Makayla Ross was named the Rev. Samuel McKinney Scholarship recipient. While campus was closed that following Monday in recognition of Dr. King, I joined over 60 students and staff for an "MLK Day of Service." We started the morning off with a volunteer breakfast before splitting into groups and working with the Nature Consortium to plant trees and roses, remove weeds and trim bushes. Students and staff were able to connect through community service in honor of one of America's greatest figures.

"Engaging in Promising Practices" Conference a Success at South

I welcomed a vast array of professionals from minority-serving institutions (MSIs) to our campus on February 6 for the "Engaging in Promising Practices" conference, hosted by South's Asian American Native American Pacific Islander Serving Institution (AANAPISI) program. Over two days, participants engaged in dialogue and shared promising practices on how to better serve minority students for success. Educators and policymakers from across the nation – including keynote speaker Akil Vohra, senior advisor with the White House Initiative on Asian Americans and Pacific Islanders – were in attendance.

Lawrence Matsuda Shares His Stories on Japanese American Day of Remembrance

The Japanese American Day of Remembrance was commemorated at South on February 12 with keynote speaker Lawrence Matsuda, a Japanese American born in 1945 in the Minidoka, ID concentration camp during World War II. Matsuda, who today holds a Ph.D. in education from University of Washington, is an accomplished writer and poet who shared stories from his new book, *Glimpses of a Forever Foreigner*, and his own personal history with students, staff and our surrounding community. He provided a powerful account that engaged and educated the audience on the history of Japanese American internment.

"South 2017" All-campus Meetings Paint an Inspiring Picture

This past year, South redesigned the first year experience for students, resulting in increased completion of pre-college math requirements. All of our students now attend orientation, have multiple options for placement into math and English courses and have accelerated courses for pre-college math. South has also been a leader in boosting the enrollment and completion rate of high school graduates through the 13th Year Promise Scholarship. To build upon those successes, we are holding quarterly all-campus "South 2017" meetings – the most recent on February 18 – where staff and faculty come together to brainstorm further initiatives. Future directions identified in our meeting included strong starts, career exploration, structured pathways and seamless student support.