



**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

April 9, 2015

STUDY SESSION

2:00 p.m.

President's Boardroom

South Seattle College
6000 16th AVE SW
Seattle, WA 98106

RSB 30

REGULAR SESSION

3:00 p.m.

President's Boardroom

South Seattle College
6000 16th AVE SW
Seattle, WA 98106

RSB 30

STUDY SESSION AGENDA

2:00 p.m.

QUARTERLY ENROLLMENT UPDATE

Tab 9

Presenters: *Earnest Phillips, Melissa Mixon,
David Sandler, Elizabeth Pluhta*

2:50 p.m.

CALL EXECUTIVE SESSION

To present update on the current strategy or position in our collective bargaining negotiations, and to discuss privileged matters with legal counsel representing agency.

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. | PUBLIC COMMENTS | |
| | Fifteen minutes are regularly set aside for others to express their views on any matter except those restricted to Executive Session. | |
| 3:20 p.m. | PRESENTATION
<i>South Update</i>
Presenter: Gary Oertli, President | |
| 3:40 p.m. | RECOGNITION OF SCCD ALL-WASHINGTON ACADEMIC TEAM
North Seattle: Elshan Aliyev
Lisa Padilla
South Seattle: Hassan Abdi
David Yama
Seattle Central: Phuc Do
Jonathan Harper | Tab 2 |
| 3:50 p.m. | RECOMMENDED BOARD ACTIONS ACTION | |
| | A. Approval of March 12, 2015 Meeting Minutes | Tab 3 |
| | B. Approval to Repeal WAC Chapter 132F-116-100
and WAC Chapter 132F-148 | Tab 4 |
| | C. Approval to Grant Emeritus Status | Tab 5 |
| | D. Tender of Gifts to Seattle Colleges | Tab 6 |
| | E. Proposed FY2015-16 Fee Schedule | Tab 7 |
| | F. Approval for Expenditure of \$250K—
Broadway Student Housing Lease | Tab 8 |

4:10 p.m.

INFORMATIONAL ITEMS

- A. Chancellor's Report
 - 1. Enrollment Report Tab 9
 - 2. 2015 Commencement Schedule Tab 10
 - 3. Pacific Tower Update Tab 11
 - 4. Trustees' Lifelong Learning Awards
 - 5. TACTC Conference, May 14-15, Airway Heights, WA
 - 6. May 7 Board of Trustees Meeting
-Scholarship Fund Recognition

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. President Paul Killpatrick, Seattle Central College
 - 2. President Warren Brown, North Seattle College
 - 3. President Gary Oertli, South Seattle College
- 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

5:00 p.m.

ADJOURNMENT

The next meeting of the Board of Trustees will be held on Thursday, May 7, 2015 at Seattle Central College's Broadway Performance Hall, 1625 Broadway, Seattle, WA 98122. There will be an endowment recognition at 2:00 p.m., and the Regular Meeting will follow at 3:00 p.m.

EXECUTIVE SESSION(S)

An executive session may be held for one or more of the following purposes: (1) To receive and evaluate complaints against a public officer or employee; (2) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; (3) To discuss with legal counsel litigation or potential litigation to which the college is, or is like to become, a party, when public knowledge of the discussion would likely result in adverse consequence to the district; (4) To consider, as a quasi-judicial body, a quasi-judicial matter between named parties; (5) To consider matters governed by the administrative procedure act, chapter 34.05 RCW; and/or (6) To plan or adopt the strategy or position to be taken during collective bargaining, professional negotiations, or grievance or mediation proceedings, or to review proposals made in on-going negotiations or proceedings.

2015 ALL-WASHINGTON ACADEMIC TEAM

Nominations for the 2015 All-USA Academic Team were submitted to Phi Theta Kappa on Dec. 5, 2014. Students appropriately nominated to the All-USA Academic Team are automatically named to All-Washington Academic Team. A student's ranking on the state team is determined by the student's score in the national competition.

North Seattle:	Elshan Aliyev
	Lisa Padilla
South Seattle:	Hassan Abdi
	David Yama
Seattle Central:	Phuc Do
	Jonathan Harper

Exceptional Students Nominated for All-USA Academic Team



Congratulations to Elshan Aliyev and Lisa Padilla, who are representing North Seattle College as nominees in the 2015 All-USA Community College Academic Team competition. Both students have overcome significant obstacles to excel at North and in life. Their selection acknowledges strong academic achievement and commitment to serve others.

Each of the community and technical colleges in Washington state has the opportunity to nominate two students to the national All-USA Community College Academic Team, organized by Phi Theta Kappa. The state then recognizes its nominees as the All-Washington Academic Team. The team will be honored at the 2015 All-Washington Academic Team Ceremony, to be held on Thursday, March 26, at South Puget Sound Community College.

About Elshan Aliyev

A first generation college student, Elshan Aliyev immigrated to the U.S. with his wife and two children six years ago, from Baku, Azerbaijan (one of the republics of the former Soviet Union). At first it was very difficult: "New language, new culture, a need to find a job to support my family and to survive and thrive in this new environment." His daughter is now in high school, and his son is a high school graduate who is also attending North.

Aliyev was inducted into Phi Theta Kappa Honor Society in June 2014 with a GPA of 3.86. He is pursuing an Associate of Applied Science (AAS) degree in HVAC Technician and Project Management and planning to transfer for a four-year degree in Engineering and Project Management. He plans eventually to earn a master's degree.

A full-time employee in the Maintenance Department at North, Aliyev takes classes part-time (10 credits per quarter). This is his second year at North. Aliyev feels at home here and values what a community college offers. "I chose to go to a community college because of its accessibility and variety of programs...I see a lot of people like me here, who are immigrants, who have families, who work and study at the same time. In the community college I was able to advance step-by-step and get necessary skills in English first, via a variety of different English as a Second Language (ESL) classes...I believe that community college gives more one-on-one attention to each student. Counselors are more available and more supportive...Community colleges makes it easier to acquire knowledge and qualifications for a different kind of work."

Aliyev takes seriously being of service to his family and his community. Besides being a major caretaker for his Russian mother-in-law, he is a member of Washington State Green "environment friendly" Association, bringing information about alternative energy sources to his work. He volunteers time and expertise to do equipment repairs at the college's Roy Flores Wellness Center, is a regular blood donor, and serves as a tutor with new immigrants and low-income individuals in ESL and math classes at Jewish Family Services.

Aliyev is proud of being a U.S. citizen. "I want to make a difference. I'm planning to continue working for North Seattle College after graduating. I like its atmosphere, and I can see that my job, my knowledge and my skills are useful and needed. Above all, bringing my family to this country was my greatest accomplishment because I was given a chance to start a new life with them. I was given a chance to get back on my feet, and now I believe it is my duty to pass the acquired knowledge on and give back to society."

About Lisa Padilla

Also inducted into Phi Theta Kappa in June 2014, Lisa Padilla is now president of the local chapter, Alpha Epsilon Omega. With an overall 3.7 GPA, she earned a 4.0 one quarter and was named to the Vice President's List.

An Hispanic woman and the first female of her family's generation to attend college and earn a degree, Padilla has spent much of her life caring for family members. In her dedication to get an education, she has continued to face challenges related to her health. (She has an immune disease that affects her kidney functioning.) While earning her AAS degree (part-time over four years), she suffered six surgeries and several hospital stays. She is presently taking general education courses (not included in her degree coursework) in order to be ready to transfer to the University of Washington next fall to continue her studies in Early Childhood Education. Once she has earned her bachelor's degree (assuming she is healthy enough), Padilla plans to work with special needs children. "I want to spend my lifetime improving the lives of young children the best ways I can. In order to do this, I need to continue educating myself and keep up on the best that research has to offer to children who fall into this category."

Padilla, too, appreciates the community college environment. "I feel I can get a quality education with smaller class sizes." She values the small campus, availability of remedial classwork and student support services. She also likes the accessibility of administrators, including North's new president, Dr. Warren Brown. She has talked with him about campus safety, specifically, the need to provide identifying signage for each restroom on campus – as a precaution for crime prevention and as a resource in case someone needed to be found quickly for medical support. Lisa's project is slated for completion in spring 2015.

Padilla has worked as a nanny and has done volunteer work at the Lord's Table, a volunteer-run outdoor site that provides hot meals to needy individuals six nights per week, all year long. Padilla and her partner organized a bake sale at North in support of the recovery for Oso landslide victims, sending \$250 to the volunteer fire department. Padilla has also worked with Phi Theta Kappa to help provide funds to feed the homeless.

About the All-USA Team

USA TODAY's All-USA Community College Academic Team recognizes exceptional students throughout the nation's community colleges. Judges consider grades, academic rigor, growth and how well the students use their education to benefit their schools and communities.

The top twenty students selected for the All-USA Community College First Team will receive a \$2,500 cash award and extensive national recognition through coverage in USA TODAY and usatoday.com. The program is administered by Phi Theta Kappa International Honor Society, which will notify scholars of their placement on national teams by April 2015.

Additional Honors

In addition to the honor of being All-USA nominees, both Aliyev and Padilla have been placed in competition for the Coca-Cola Community College Academic Team and the New Century Scholars Award.



News Release

6000 16th Ave, SW, Seattle, WA 98106-1499 • www.southseattle.edu • (206) 934-5300

FOR IMMEDIATE RELEASE

March 5, 2015

Media Contact: Kevin Maloney, Director of Communications

Kevin.maloney@seattlecolleges.edu

Direct Line: 206 934 6875

Cell Phone: 206 735 2157

SOUTH ADDS TWO TO ALL-WASHINGTON ACADEMIC TEAM

South students Hassan Abdi and David Yama honored

March 5, 2015: SEATTLE – South Seattle College students Hassan Abdi and David Patrick Yama have been selected for the All-Washington Academic Team, as selected by Phi Theta Kappa Honor Society.

Abdi and Yama will join the rest of the outstanding students who were selected for this exclusive company on March 26th where they will be honored with a luncheon at South Puget Sound Community College.

Members of the All-Washington Team are chosen from the state's community and technical colleges. These students are chosen not just for their outstanding achievements in the classroom, but also in their communities.

In addition to maintaining a 3.96 GPA, the Somalian-born Abdi also serves as a volunteer on campus (as a math and science tutor), and off-campus at the Somali Youth and Family Club and at the Burien King County Library. Currently working on his associate degree, Abdi plans to continue his studies at the University of Washington and ultimately earning a master's degree in Computer Science. Professionally, Abdi would like to work as a software developer to support his family – both stateside and in Somalia – and help improve the world through his work.

Like Abdi, Yama has also dedicated his time to the community. At South, he has volunteered as a tutor and has also donated his services off-campus as a tutor at Neighborhood House. Earlier this year, he was chosen as the key-note speaker and shared his inspiring story at the South's annual fundraiser "Gifts From the Earth." He started his academic career at South to earn his GED, but has continued his studies and will graduate with an associate degree this Spring. After graduation, Yama plans to transfer to the University of Washington, where he already volunteers up to 30 hours a week conducting research in a laboratory, and study bioengineering. He ultimately plans to obtain a doctorate in the discipline and work as a researcher and professor to further our understanding of health and the human body.

In addition to representing South as All-Washington Academic Team members, their applications will be forwarded on to be considered for the All-USA Scholarship process.

-SOUTH SEATTLE COLLEGE-

Central's All-Washington Academic Team selected

March 25, 2014 | News

Huanran Sun and Tristain Holmes have been selected to represent Seattle Central's Phi Theta Kappa chapter in the All-Washington Academic Team competition on March 27. The students will be honored at a dinner on the state level and will be eligible for further recognition in the larger All-USA competition which is sponsored by PTK International and USA Today.

Huanran, an international student from Yancheng, China, plans to transfer to a university this fall and major in human resources management. He says he is living his dream of coming to America in 2011 to pursue further personal development and academic opportunities. His current grade point is 3.57.

Tristain is a first-generation college student majoring in chemistry with a goal to earn a doctorate in pharmacy. He grew up in the rural area of Graham, WA. and enjoys broadening his horizons through education. His grade point is 3.73.

MINUTES OF THE SEATTLE COLLEGE DISTRICT

BOARD OF TRUSTEES MEETING held Thursday, March 12, 2015 at
North Seattle College, 9600 College Way North, Seattle, WA 98103

PRESENT FOR GENERAL SESSION HELD AT 3:20 P.M.

Trustees

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

Chancellor

Dr. Jill Wakefield

Presidents/Vice Chancellors

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

Vice Chancellors

Dr. Kurt Buttleman
Mr. Charles Sims
Dr. Mary Ellen O'Keeffe

Advisory Representatives

Mr. Derek Edwards, AAG
Ms. Kimberly McRae, AFT Seattle
Mr. Ty Pethe, WFSE

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

Secretary

Ms. Leda Goncharoff

ABSENT

Ms. Courtney Gregoire, Trustee
Mr. Jorge Carrasco, Trustee
Ms. Tracy Lai, AFT Seattle

CALL TO ORDER

Board Chair, Ms. Carmen Gayton, called the public meeting to order at 2:18 p.m.

TENURE APPROVAL

Chair Gayton asked for a motion to grant tenure to the following eight (8) faculty members: John Toutonghi, Kimberly Llewelyn, Catherine Dichter, Maryann Firpo, Josh Whorley, Jerry Wright, Kelda Martensen and Bryan Rullan. **Trustee Batayola moved to grant tenure to all eight faculty members, and Trustee Hill seconded the motion. The motion passed unanimously (3-0).**

TENURE RECEPTION

The public session was temporarily adjourned so members of the board could attend the tenure reception in an adjacent room. The board reconvened for the general meeting at 3:20 pm.

ROLL CALL

The secretary, Leda Goncharoff, called the roll.

INTRODUCTION OF VISITORS

Chair Gayton welcomed the visitors. Visitors introduced themselves. They included: Peter Lortz, Bruce Genung, Jennie Dulas, Cheryl Stuart, Marcy Myer, Shaina Huntley, LaVerne Lamoureux, Greg Lonergan, June Li, Orestes Monterey, and Nilofar Ghodsian.

APPROVAL OF March 12, 2015 AGENDA

Chair Gayton asked for a motion to modify the order of events in the March 12, 2015 Agenda. **Motion passed unanimously (3-0).**

PUBLIC COMMENTS

None of the visitors came forward to address the board during the public comment period.

APPROVAL OF MEETING MINUTES

Chair Gayton asked for a motion to approve the February 19, 2015 meeting minutes. **Motion passed unanimously (3-0).**

NSC LIBRARY ROOF LEASE TO VERIZON

President Brown introduced Orestes Monterey, VP of Administration at NSC to describe the details of the lease proposal.

Trustee Hill moved to approve the proposal to lease North Seattle College's library roof space to Verizon. Trustee Batayola seconded the motion. Motion was approved unanimously (3-0).

SECOND AND FINAL READINGS OF POLICIES 250, 252, 258

These policies were reviewed in the last board meeting, and the board's recommendations have been incorporated.

Trustee Batayola moved to approve Policies 250, 252, and 258. Trustee Hill seconded the motion. The motion passed unanimously (3-0).

PRESENTATION

"Audit Exit Presentation"

By Kurt Buttleman, SCD Director of Finance & Technology and
June Li, Assistant State Auditor

Two handouts were provided: a preliminary draft of the Financial Statements Audit Report and a summary of the findings.

The audit determined that there have been no material misstatements in Seattle Colleges' financial statements, no significant deficiencies in internal control over reporting, no instances of noncompliance. All donated assets do need to be carefully documented in order to avoid misstatements regarding total assets (e.g. vessels donated to the Maritime Academy).

Ms. Li also confirmed that this audit meets the requirements of the accreditation process.

Seattle Colleges is committed to improving their financial reporting and compliance, and is a leader in this area—being the 5th community college in the state to undergo this process.

PRESENTATION

"Nursing Program Update"

Introduced by Warren Brown and Steven Thomas, and presented by Dr. Lena Hsritova of NSC

In the last six months, the Nursing Program at the North campus has been undergoing a rigorous evaluation of their program. After completing a self-study and through documentation of their process, two evaluators were invited to study their program's effectiveness in terms of outcomes, faculty competence, alignment of standards with those promoted by the American Nursing Association, and budgetary considerations. The findings were all extremely positive. The program was found to be rigorous, well-supported financially, and aligned well with national standards. Additionally, student outcomes are well above average, with students having a 96% passing rate, a 92% completion rate, a 95% satisfaction rate, and an 80-90% employment rate after graduating from the program.

ACCOLADES

Three Seattle Colleges student nominees for the 2015 Transforming Lives Awards were recognized for their achievement. Plaques and gifts were presented to Bryce Kasota from Seattle Central College, Shaina Huntley from North Seattle College, and Niloufar Ghodsian from South Seattle College. Trustee Hill expressed how impressed he had been with all of the applicants at the TACTC awards dinner in January, and how worthy they all were of the award.

He found the presentations very inspirational and offered his personal congratulations to the three nominees present.

INFORMATIONAL ITEMS

A. Chancellor's Report

1. League of Innovation

Seattle Colleges is a member of the League of Innovation, and are fortunate to be a part of that group. Their 2015 conference was last week and SCD was well-represented, participating in at least 5 presentations.

2. Pacific Towers Update

New market tax credits have been approved, and it will be possible to present a cohesive financial plan at either the April or May board meeting. There is no increased risk associated with the new funding plan. Other good news is that when the funding does all come together, the programs that will be occupying the new space will be ready to go as well. Great progress is being made with both the baccalaureate and short-term training programs. If possible, the May board meeting will be held at the new board room at Pacific Tower.

B. Legislative Update

Ms. Lamoureux that legislators will be going home soon and checking in with their constituents. That will likely impact the outcome of the policy bills currently moving through the chambers. The McLeary Decision has had an impact on funding for higher education. There has been speculation that by delaying the effective date of class size limits at the K-12 level, more funding will be available for higher education in the short term.

ORAL REPORTS

A. Associated Student Body Presidents

Mr. Pak Leung, of SCC's Associated Student Council (ASC), reported that the increasing price of bus passes has become a concern to students at the Central campus, and they are in the process of discussing strategies for alleviating this burden.

Ms. Sarah Baker, of NSC's Student Administrative Council (SAC), reported that North hosted a guest speaker on March 4 who spoke on "Islamophobia". It was a successful event that drew a large crowd (over 100). The campus chapter of the Japanese American Citizens League is working to bring together other community groups to work cohesively on civil rights issues.

Mr. Shane Brookman, of SSC's United Student Association (USA), commented on the strength of the two faculty members granted tenure earlier in the afternoon. Both teach math and have been unusually effective and empowering to students. Students at the South Campus are working on plans to fund a Student Health & Wellness Center in their gym. There is no state funding for gyms at college campuses.

- B. American Federation of Teachers (AFT) Seattle Community Colleges, Local 1789
Ms. McRae reported on National Teacher Walk-Out Day—the purpose of which is to bring attention to the plight of part-time employees. AFT Seattle did not organize a walkout, but instead provided information booths on that day. Ms. McRae also discussed the importance of continuing to educate staff and faculty regarding cultural competency because there is still progress to be made. It is particularly important for all members of hiring committees to be properly trained.
- C. Washington Federation of State Employees (WFSE)
Mr. Pethe reported that the local union has been growing, and recently expanded to include Local 435. Recent activities have included assisting with student-sponsored events, lobbying, and working towards full state funding.
- D. Board of Trustees
No reports.

ADJOURNMENT

The meeting was adjourned at 4:20 p.m.

The next meeting of the Board of Trustees will be held on Thursday, April 9, 2015 at South Seattle College, 6000 16th Avenue SW, Seattle, WA 98106. There will be an Executive Session at 2:00 p.m., followed by a Regular Meeting will follow at 3:00 p.m.

APPROVED BY:

Carmen Gayton, Chair

Date

MEMORANDUM

TO: Board of Trustees

FROM: Charles Sims, CHRO

DATE: April 9, 2015

SUBJECT: Recommendation to repeal WAC Chapter 132F-116-100, and WAC Chapter 132F-148.

Background:

Proposed Rules Under Consideration or Appealed: WAC 132F-116-100 and WAC 132F-148.

Authority: RCW 34.05.325 requires state agencies and institutions to provide for oral and written public comments in response to proposed rules and to provide a summary of those comments to the Board of Trustees. The District conducted a public hearing on March 9, 2015.

Summary: The proposed repeals would:

- (1) Allow members of the Board and retired employees of the Seattle College district to receive complimentary parking for functions upon request (WAC 132F-116-100).
- (2) Repeal the Affirmative Action language which has been replaced by Workforce Diversity (WAC 132F-148).

Comment: We received one written comment (read out loud) and one oral comment on the proposed changes to WAC 132F-148. The Commenters spoke in support of diversity and stated that not enough was being done to support a diversified workforce within the confines of the law.

Agency Response: The Seattle College District fully supports a more diversified workforce as emphasized in its broader Workforce Diversity Policy, and has implemented a number of strategies including focused outreach, partnerships with four-year higher education institutions, professional development and training, collaborations with its faculty union, and retention practices, in support of its workforce diversity goals. The repeal of WAC Chapter 132F-148 is the first step toward adopting more comprehensive diversity policies and procedures to address this issue. The Seattle College District recommends no changes to the proposed repeal of WAC Chapter 132F-148.

Comment: We received no comments on WAC 132F-116-100, and recommend no changes to the proposed repeal of WAC 132F-116-100.

Recommended Action: It is requested that the Board of Trustees vote to approve the repeal of WAC Chapters 132F-116-100, and 132F-148.

Submitted by:


Charles Sims,
CHRO, Seattle Colleges

Transmitted to the Board of Trustees with Favorable recommendations:


Dr. Jill Wakefield
Chancellor, Seattle Colleges

Seattle College District Policy

NUMBER: 404

TITLE: Workforce Diversity

Adopted Date: 3/17/1987 Last Revised: 10/9/2014

The Seattle College District (SCD) is committed to equal opportunity for all its employees and applicants for employment, and to ensure that there is no discrimination against any persons on the grounds of race or creed, ethnicity, color, religion, national origin, age, gender, gender identity, sex, sexual orientation, marital status, disability, status as a veteran or disabled veteran, political affiliation or belief, or citizenship/status as a lawfully admitted immigrant authorized to work in the United States. Additionally, reasonable accommodations will be made for known physical or mental limitations for all persons otherwise qualified to perform the essential functions of the job.

The Seattle College District is committed to ensure workforce diversity, as described above, across all operations of the District. This Policy extends to all areas of employment and to all relations with employees and applicants, including recruitment, selection and placement, compensation, promotion and transfer, disciplinary measures, demotions, layoffs, and terminations, testing and training, working conditions, awards and benefits, and other terms and conditions of employment.

The importance of fulfilling this Policy is given top priority consideration in the day-to-day workforce transactions of the SCD. All employees have been, and will continue to be, made aware that any violations of this Policy by an employee shall result in appropriate disciplinary action, up to and including termination, if warranted.

Workforce diversity is aligned with the district's mission to enhance student success, particularly those students from under-represented groups, through a committed workforce that reflects the demographics of the students we serve and the communities within which we recruit both students and district employees.

The successful implementation of this Policy will depend upon a cooperative spirit and commitment from all segments of the District to achieve the goals set forth.

Board of Trustees – Revision & Adoption History

Adopted: 3/17/1987

Revised: 11/8/2007

Revised: 2/9/2012

Revised: 10/9/2014



MEMORANDUM

TO: Board of Trustees

FROM: Jill Wakefield, Ed.D.
Chancellor

DATE: April 9, 2015

SUBJECT: Emeritus Status Recognition

Background

The AFT/SCD Agreement (Article 5.16, Special Retirement Privileges) and Board Policy 478 (Emeritus Status – Administrative Employees) provide for the granting of emeritus status recognition upon eligible retired faculty and administrators or those who have died in service and have made significant contributions to the District's values of service, excellence, diversity and effective leadership.

South Seattle College	Dolores Mirabella, Emeritus Faculty Dr. Marsha Brown, Emeritus Exempt Staff
North Seattle College	Dr. Maureen Nutting, Emeritus Faculty
Seattle Central College	Mike Pepe, Emeritus Faculty Dr. Doug Solowan, Emeritus Faculty Verna Sison, Emeritus Faculty

Recommended Action

In accordance with the AFT/SCCD Agreement and Board Policy, it is recommended that the Board of Trustees grant emeritus status recognition to the above worthy individual(s) of District VI.

Submitted by and transmitted to the Board with a favorable recommendation,

Jill A. Wakefield, Ed.D.
Chancellor



A Union of Professionals

AFT Seattle
Community Colleges
Local 1789, AFL-CIO

AFT Seattle
Community Colleges
Local 1789, AFL-CIO

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<http://wa.aft.org/aftseattle>

An affiliate of
AFT Washington,
American Federation
of Teachers, AFL-CIO



February 23, 2015

Dear Chancellor Wakefield,

AFT Seattle's executive board met on Tuesday, February 17, 2015, and voted to approve and forward to you Emeritus nominations for Mike Pepe, Doug Solowan, Verna Sison (from Central); Dolores Mirabella (from South) and Maureen Nutting (from North).

All nominations were received prior February 6, the first Friday in February as per Article 5.16 C of the Agreement.

We hope that you and the Board of Trustees will approve our five nominations as the detailed letters and considerable number of faculty signatures attest to the widespread support for these dedicated colleagues receiving emeritus status.

Sincerely,

Two handwritten signatures in blue ink. The first signature is 'Tracy Lai' and the second is 'Kimberly McRae'. There is a red mark on the second signature.

Tracy Lai and Kimberly McRae
AFT Seattle Co-Presidents

Memorandum

To: Dr. Jill Wakefield, Chancellor
From: Gary Oertli, President
Date: 3/27/2015
Re: Emeritus Status

In accordance with SCD Policy/Procedure 478, I would like to submit this nomination of Dr. Marsha Brown as an emeritus candidate. She has served the Seattle Colleges for 21 years since she was first hired at South Seattle College in 1993 as an Institutional Planner and Director of our first Title III grant, and served until her retirement in August 2014 from her long-held position as Director of Research and Planning. Marsha has left an indelible mark on South, both for her influence on our data-driven culture, and through her work on institution-wide grant initiatives in improving student outcomes and the student experience. She has been an excellent researcher, a respected leader, and throughout her career remained committed to social justice and equity in her work.

As well as her 21 years at South, Marsha retired with over 50 years of teaching and administration (in Public Affairs, Education, Research, and Assessment); over 30 years as a research director (Brown University, American Institutes of Research, Harvard, UCLA, Northwest Center for Research on Women at the UW, and at South); and 15 years spent as a professor teaching Statistics and Research Methods at UCLA and UW. She exemplifies the concept that excellence begets excellence. She came to South with her impressive background, and started our Research and Planning office in 1993, and leaves her legacy in our culture of improvement and data-based decision-making.

Under Marsha's leadership and influence the college has had three highly impactful Department of Education Title III Strengthening Institution 5-year grants that have led to many key improvements, including:

- a great increase in our transition rates (moving ESL and Adult Basic Education students from Basic Skills courses into college programs);
 - building up our nursing programs to attract and produce highly diverse nursing professionals to be reflective of the region's communities;
 - improving intake and onboarding strategies to help all students—particularly immigrant students—better navigate our college enrollment process;
 - promote cultural competency-development among faculty and staff across the institution
- Marsha also was instrumental in supporting the TRiO
-

Student Support Services grant efforts, resulting in nearly 20 years of serving first generation and low income students, and which have served as the "high bar" to which we strive to improve all of our student support efforts.

Marsha is also well-known for her work in establishing and convening our Institutional Effectiveness committee and helping to establish our college's Strategic Planning process. She initiated the Institutional Effectiveness committee in 1998, which created the opportunity for representatives from all divisions and all employment classes to come together to guide the college in strategic planning. She also has been a key player and contributor to our college's accreditation reports and visits since 2000.

In addition to these accomplishments, Marsha has been a great colleague and member of the South community. She served on many committees, she always sought collaboration in her work, and she was always a willing partner and supporter to efforts in all divisions and departments. On a regular basis, Marsha actively contributed to the success of others. She also served as a true champion for students and their achievement. Through her work over the years performing Small Group Instructional Dialogues to engage students in providing feedback about their classes or their experiences, as well as her work with the college and statewide data, Marsha understood--better than most--the student experience. Through her research she also knew what worked, and what it really took to make students successful in our institution, and we are fortunate that she was also generous with this knowledge. And despite all of her expertise, Marsha always retained an intellectual curiosity about our students' needs and experiences, our systems and programs that kept her on the constant search for answers (and questions).

For these reasons, and many more not captured here, I am proud to nominate Dr. Marsha Brown for Emeritus status within the Seattle Colleges District.



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MEMORANDUM

TO: Board of Trustees

FROM: Dr. Jill Wakefield
Chancellor

DATE: April 9, 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 February 1, 2015 – March 31, 2015.

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 MARCH 31, 2015
CASH

DONOR	GIFT AND PURPOSE	CENTRAL	NORTH	SOUTH	SIEGAL CENTER	DISTRICT-WIDE	SVI
NSCC Education Fund	Student Childcare Scholarship Humanities/Art Dept. Support		\$255.00 \$1,000.00				
CAMPUS TOTALS							
TOTAL CASH GIFTS TO		\$0.00	\$1,255.00	\$0.00	\$0.00	\$0.00	\$0.00
SEATTLE COLLEGES						\$1,255.00	



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MEMORANDUM

TO: Board of Trustees

FROM: Dr. Jill Wakefield - Chancellor

DATE: April 9, 2015

SUBJECT: Proposed Fee Increases & New Fees for FY2015-16

Background

The attached "Proposed Fees FY2015-16" schedule includes the campuses' requests for raising and changing current fees, as well as establishing several new fees for the incoming academic year 2015-2016.

Recommendation

The attached "Proposed Fees FY2015-16" schedule has been reviewed by the Chancellor's Executive Cabinet. It is recommended that the Board of Trustees approve the proposed fee changes for FY2015-2016 in accordance with Seattle Colleges Policy 108.

Submitted by:

Dr. Kurt Buttleman
Vice Chancellor for Finance & Technology

Transmitted to the Board with a favorable recommendation.

Dr. Jill Wakefield
Chancellor

Campus Sponsor	Fee Title	Updated or New	Fee Begins	Current Rate	Proposed Rate	Justification and Notes
District-wide	Science Lab fee	updated	Fall 2015	\$48.00	\$50.15	To cover increasing costs of Science lab materials.
District-wide	Computer Lab Fee	Updated	Fall 2015	\$48.00 to max \$75.00	\$50.15 to max \$79.40	To cover increasing costs of student-facing technology for IT classes. The fee is \$50.15 per IT class. For students taking more than 1 IT class, the maximum charge per quarter will be \$79.40.
Central	Offsite Photo Shoot	Updated	Fall 2015	\$40.00	\$72.00	This pass through fee hasn't changed in years and is not covering the cost of the field trip.
Central	Photography Matrl Fee	Updated	Fall 2015	\$44.00	\$46.00	To cover increasing costs of Photography class materials.
Central	Rec Ctr Fee	Updated	Fall 2015	\$23.00	\$24.00	The fee account ws in deficit last year but now has a balance. This balance and any further revenue generated from this increase will be used to purchase equipment to utilize an area of the MAC that is currently vacant. It will also cover repairs
Central	First Aid Pass Thru	New	Fall 2015		\$5.00	Recover the cost of first aid cards and materials provided to students for first aid classes
Central	CPR Pass Through	New	Fall 2015		\$7.00	Recover the cost of CPR cards and materials provided to students for CPR classes
Central	Evening Student Parking	Updated	Fall 2015	\$82.50	\$25.00	Lower evening parking permit rate to encourage evening class enrollment.
North	EET FIBER OPTICS TEST FEE	New	FALL 15	NA	\$30.00	The FOA Certification Exam is the industry standard. The faculty who teaches the class has been certified by the FOA as a proctor for this test. The FOA certification is the final exam for the EET 108 class. The course grading is weighted so that in the event a student fails the certification they can still pass the course. For students to be able to complete an industry standard certification in conjunction with a class greatly enhances their opportunities for employment
North	TDR CATIA SOFTWARE FEE	New	FALL 15	NA	\$50.00	These classes are specifically about using this powerful software that is used by Boeing and other aerospace and manufacturing companies. The cost is \$125 per seat annually; plus taxes and a few extra copies for the open lab. We expect to run two cohorts of students per year, which should just cover the cost if we can get 20 per cohort.
North	HVAC INDUSTRY EXAM FEE	New	FALL 15	NA	\$25.00	These three industry-based exams are very important for the HVAC students to pass, and greatly enhance their employability as HVAC Technicians. The instructor is certified to proctor the exams.
North	EMT CERT/RECERT FEE	Updated	SUM 15	\$1,000.00	\$1,100.00	The justification for this fee increase is to support the additional cost for providing qualified personnel to supervise the practical portion of the Emergency Medical Technician program. The increased fee will support additional support for EMT Lab Assistants and additional personnel to support orientation and testing of practical skills. In addition, this fee increase will support the effort to diversify offerings in EMT to take advantage of the newly redesigned lab space by providing support for additional personnel to staff new programs. This is a \$100 fee increase resulting in \$3,500 in revenue for the EMT Specific Lab fees.
North	NA-C APPLICATION FEE	New	SUM 15	NA	\$35.00	The purpose of this fee is to offset the cost of processing student applications to the NA-C program. Processing application includes processing immunizations, follow-up communications with students and various external stakeholders. Currently four other programs (Nursing, Pharmacy Tech, Medical Assisting and EMT) pay the \$35 application fee.
North	PHLEBOTOMY APPLICATION FEE	New	FALL 15	NA	\$35.00	The purpose of this fee is to offset the cost of processing student applications to the phlebotomy program. Processing application includes processing immunizations, follow-up communications with students and various external stakeholders. Currently four other programs (Nursing, Pharmacy Tech, Medical Assisting and EMT) pay the \$35 application fee. This work was recently conduct in the workforce area, but these responsibilities were move to the HHS Division in Fall 2014.
South	Industrial Vehicles Material Fee	New	Spring 2015	\$0.00	\$1,500.00	Cover cost of materials provided to students in the industrial vehicles program
South	Allied Health Skills Lab Fee	New	Fall 2015	\$0.00	\$30.00	Cover cost of materials provided to students in the skills lab for the nursing assistant and home care aid programs.
South	Electronic Medical Record User Registration	New	Fall 2015	\$0.00	\$75.00	Pass through fee for software license and registration for Cerner electronic medical records software.
South	Material fee	Updated	Fall 2015	\$ 128.00	\$ 225.00	Covers cost of materials for the diesel heavy equipment program
South	Assessment Fee	Updated	Fall 2015	\$ 376.00	\$ 376.00	Assessment fee for RN/LPN program

MEMORANDUM

TO: Board of Trustees

FROM: Paul Killpatrick, President

DATE: April 9, 2015

SUBJECT: Approval for Expenditure over \$250K – Broadway Student Housing Lease

BACKGROUND

Seattle Central College is currently in the process of renewing a new five-year lease with Hunters Capital for the leasing of the Broadway Student Housing complex at 1612 Broadway, Seattle, WA 98122. The lease includes 28 student housing apartment units with 81 beds, occupying approximately 17,786 BOMA rentable square feet. The lease term will be from May 1, 2015 through March 31, 2020.

The total lease payment for the five-year term is approximately \$3,135,000 including management fees. This averages to approximately \$627K annually or about \$645 per student per month (based on full occupancy). No state funds are used as part of the lease payments. Proceeds from the rental of the units to the students are used for lease payments. The Department of Enterprise Services has been negotiating the lease on behalf of Seattle Central College with additional input from Mr. Derek Edwards, Assistant Attorney General.

Per SCDD Board Policy 108, all annual lease payments of \$50,000 or more requires Board's approval.

RECOMMENDATION

It is recommended that the Board of Trustees approve the lease and delegate the authority to sign the lease, upon finalization, to Dr. Paul Killpatrick.

Submitted by,



Dr. Paul Killpatrick, President

Transmitted to the Board with favorable recommendation by,



Dr. Jill Wakefield, Chancellor

MEMORANDUM

TO: Board of Trustees

FROM: Dr. Jill Wakefield, Chancellor

DATE: April 9, 2015

SUBJECT: Enrollment Report: *Summer, Fall, Winter and Projected Annual FTES*

Background

This report provides final FTES for three quarters: summer, fall and winter of 2014-15 as well as projected FTES for the year. Also provided are time-series data on target and actual enrollment for the past eight years.

Recommendation

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

Submitted by:



Dr. Mary Ellen O'Keeffe
Interim Vice Chancellor

Transmitted to the Board for their information.



Dr. Jill Wakefield
Chancellor

BOARD OF TRUSTEES

Thursday, April 9, 2015

ENROLLMENT REPORT: 3-Quarter Report and Annual Projections

This enrollment report includes final enrollment numbers for summer, fall and winter, as well as projected FTES for the year. Data provided include actual enrollment, enrollment targets, FTES under/over goal and a projected two-year rolling average.

STATE-FUNDED FTES: SUMMER, FALL, WINTER 2014-15 (3-QUARTERS)

The district earned 9,666 annualized FTES through the 3-quarter period: summer, fall and winter. For the district, this represents 89% of the target goal of 10,842; 1,176 (11%) fewer than the 3-quarter goal. For the colleges, the percents of target goal were: North 94%, Central 88%, South 91%, and SVI 59%.

	2014-15 3-Quarters FTES Actuals*	2014-15 3-Quarters FTES Goal	2014-15 3-Quarters FTES % of Goal	Under 3-Quarters FTES Goal
District	9,666	10,842	89%	-1,176
North	2,808	2,997	94%	-188
Central	3,412	3,894	88%	-482
South	3,160	3,466	91%	-306
SVI	286	486	59%	-200

* Actuals are as of March 25, 2015.

ANNUAL PROJECTIONS 2014-15 – INCLUDING INTERNATIONAL CONVERSIONS SPRING ONLY

Based on the FTES earned through the first three quarters compared to the 3-quarter target, the district is projected to earn 14,205 FTES, including converted international FTES Spring Quarter only, for the academic year. This would bring the district in at 94% of the annual allocation: 930 FTES short of the goal. When combined with our FTES earned last year, this would produce a 94% two-year rolling average, inclusive of converted international FTES.

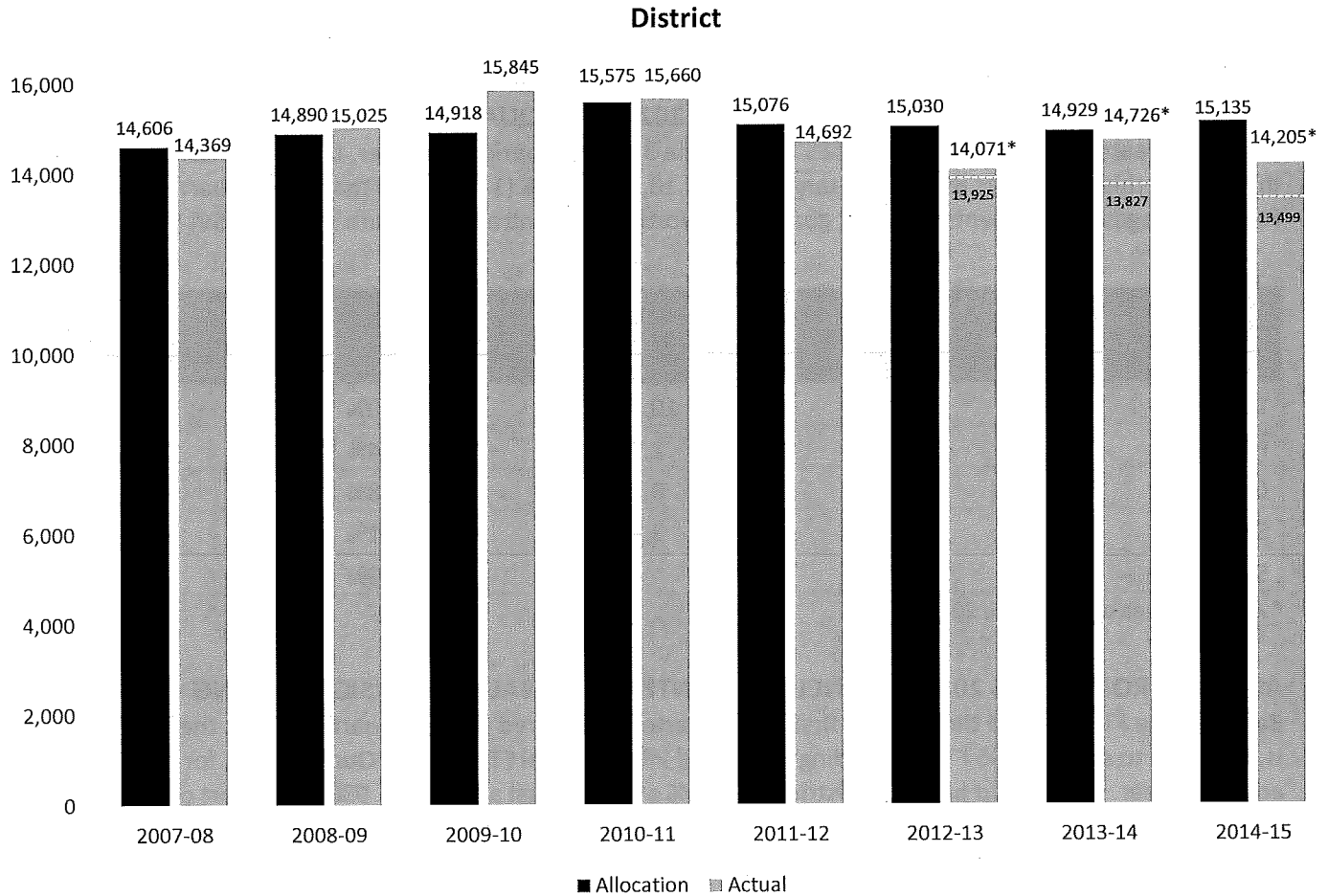
	2014-15 Projected*	2014-15 Converted FTES Projected	2014-15 Projected Total (w/conversions)	2014-15 Goal	2014-15 % of Goal (w/conversions)	2014-15 Over/Under Goal	2-Year Rolling Average (w/ conversions)
District	13,499	706	14,205	15,135	94%	-930	94%
North	3,921	231	4,152	4,184	99%	-32	96%
Central	4,806	389	5,195	5,484	95%	-289	95%
South	4,386	86	4,472	4,810	93%	-338	95%
SVI	386	0	386	657	59%	-271	65%

* Annual projections are based on performance-to-date through Winter Quarter as of March 25, 2015.

8-YEAR ANNUAL TRENDS: 2007-08 to 2014-15

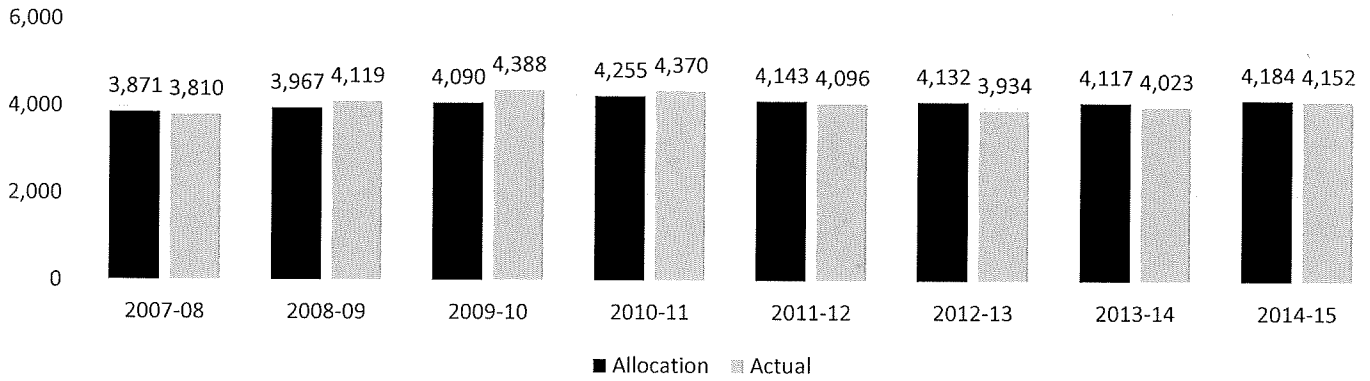
Similar to previously provided reports to the Board on enrollment and FTES allocations, this report provides historical context with time-series data. The following charts provide an eight-year overview of state-funded FTES compared to the annual allocations by college and by district.

The current projection for 2014-15 is for FTES enrollment levels to reach 7% less than the pre-recession year of 2007-08. Since 2007-08, the district's state-funded FTES allocation increased dramatically to meet the recession-driven demand for worker retraining; however, due to a recovering economy in recent years, enrollment trends have declined as students have returned to work. Enrollment peaked in 2009-10 during the height of the recession, which in turn led to higher FTES allocations well above past enrollment levels.

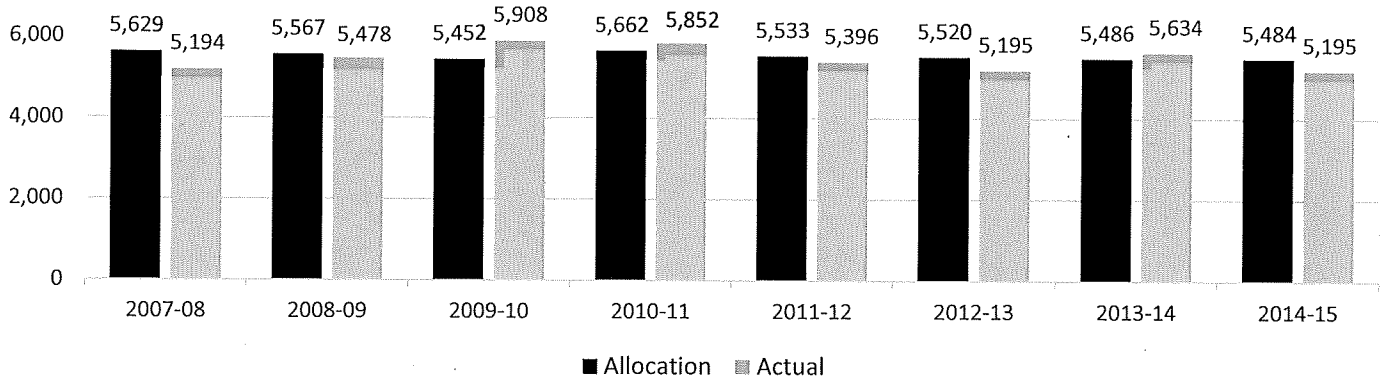


* Includes converted FTES; un-converted actuals appear below dashed lines.

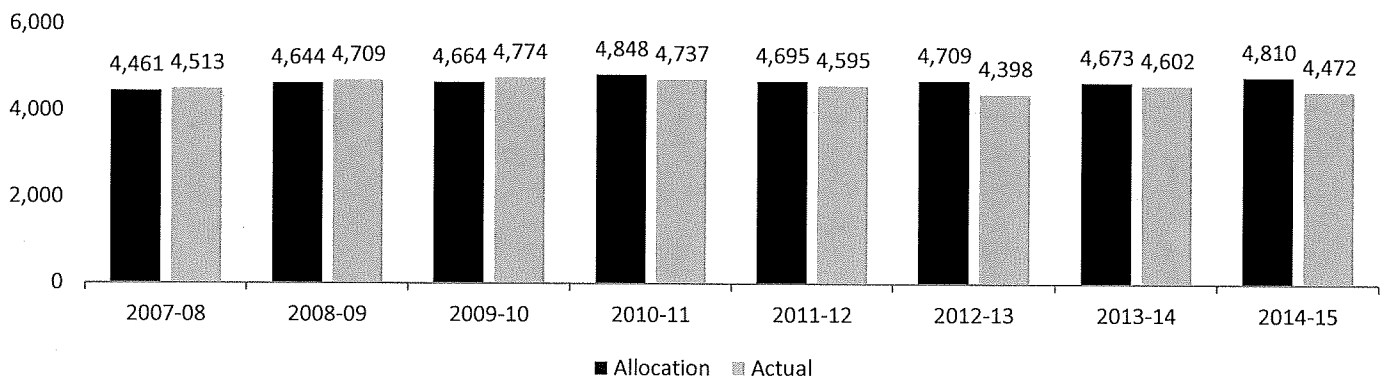
North



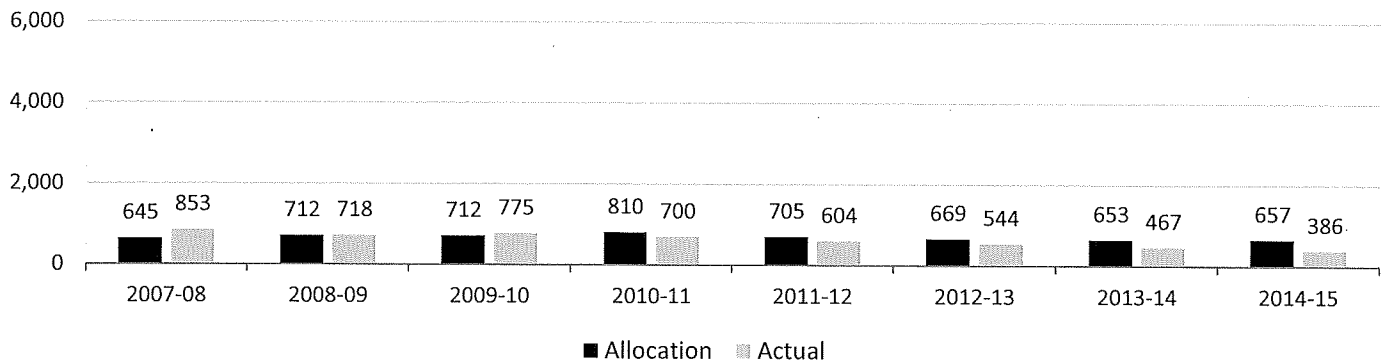
Central



South



SVI



Note: 2014-15 projected actuals include Spring Quarter international conversions.



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**SEATTLE COLLEGES
2015 COMMENCEMENT SCHEDULE**

Monday, June 15 7:00 p.m.	Seattle Vocational Institute Benaroya Hall 200 University Street Seattle, WA 98101
Friday, June 19 6:00 p.m.	North Seattle College Courtyard 9600 College Way North Seattle, WA 98103
Friday, June 19 7:30 p.m.	South Seattle College Benaroya Hall 200 University Street Seattle, WA 98101
Saturday, June 20 1:00 p.m.	Seattle Central College Benaroya Hall 200 University Street Seattle, WA 98101

MEMORANDUM

TO: Board of Trustees

FROM: Kurt R. Buttleman, Vice Chancellor for Finance & Technology

DATE: April 9, 2015

SUBJECT: PACIFIC TOWER PROJECT OVERVIEW

Background

As requested at the February 19, 2015 meeting of the Board of Trustees, I have prepared detailed background information on the Pacific Tower project. The following information outlines the project's timeline, its notable milestones and its current status. Also, the memo outlines the risks assumed by the Seattle Colleges and those assumed by the Foundation for the Seattle Colleges (a separate 501 c(3)).

As this transaction continues to evolve, we will keep you updated.

TIMELINE:

April 2011

- Amazon.com's sublease with Wright Runstad ends. Amazon moved to new offices in South Lake Union.

September 2012

- Wright Runstad terminated its lease on the Pacific Tower building.

November 2012

- The Seattle Colleges were approached by area legislators and community members about exploring opportunities at the Pacific Tower.

November 2012 – March 2013 (Exhibit A)

- Seattle Colleges was engaged in numerous conversations about different scenarios for occupying all or part of the Pacific Tower.
- Seattle Central stepped forward with a plan for occupying 86,000 sf of the Pacific Tower with its healthcare programs. These programs were high demand and in need of additional space.
- An estimate of \$27 million was developed for renovation of the 86,000 sf.

April 2013 (Exhibit B)

- At the direction of the Board of Trustees, Chancellor Wakefield sent a letter to the Washington State Department of Commerce indicating the Seattle Colleges “strong interest in working with the Pacific Hospital PDA and the State of Washington to develop a facility to train and educate current and future health care workers at the Pacific Hospital located at 1200 12th Avenue South, Seattle.”

April 2013 – June 2013

- Discussions between the Department of Commerce and the leasing agent for the Pacific Tower commenced.

July 2013 (Exhibits C & D)

- The Washington State Legislature appropriated \$20 million to the Department of Commerce “solely for predesign, design, renovation, and other development or transition costs necessary for Pacific Tower to be used for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community meeting and training facilities.”
- The Washington State Legislature appropriated \$4.85 million (biennial amount) “solely for the purposes of creating and operating a community health care and education and innovation center at the Pacific Medical Center in Seattle.”
- The Washington State Legislature authorized the Department of Commerce to enter into a 30 year lease for the Pacific Tower property.

October 2013 (Exhibit E)

- Board Chair Carrasco received a letter from Speaker of the House Frank Chopp clarifying the intent of the Legislative actions as they related to the Seattle Colleges. This letter states in part:
 - “The \$20,000,000 appropriation was made based on preliminary estimates of the costs to be incurred by the Department of Commerce in renovating the building and the expense to the SCCD to transfer programs to the Pacific Tower. If the appropriated amount should prove to be insufficient once final design is completed, our commitment to the District and our legislative intent was to seek additional funding to make up the difference.”
 - “The intent in making this appropriation was to ensure that the SCCD would occupy and use the Pacific Tower facility at no additional operating expense to the District for rent, utilities and common area charges... In addition, it was our intent to provide funds throughout the balance of the thirty year lease for additional expenses incurred by the SCCD to operate a new satellite campus at the Pacific Tower.”

November 2013

- The Department of Commerce signed a 30 year lease agreement for the Pacific Tower effective January 1, 2014.

December 2013 (Exhibit F)

- Incoming Board Chair Shen received a letter from Speaker of the House Frank Chopp “to summarize the six avenues I proposed to ensure the capital necessary for the Seattle Community College District to fully build out its 85,000 square feet in the Pacific Tower. I am committed to pursuing any and all of these on behalf of the District. These include:
 - 1) The 2014 Capital Budget appropriation. We agreed that the first priority for the \$20 million state appropriation should be to cover the construction of Seattle Central’s tenant improvements. I understand that cost to be estimated at \$18 million, and I will advocate to the Department of Commerce that it come from the 2014 appropriation.

- 2) Governor Inslee has included \$1.8 million in additional operating budget authority for the Pacific Tower Project in his proposed 2014 supplemental budget.
- 3) Commerce has identified other funds under its authority which it could potentially re-allocate to the Pacific Tower. These funds could potentially be used towards other tenant improvements at Pacific Tower.
- 4) A certificate of participation or a Washington Housing Finance Commission S.T.E.P. bond. I will work to include supplemental operating budget authority for the District to service debt, if it proves advisable to borrow funds to bridge the construction and equipment needs of the District.
- 5) Private donations, foundation grants, and other government funding. A number of Pacific Tower supporters and I have formed a non-profit effort, Friends of Pacific Tower, to actively pursue non-state government funding for the District's construction needs and its educational programs at the Pacific Tower, as well as for the other non-profit lessees in the building.
- 6) Additional appropriations from future capital budgets. If needed, I will work to include in the 2nd supplemental capital budget for the 2013-14 biennium or in the capital budget for the 2015-17 biennium money for the District's construction and equipment needs on the Pacific Tower project."

January 2014

- After reviewing the Business Plan for the Pacific Tower project (Exhibit G), the Board of Trustees of the Seattle Colleges voted to delegate authority (Exhibit H) to Chancellor Wakefield to enter into:
 1. "A lease with the Washington Dept. of Commerce for a 30-year lease for approximately 85,000 rentable square feet..."
 2. "A memorandum of understanding with the Washington State Department of Commerce regarding payment of the lease's financial obligations from legislative appropriations, satellite campus operating budget subsidies from legislative appropriations, and priority on use of the capital budget appropriations for the Seattle Central Community College tenant improvements."

February 2014 (Exhibits I & J)

- The Seattle Colleges signed a 30 year lease agreement and MOU with the Department of Commerce for 85,000 sf or 41.389% of the Pacific Tower space.
- This lease and MOU indicated in part:
 - 1) "the Parties agree that appropriated funds for SCCD's sublease expenses (base rent, common area costs, and operating expenses) shall be drawn down from the operating budget appropriation (3ESSB 5034, Section 128(19)) on a monthly basis by the Commerce for payment of SCCD's sublease expenses as set forth in the sublease."
 - 2) Commerce shall use or authorize at least \$16.1 million of the ... capital appropriation (3ESSB 5035, Section 1080) to make improvements required to prepare the Pacific Tower for occupancy, build out of common areas used by SCCD, and build out instruction space for SCCD within the premises subleased by SCCD. Commerce will cooperate with the SCCD's efforts to supplement the capital budget appropriation for the SCCD's tenant improvement needs."

December 2014 (Exhibit K)

- The Seattle Colleges' Board of Trustees delegated authority to the Chancellor to amend the existing Pacific Tower lease based on the requirements for the tax credit financing. The lease with the Department of Commerce will have to be shortened from 30 years to 19 years and 11 months.

March 2014 – March 2015 (Exhibits L & M)

- Design and construction began. During design, it became clear that the budget for the renovation project was approximately \$50 million and that significant additional funding would need to be secured to complete the project (current details on Exhibit L). Examples of some of the “new” costs included:
 - Costs to build out the common areas and furnish them;
 - Landlord's contributions to the tenant improvements needed to secure tenants in the remaining leasable portion of the building
 - A ruling by the Dept. of Planning and Development that the building was being substantially altered, therefore it had to be brought up to current building codes
 - Cost of repairing a leaking roof on the east wing, first floor; remediation of mold and asbestos from infiltration of water through failing wood windows; and discovery of lead lining in the east wing first floor that was not shown on the “as-built” drawings provided by the PHPDA.
- The Foundation for the Seattle Colleges was asked to participate in new market and historic tax credit transactions which would add approximately \$15 million to the project budget. The structure needed for this transaction is depicted in Exhibit N.
- Other additional sources of funding were explored and secured (current details on Exhibit M).

RISKS OF CURRENT TRANSACTION:

Seattle Colleges / Seattle Central College

Lease (Exhibit I):

- ✓ The primary risk is that the Legislature would no longer appropriate the funding to cover the cost of the College's leased space.
 - As has been noted in previous discussions, this is highly unlikely given the fact that the State of Washington has never defaulted on a lease before.

Rent & Facility Expenses:

- ✓ The primary risk to the College is that the Legislature would cease appropriating the funds to cover these costs.
 - We have been assured that these costs are built into the “maintenance level budget,” so this risk is minimal at this time.

Program Operating Expenses:

- ✓ The College had originally estimated a need for \$625,000 per year for program expenses at this new site.
 - The Governor and House budget proposals for 2015-17 contain \$425,000 per year for this. This appropriation has not yet been secured by the College and won't be until the Legislature adjourns and enacts a new budget bill.

Certificate of Participation:

- ✓ The College has been asked to take out a \$1 million loan from the State Treasurer's Office to help fund the costs of its equipment and furnishings.
 - The College has been in discussions with the Legislature regarding options for making these loan payments.

Non-disturbance Agreement:

- ✓ At the February, 2015 meeting of the Seattle Colleges Board of Trustees, authority was delegated to the Chancellor to enter into a Non-disturbance Agreement between the PHPDA, the Department of Commerce, the Pacific Tower QUALICB, LLC, and the Seattle Colleges which states that in the event of a Lessee Default during the 8 year non-disturbance period, the building lease shall be assumed by the Seattle Colleges.
 - For this to be initiated, the Department of Commerce would have to have defaulted on the lease payments to the PHPDA.

State of Washington Approval of the Transaction / Project Completion (Exhibit O):

- ✓ The Office of Financial Management (OFM) has sent a memo to the Department of Commerce outlining certain conditions that must be met in order for OFM to provide approval on the lease/sublease modifications required for the New Market and Historic Tax Credit structure.
 - The team engaged on this project has been working diligently on meeting these criteria so that the transaction may proceed with OFM approval.

Foundation for Seattle Colleges

In October 2014, the Foundation for the Seattle Colleges engaged outside legal counsel to help guide them in this transaction. The Foundation and its counsel developed a "risk list" (Exhibit P) which has guided their discussions and participation.

Lease

- ✓ Construction: The primary risk, now that much of the college's design is completed and bid, is from escalation in costs due to the four to five month delay in authorizing the start of construction. The ownership team and owner's representative (the Jonathan Rose Company) estimate that this delay will result in a \$500,000 escalation to the final cost.
 - A contingency amount of \$1.7 million is built into the construction budget.
 - The two primary contractors, Mortenson and McKinstry, both have posted payment and performance bonds for the full cost of their scope of work and their subs. They also have taken out policies for builder's risk during the construction period which would pay out benefits to Commerce in the event they fail to perform their jobs or there is a catastrophic loss that is their fault.

Loans

- ✓ The Foundation and its recently formed affiliated entities are contemplating borrowing funds to aid in the completion of the project as follows:
 - \$2 million from the Washington State Housing Finance Commission
 - This loan would be paid back from the cash flow of the operation of the Tower. Primarily by the rents paid by the non-profit sub-tenants of the facility.
 - Seattle College District VI has no liability for this loan.
 - Bridge Loan for the Historic Tax Credits

- Due to the nature of the timing of the Federal Historic Tax Credit Program, a “bridge loan” of approximately \$8.3 million will need to be taken on by the Foundations affiliated QUALICB entity.
- This loan will be made by Enterprise Community Partners / Craft 3. Currently proposed terms are a 2 year term, no prepayment penalties with 6% interest.
- This loan would be repaid by the proceeds from the Historic Tax Credit transaction. The interest costs will be paid by the construction budget for the project.
- Seattle College District VI has no liability for this loan.

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

OFFICE OF THE CHANCELLOR



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www.seattlecolleges.edu

MEMORANDUM - CONFIDENTIAL

TO: Board of Trustees

FROM: Dr. Jill Wakefield
Chancellor

DATE: March 18, 2013

SUBJECT: Pacific Medical Center

Over the past decade, Seattle Central has faced a critical capacity issue with Allied Health Programs. The College is at 30,000 square feet over capacity and is in the process of seeking approval for a Bachelor's of Nursing which would create a total space deficit in the range of 80,000 square feet. In 2009, the College developed a proposal for a regional community health education center to house these programs. While there was support for the project, funding was not available for the \$120 million facility.

Last fall, a unique opportunity opened up. The Pacific Hospital Preservation and Development Authority announced that 200,000 square feet space was available at their building atop Beacon Hill overlooking the city. The first floor of the building is already occupied by the Pacific Medical Center Beacon Hill Clinic which serves a large and diverse mix of patients.

Area legislators and several community members approached Seattle Community Colleges and asked if they would be interested in becoming the "anchor tenant" in the space that would house other community health care clinics and organizations as well. Legislators indicated that they would seek funding this legislative session to renovate the College Space and fund the lease.

Seattle Central has proposed a plan for the occupancy of 86,000 square feet of the building. The plan would include housing of the College's dental hygiene, dental assistant, Bachelor of Nursing, Associate Nursing Degree, Respiratory, Surgical technology and Optician programs. Renovation of this former hospital would cost roughly \$28 million - a significant reduction from the cost of the proposed building.

The Pacific Medical Center has indicated that they would be open to working with the colleges to offer clinical training opportunities at clinic sites. There may also be opportunities to offer clinical training at their eight other clinics which serve more than 300,000 patients. Clinic sites are a key component of health care education programs.

Several other complementary programs have indicated an interest in joining Seattle Central in the building. These include: Administrative Offices of NeighborCare – which has the potential to provide dental clinical sites; the Cross Cultural Health Program – training program for medical interpreters to serve immigrant communities; Neighborhood House, the Fare Start restaurant and catering services; Philanthropy Northwest, 501 Commons and the homecare training fund.

Rep. Eileen Cody, Chair of the House Health Care Committee, has committed to putting the renovation and lease proposal into the House Capital Budget pending approval by the Seattle Community College Board of Trustees.

Time is tight for submission to the Capital Budget with an estimate release date of March 21.

I am requesting that the Board meet to discuss this proposal to establish a regional health care training center at Pacific Medical Center (former Amazon headquarters) and to provide direction and authority to enter into a long-term lease, should funding become available from the state legislature. Speaker Frank Chopp will join the meeting via phone.

OFFICE OF THE CHANCELLOR



Seattle
CENTRAL
Community
College

NORTH
Seattle
Community
College

SOUTH
Seattle
Community
College

SVI Seattle
Vocational
Institute

Georgetown
Campus

NewHolly
Learning
Center

Seattle
Maritime
Academy

Wood
Construction
Center

Washington District VI
1500 Harvard Avenue
Seattle, WA 98122
206.934.3872
Fax 206.934.3894
Voice Relay 800.833.6388

April 16, 2013

Mr. Dan McConnon
Deputy Director, Community Services & Housing Division
Washington State Department of Commerce
1011 Plum Street SE
P.O. Box 42525
Olympia, WA 98504-2525

Dear Mr. McConnon –

I am writing this letter to express the Seattle Community Colleges' strong interest in working with the Pacific Hospital PDA and the State of Washington to develop a facility to train and educate current and future health care workers at the Pacific Hospital located at 1200 12th Avenue South, Seattle. This facility will allow our colleges to meet the increasing demand for a trained workforce in health care occupation.

I have been discussing this opportunity with the Seattle Community Colleges' Board of Trustees and although there is not currently a formal proposal to consider, I believe that once the due diligence process underway at the Department of Commerce is completed and our financial and risk management questions are resolved, the Seattle Community Colleges will be excited to be a partner in this proposed endeavor.

Please feel free to contact me directly (at 206.934.3872) if you would like to discuss this further.

Sincerely,

Jill Wakefield
Chancellor

C: Board of Trustees
Speaker Frank Chopp
Rep. Eileen Cody
Sen. Sharon Nelson
Governor Jay Inslee
Paul Killpatrick, President, SCCC
Kurt Buttleman, Vice Chancellor of Finance & Technology

1	King County Boys and Girls Club	\$1,000,000
2	The Children's Center - Vancouver	\$1,200,000
3	Food Lifeline Relocation	\$3,100,000
4	Camp Primetime Repairs and Improvements	\$100,000
5	Boys & Girls Club Community Center/Clubhouse	\$300,000
6	Safe Routes to School - 68th Avenue NW	\$471,000
7	Drug Abuse Prevention Center	\$114,000
8	SERA Campus Multi-Sports Facility	\$1,000,000
9	Adna School District Track	\$160,000
10	Safe Harbor	\$100,000
11	HUB Center for Seniors	\$500,000
12	Small Faces Child Development Center	\$500,000
13	Meals on Wheels Services Center	\$496,000
14	Cottages at Forest Park	\$500,000
15	Pasco Second Harvest Distribution Center Construction Phase 2	\$3,000,000
16	Thurston County Food Bank	\$1,000,000
17	Auburn Community Center at Les Grove Park Campus	\$3,000,000
18		
19	TOTAL	\$19,677,000

20 Appropriation:

21	State Building Construction Account--State	\$19,677,000
22	Prior Biennia (Expenditures)	\$0
23	Future Biennia (Projected Costs)	\$0
24	TOTAL	\$19,677,000

25 NEW SECTION. Sec. 1080. FOR THE DEPARTMENT OF COMMERCE

26 Pacific Medical Center (91000445)

27 The appropriation in this section is subject to the following
 28 conditions and limitations: The appropriation in this section is
 29 provided solely for predesign, design, renovation, and other
 30 development or transition costs necessary for Pacific Tower to be used
 31 for community college health career training programs, offices for the
 32 department of commerce or other appropriate state agencies, and other
 33 nonprofit community uses, including community meeting and training
 34 facilities. Funds may be allotted only after a memorandum of
 35 understanding containing the lease provisions and a plan for

1 construction management has been executed between the state of
2 Washington and the Pacific hospital preservation and development
3 authority.

4 Appropriation:

5	State Building Construction Account--State	\$20,000,000
6	Prior Biennia (Expenditures)	\$0
7	Future Biennia (Projected Costs)	\$0
8	TOTAL	\$20,000,000

9 NEW SECTION. Sec. 1081. FOR THE DEPARTMENT OF COMMERCE

10 Public Works Assistance Account Project Backfill (91000581)

11 The appropriation in this section is subject to the following
12 conditions and limitations: \$104,000,000 for fiscal year 2014 and
13 \$54,000,000 for fiscal year 2015 is provided solely for the anticipated
14 drawdown of funds associated with previously authorized projects under
15 sections 1010, 1036, 1039, 1040, 1058, and 1059 of this act.

16 Appropriation:

17	State Taxable Building Construction Account--	
18	State	\$158,000,000
19	Prior Biennia (Expenditures)	\$0
20	Future Biennia (Projected Costs)	\$0
21	TOTAL	\$158,000,000

22 NEW SECTION. Sec. 1082. FOR THE OFFICE OF FINANCIAL MANAGEMENT

23 Cowlitz River Dredging (20082856)

24 Reappropriation:

25	State Building Construction Account--State	\$250,000
26	Prior Biennia (Expenditures)	\$1,250,000
27	Future Biennia (Projected Costs)	\$0
28	TOTAL	\$1,500,000

29 NEW SECTION. Sec. 1083. FOR THE OFFICE OF FINANCIAL MANAGEMENT

30 Chehalis River Basin Flood Relief Projects (91000398)

31 Reappropriation:

32	State Building Construction Account--State	\$4,689,000
----	--	-------------

1 (19) \$4,000,000 of the general fund--state appropriation for fiscal
2 year 2014 and \$850,000 of the general fund--state appropriation for
3 fiscal year 2015 are provided solely for purposes of creating and
4 operating a community health care and education and innovation center
5 at the Pacific Medical Center in Seattle. Amounts provided in this
6 subsection must be used for lease, maintenance, operations, and other
7 required related expenses for Seattle community colleges allied health
8 programs and other related uses identified by the department of
9 commerce. The department is authorized to enter into a thirty-year
10 lease for the Pacific Medical Center property.

11 (20) Within the appropriations in this section, the department
12 shall, by December 1, 2013, develop a comprehensive start-up Washington
13 strategy to facilitate the growth of start-ups and enhance the state's
14 competitiveness in recruiting and retaining businesses that start up in
15 Washington. This shall include but is not limited to: Business and
16 occupation tax relief, capital investment, regulatory burdens,
17 workforce and infrastructure needs and support. Start-up businesses
18 interactions with state government and other public entities as a
19 customer shall also be considered.

20 (21) \$700,000 of the general fund--state appropriation for fiscal
21 year 2014 and \$700,000 of the general fund--state appropriation for
22 fiscal year 2015 are provided solely for the department to identify and
23 invest in strategic growth areas, support key sectors, and align
24 existing economic development programs and priorities. The department
25 must consider Washington's position as the most trade dependent state
26 when identifying priority investments. The department must engage
27 states and provinces in the northwest as well as associate development
28 organizations, small business development centers, chambers of
29 commerce, ports, and other partners to leverage the funds provided.
30 For each dollar expended the department must receive a one hundred
31 percent match. The match may be provided by the department through
32 nongeneral fund sources, or any partnering governments or
33 organizations. The department must develop performance metrics and
34 milestones. The department must electronically submit the performance
35 metrics and performance-to-date by January 1, 2014, to the economic
36 development committees of the legislature.

37 (22) The department is authorized to suspend issuing any



October 10, 2013

Jorge Carrasco
Chair, Board of Trustees
Seattle Community Colleges
1500 Harvard Ave
Seattle, WA 98122-3803

Dear Jorge,

In the 2013 General Session of the Legislature, provision was made in the capital budget and the operating budget for the establishment of a community healthcare, education and innovation center at the historic Pacific Tower on Beacon Hill in Seattle. ESSB 5035, a capital appropriation to the Department of Commerce of \$20,000,000 was made which reads as follows:

Pacific Medical Center (91000445)

The appropriation in this section is subject to the following conditions and limitations:

The appropriation in this section is provided solely for predesign, design, renovation, and other development or transition costs necessary for Pacific Tower to be used for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community meeting and training facilities. Funds may be allotted only after a memorandum of understanding containing the lease provisions and a plan for construction management has been executed between the state of Washington and the Pacific hospital preservation and development authority.

A principal objective of this appropriation was to provide new instructional space for the Allied Health and Nursing programs of the Seattle Community College District (SCCD). The state and the Puget Sound region face a critical workforce shortage in the healthcare professions. The SCCD is both qualified to train healthcare professionals to meet that shortage and located at the heart of the region's healthcare employment hub. The appropriation was intended to fully cover the costs associated with renovating the Pacific Tower for the SCCD's occupancy, including tenant improvements, common area improvements, equipment and furnishings and moving costs.

The \$20,000,000 appropriation was made based on preliminary estimates of the costs to be incurred by the Department of Commerce in renovating the building and the expense to the SCCD to transfer programs to the Pacific Tower. If the appropriated amount should prove insufficient once final design is completed, our commitment to the District and our legislative intent was to seek additional funding to make up the difference.

In addition to the capital budget appropriation, the Legislature appropriated funds in 3ESSB 5034 (Operating Budget Bill for 2013-2015), to the Department of Commerce for the Pacific Hospital project which reads as follows:

\$4,000,000 of the general fund--state appropriation for fiscal year 2014 and \$850,000 of the general fund--state appropriation for fiscal year 2015 are provided solely for purposes of creating and operating a community health care and education and innovation center at the Pacific Medical Center in Seattle. Amounts provided in this subsection must be used for lease, maintenance, operations, and other required related expenses for Seattle community colleges allied health programs and other related uses identified by the department of commerce. The department is authorized to enter into a thirty-year lease for the Pacific Medical Center property.

The intent in making this appropriation was to ensure that the SCCD would occupy and use the Pacific Tower facility at no additional operating expense to the District for rent, utilities and common area charges. While we cannot bind future legislatures, it is our intent that the state shall make provision for these expenses in the operating budget for the duration of the 30 year master lease between the Department of Commerce and the Pacific Hospital Preservation and Development Authority, the Pacific Tower's owner.

In addition, it was our intent to provide funds throughout the balance of the thirty year lease for additional expenses incurred by the SCCD to operate a new satellite campus at the Pacific Tower.

The Pacific Tower and the creation of a community healthcare, education and innovation center at the Tower is critical to maintaining the public health and meeting the workforce development needs of our state. I am proud to have supported these appropriations and would welcome any questions you may have about them.

I look forward to working with you and the SCCD to help advance the community health college and innovation center.

Sincerely,

A handwritten signature in black ink that reads "Frank Chopp". The signature is written in a cursive, slightly slanted style.

Frank Chopp
Speaker of the House

STATE REPRESENTATIVE
43rd DISTRICT
FRANK CHOPP
SPEAKER OF THE HOUSE

State of
Washington
House of
Representatives

RULES
CHAIRMAN



December 23, 2013

Albert Shen, Incoming Chair
Board of Trustees

Jill Wakefield, Chancellor

Seattle Community Colleges
Seattle Community College District
1500 Harvard Avenue
Seattle, WA 98122

RE: Supplemental Capital for the Pacific Tower Project

Dear Incoming Chair Shen and Chancellor Wakefield,

I appreciated the opportunity to meet with Trustee Hill and Chancellor Wakefield on December 17th to discuss the board's concerns regarding the adequacy of the capital budget appropriation for the Seattle Community College's health care training center at Pacific Tower. I appreciate the enthusiasm the board has for this project, and I understand your commitment to ensuring that adequate funding is available for tenant improvements, furniture, equipment and project development costs.

I want to summarize the six avenues I proposed to ensure the capital necessary for the Seattle Community College District to fully build out its 85,000 square feet in the Pacific Tower. I am committed to pursuing any and all of these on behalf of the District. These include:

- 1) The 2014 Capital Budget appropriation. We agreed that the first priority for the \$20 million state appropriation should be to cover the construction of Seattle Central's tenant improvements. I understand that cost to be estimated at \$18 million, and I will advocate to the Department of Commerce that it come from the 2014 appropriation.
- 2) Governor Inslee has included \$1.8 million in additional operating budget authority for the Pacific Tower Project in his proposed 2014 supplemental budget.
- 3) Commerce has identified other funds under its authority which it could potentially re-allocate to the Pacific Tower. These funds could potentially be used towards other tenant improvements at Pacific Tower.
- 4) A certificate of participation or a Washington Housing Finance Commission S.T.E.P. bond. I will work to include supplemental operating budget authority for the District to service debt, if it proves advisable to borrow funds to bridge the construction and equipment needs of the District.
- 5) Private donations, foundation grants, and other government funding. A number of Pacific Tower supporters and I have formed a non-profit effort, Friends of Pacific Tower, to actively pursue non-state government funding for the

District's construction needs and its educational programs at the Pacific Tower, as well as for the other non-profit lessees in the building.

- 6) Additional appropriations from future capital budgets. If needed, I will work to include in the 2nd supplemental capital budget for the 2013-14 biennium or in the capital budget for the 2015-17 biennium money for the District's construction and equipment needs on the Pacific Tower project.

In addition to these sources, I am encouraging the Department of Commerce to finance the energy conservation measures for the Pacific Tower through other currently available programs, such as the Washington Housing Finance Commission's Sustainable Energy Trust and Seattle City Light's energy conservation incentives.

I trust that this summarizes our conversation and demonstrates my commitment to covering the costs of creating a health care training center at Pacific Tower and provides you the confidence to enter into a sublease with the Department of Commerce. Please call me if I can be of any further assistance in your deliberations.

Sincerely,

A handwritten signature in black ink that reads "Frank Chopp". The signature is written in a cursive, slightly slanted style.

Frank Chopp
Speaker of the House

Allied Health & Nursing Programs at The Pacific Tower

This document has been prepared for the Seattle Community College District Trustees to assist their review of a proposal to enter into a long term lease at the Pacific Tower to establish a satellite campus. It is a draft document for discussion purposes only.

THE CASE FOR AND BUSINESS PLAN OF SEATTLE CENTRAL TO ANCHOR A NEW COMMUNITY HEALTH CARE, EDUCATION AND INNOVATION CENTER SERVING THE PUGET SOUND REGION

2011 – 2016 Seattle Central Community College's Strategic Plan Priorities

- 1. Increase domestic enrollment, retention and completion ...*
- 2. Plan, develop and implement facilities improvements and expansion to meet current and future needs.*
- 3. Engage in new partnerships, and strengthen those in place.*

SEATTLE COMMUNITY COLLEGES

Executive Summary

The Seattle Community College District is major provider of trained candidates for employment in healthcare. Seattle Central has traditionally offered certificates and associate degrees in Allied Health and Nursing professions. Through Seattle Central, the District will now offer career paths to students enrolling at any of its three campuses and the Seattle Vocational Institute to progress to baccalaureate degrees in nursing and allied health.

Seattle is a multi-state hub for the provision of healthcare and for research in bio-medicine. The Workforce Development Council projects significant shortfalls in the healthcare workforce, especially in baccalaureate degreed candidates. The District, therefore, has both a key role to play and an opportunity to expand its enrollment and course offerings in the preparation of our region's healthcare workforce.

The District has been offered by the Washington State Legislature the opportunity to expand its instructional space for healthcare careers by becoming the anchor tenant at the historic Pacific Tower on north Beacon Hill. Occupancy in the fall of 2015 would be concurrent with the introduction of new baccalaureate degrees offered through Seattle Central. Career pathways via articulation and the new Associate of Applied Science – Transfer at Seattle Central make it possible for students to start at any of the District's three campuses and the Seattle Vocational Institute and graduate with a baccalaureate degree.

The Legislature's intent was to provide space in the Pacific Tower rent-free to the District and Seattle Central. The District would be the anchor tenant with a lease executed with the Washington Dept. of Commerce. Commerce is the master lessor from the building's owner, the Pacific Hospital Public Development Authority. The Legislature has appropriated funds in this current biennium to cover all expenses, both capital improvement and rent obligations, associated with the District's use of approximately 85,000 square feet in the Pacific Tower. Their stated intent is to have this appropriation carry forward into the base budget for the Department of Commerce for the life of the thirty year lease.

The Allied Health and Nursing Programs of Seattle Central and the Seattle Vocational Institute which are proposed for relocation to a Pacific Tower satellite campus currently occupy approximately 42,000 square feet.

Expense and income projections for those healthcare training programs currently envisioned at a new Pacific Tower satellite campus are cash-flow positive in the first fiscal year after relocation.

Timeline

Target Date	Action Item	Leadership
November 2013	Establishment of Healthcare Workforce Advisory Council	President SCCC
January 16 th 2014	Trustee Approval of Sublease and MOU	Chancellor
January 30 th , 2014	Selection of Architect	Enterprise Services
February – July 2014	Programmatic & Schematic Design	Dean of Allied Health & SCCC Project Manager

April 1 st 2014	Selection of General Contractor / Construction Manager	Enterprise Services
Spring 2014	Hire Pacific Tower Program Coordinator and Bldg. Manager	EVP of Instruction, Dean of Allied Health
Summer 2014	Hire Director of Student Success	EVP of Instruction
August 2014	Issuance of Construction Documents	Enterprise Services
November 2013 – June 2014	Instructional Program Review with Healthcare Workforce Advisory Committee	EVP of Instruction, Dean of Allied Health & SCCC Project Manager
Spring 2014	Hiring of Curriculum Designer(s)	Dean of Allied Health
September 2014	Facility Construction Start	GC/CM
Fall 2014	Hire Advisor/Coordinator for Registration & Hire Librarian	
March 1, 2015	Specify and Order Instructional Equipment, Furnishings and Fixtures	Enterprise Services
Winter-Spring 2015	Hire IT Support & Administrative Support Personnel	
July-August 2015	Complete facilities construction and deliver all furniture, fixtures and equipment	Enterprise Services
September 2015	SCCC transfers allied health and nursing programs to Pacific Tower campus	Dean of Allied Health

Capital Construction Cost and Phasing

In February and March of 2013 the architectural firm of Schreiber, Starling and Lane (SSL) conducted a “test to fit” study for Seattle Central Community College to determine an estimate square footage to accommodate nursing and allied health instructional programs at the Pacific Tower. That study concluded that to accommodate the existing programs and the planned addition of the baccalaureate of applied science – allied health and the baccalaureate of science – nursing programs the college would need 85,000 square feet in the Pacific Tower. They provided a rough estimate of the capital requirements to build out five floors of the Tower and equip it for those allied health and nursing programs. Subsequently in late 2013, SSL and consultants to the Seattle Community College District conducted an analysis of those projected costs against comparable recent community college projects across Washington. The projected expenditures for remodeling, equipment and furnishings were best guesses wherein square footage by type of space was multiplied by a 2015 estimated per square foot cost. SSL advised that when a detailed program for the space is agreed upon and design development completed, we will have improved estimates.

The revised capital requirements for 85,000 square feet of space for Seattle Central at the Pacific Tower is an order of magnitude estimate of \$23 million. It can be broken out into two phases: \$18 million for

architectural and engineering design services, construction and project management; \$5 million for equipment, furnishings and fixtures.

To occupy the Pacific Tower by the fall of 2015, a construction contract will likely have to be signed by July of 2014. Equipment and furnishings can be ordered at a later date, probably six months out from final occupancy or roughly March of 2015. So it is conceivable to commit to the facility construction with \$18 million in available funds on July 1st, 2014 and delay commitments for equipment and furnishings until the District secures a second capital appropriation, private donations, or a certificate of participation is authorized.

The second reason is that, while the facility construction costs cannot be avoided, some of the equipment cost may be avoidable. Seattle Central has some equipment, such as simulation lab dummies and equipment and dental chairs, which may be in good enough condition to move to the Pacific Tower. SSL has built their estimate on purchasing all new equipment. In addition, we believe that private donors are much more inclined to give for specialized instructional equipment than general construction. So it is likely that the \$4.9 million equipment and furnishings expense can be reduced.

The proposed design and development timeline is aggressive and relies upon the use of an overlapping design and architectural services contract paired with an early selection of a general contractor/construction manager. By overlapping their services, rather than using a traditional design/bid/build process, Enterprise Services is hopeful of cutting down the overall project timeline and achieving savings.

There is a distinct possibility that Seattle Central will have to phase-in the transfer of existing instructional programs to the Pacific Tower campus if the assumptions on time savings and efficiency which underpin the timeline are not achieved.

Sublease and Memorandum of Understanding

Space in the Pacific Tower is subject to the terms of a thirty year sublease negotiated in the fourth quarter of 2013 with the Washington State Department of Commerce, the master tenant in the Pacific Tower. Under the terms of that sublease, the Seattle Community College District is responsible for its proportionate share of the rental, utilities and maintenance costs. Both the Washington Department of Commerce and the District expect that all such financial obligations of the District will be paid via biennial appropriation from the Washington State Legislature. The Department and the District have entered into a Memorandum of Understanding (see attached appendix) which runs as a companion document to the sublease. That Memorandum of Understanding outlines shared expectations about the source of funds to meet those sublease obligations, availability of capital appropriations to pay for tenant improvements and other financial aspects of establishing a satellite campus at the Pacific Tower.

The Vision – A Community Health Care, Education and Innovation Center

Seattle is both a regional hub for high quality medical care and a world-renowned bio-medical research hub. Within the city boundaries there are over 74,600 medical workers representing an annual earning power in excess of \$3 billion. Healthcare and bio-med represent one of the state's most important economic clusters.

Yet even in the face of one the nation's highest concentrations of physicians and nurses per capita, a significant percentage of the population has no primary care physician. Over 79,000 residents of King County will be newly enrolled in healthcare insurance under the Affordable Care Act, creating a surge in demand for primary care. Much of that care will be delivered, not by physicians, but by the professionals in Allied Health and Nursing which the colleges of the Seattle Community College District train. Many of those professions are being asked to upgrade their skills and training and to obtain higher levels of degree completion. One example is the expectation that by 2020, 80 percent of all nurses employed by hospitals will have a Bachelors of Science in Nursing (BSN) degree.

Led by Seattle Central, the Seattle Community College District will be the premier health career training provider for the Puget Sound Region. Across our three campuses and the Seattle Vocational Institute we currently serve 1800 students in our Allied Health and Nursing programs.¹ The accompanying report in Appendix 1 details the three year average enrollment in each healthcare career training program, as well as a discussion of unmet demand. With the addition of new instructional space, the introduction of new baccalaureate degrees, contract training for incumbent healthcare workers and opportunities for articulation with South and North Seattle Community Colleges, the Allied Health and Nursing Programs of Seattle Central will greatly expand.

From a 2013 enrollment of 243 FTEs in the Allied Health and Nursing programs at Seattle Central, we anticipate that expansion at the Pacific Tower campus will grow enrollment by an additional 216 FTEs at the low end to a high of an additional 432 FTEs. This does not include any contract training enrollments, another opportunity with great demand in the hospitals and clinics in the Seattle District's service area.

The Pacific Tower building will serve as a new satellite campus for the Allied Health and Nursing Programs. With a doubling of the instructional space currently available in the Broadway/Edison building, the Pacific Tower represents a chance to link our enrolled students with co-located healthcare clinics and healthcare industry associations. The Tower is currently home to a PacMed primary care clinic and diagnostic imaging center. Prospective tenants for the Pacific Tower being actively recruited by the Washington Department of Commerce include Neighborcare and SeaMar, two of the largest clinic networks in Washington State, as well as the Seattle Indian Health Board, the Washington State Hospital Association, and the Northwest Regional Primary Care Association.

Seattle Central, as the lead for the District's four campus training delivery model for Allied Healthcare Professions, will forge partnerships that should increase enrollment at all campuses. Central is introducing an Associate of Applied Sciences – Transfer in Allied Health degree which allows articulation of course offerings and transfer of credits earned at South, North and Seattle Vocational

¹ "Enrollment in the Health Medical Programs at the Seattle Community Colleges"

Institute (SVI.) This creates clear pathways for students to achieve their career goals up through a baccalaureate degree in the shortest time possible, regardless of at which campus they begin their training. Seattle Central has also identified Allied Health and Nursing programs in nearby community colleges, such as Highline and Shoreline, as feeders for its health care baccalaureate degree program.

Formation of a Healthcare Advisory Committee will provide an introduction of Central's new baccalaureate offerings and the District's comprehensive healthcare career training program to employers and industry leaders drawn from across the entire spectrum of healthcare delivery. This will lead to more openings for clinical rotations for enrolled students at all three campuses, as well as enhanced placement opportunities after graduation.

The Fit to the SCCD and Seattle Central Mission

The creation of a Community Healthcare, Education and Innovation Center led by Seattle Central is a significant new initiative that is consistent with the mission of the District. It expands our course offerings for professions in one of the fastest growing industry clusters both regionally and nationally. Those course offerings embody the principles of lifelong learning and a career ladder where successive levels of training and certification allow workers to move up the income ladder within their profession. Finally, by co-locating our faculty and students with primary care clinics it both enhances our community engagement and the learning environment for our students.

Seattle Central has four core themes:

- Responsive teaching and learning
- Being a catalyst for opportunity and success
- Diversity in action
- Engagement with our communities

The Broadway/Edison campus and the Pacific Tower anchor the two ends of 'Pill Hill,' the traditional locus of healthcare delivery and employment. With the opportunity to expand instructional programs due to the Pacific Tower opportunity, Seattle Central will be more responsive, better engaged with its immediate community, and be a catalyst for industry growth and success.

This renewed emphasis on Allied Health and Nursing which results from relocating to the Pacific Tower also helps Central realize three strategic priorities embraced this academic year.

- It will help build enrollment, retention and completion by showing a

The Seattle Community Colleges will provide excellent, accessible educational opportunities to prepare our students for a challenging future.

Our Vision

The Seattle Community colleges will be learning-centered in providing high-quality and innovative education; and in preparing our students for success and lifelong learning.

We value teaching and learning

We promote commitment to a lifetime of learning; creation of a community of learners; imaginative, visionary, expert instruction; and use of innovative instructional technology.

We value students

We promote programs, services and activities that address students' needs and interests; student success through accessibility and support services; and student development through activities both inside and outside the classroom.

We value diversity

We promote respect for the abilities and interests of each individual; awareness and understanding of all people; and appreciation of the unique cultures of our campuses.

clear path for students to achieve licensure or credentialing for good paying jobs.

- It helps free up badly needed instructional space on the Broadway/Edison campus.
- It will engage the entire college in new partnerships, bringing in both more instructional resources and placement opportunities.

In sum, the vision of creating a satellite campus anchored by the Allied Health and Nursing programs is consistent with both the mission of the District and the strategic plan of Seattle Central.

Current Healthcare Career Training across Four Campuses

The following table represents the entire array of certificate and associate degree programs offered in the District's four campuses.

Seattle Community Colleges Allied Health Certificates/Degrees and Pathways			
Seattle Central Health Education Center			
SCCC	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Registered Nurse (ADN)	Associate Degree	RNB (BSN)	
Respiratory Care Practitioner (RCP)	AAS-T and BAS in Allied Health		
Surgical Technician	Certificate or Associate Degree	AAS-T in Allied Health	BAS in Allied Health Sciences
Opticianry	Associate Degree	BAS in Allied Health Sciences	
Expanded Function Dental Auxiliary (EFDA)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Dental Hygienist	AAS-T and BAS in Allied Health		
Nursing Assistant Certified (NAC)	Certificate	Registered nurse (ADN) or AAS-T in Allied Health	RNB (BSN) or BAS in Allied Health Sciences
SVI	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Medical Assistant	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Phlebotomy Technician	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Dental Assistant	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
NCCC	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Medical Assistant	Certificate or Associate Degree	AAS-T in Allied Health	BAS in Allied Health Sciences
Medical Reception	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Registered Nurse (LPN to RN) (ADN)	LPN Certificate and Associate Degree	RNB (BSN)	
Pharmacy Technician	Associate Degree	AAS-T in Allied Health	BAS in Allied Health Sciences
I-BEST Phlebotomy	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Nursing Assistant Certified (NAC)	Certificate	Registered nurse (ADN) or AAS-T in Allied Health	RNB (BSN) or BAS in Allied Health Sciences
SSCC	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Licensed Practical Nurse (LPN)	Certificate	Registered nurse (ADN)	RNB (BSN)
Registered Nurse (LPN to RN) (ADN)	LPN Certificate and Associate Degree	RNB (BSN)	
Medical Office Clerk	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Nursing Assistant Certified (NAC)	Certificate	Registered nurse (ADN) or AAS-T in Allied Health	RNB (BSN) or BAS in Allied Health Sciences
Previous District Healthcare Certificates			
Respiratory Care Practitioner (RCP)	Associate Degree	BAS in Allied Health Sciences	
Dental Hygienist	Associate Degree	BAS in Allied Health Sciences	
Medical Administrative Specialist (MAS)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Acute care nursing assistant	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Medical transcription	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Emergency medical technician (EMT)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Medical Office Administrator (MOA)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Health Unit Administrator (HUC)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences

The two right hand columns illustrate the pathways by which students entering in the certificate or degree program at their "home" campus can attain the highest degree possible via articulation to Central's AAS-T program. We anticipate that new enrollment in our AAS-T and baccalaureate programs will come not just from current graduates of our sister colleges' certificate and degree programs, but from previous graduates as well. Even programs which the District has since discontinued, such as medical transcription and emergency medical technician, may be sources for baccalaureate candidates.

Current enrollment in the certificate and degree programs listed above is as follows:

Table 1
Seattle Community Colleges Healthcare Program Average Headcount for 2010-11,
2011-12 and 2012-13

Seattle Central	3-Year Average Headcount
Nursing	149
Surgical Technology	54
Opticianry	50
Dental Hygiene	46
Respiratory Care	45
Dental Assisting (EFTA)	19
Central Supply Technology	8
Patient Care Tech	5
Average Annual Enrollment	376
North Seattle	3-Year Average Headcount
Practical Nursing	175
Nursing	113
Nursing Assistant	86
Phlebotomy	84
Pharmacy Technician	62
Medical Assistant	59
Medical Assisting Programs	50
EMT	32
Sustainability in Healthcare	18
IT for Healthcare	13
Average Annual Enrollment	695
South Seattle	3-Year Average Headcount
LPN	131
NA-C	93
Medical Office Assistant	74
Nursing	28
Average Annual Enrollment	325
Seattle Vocational Institute	3-Year Average Headcount
Medical Assistant	179
Dental Assistant	63
Phlebotomy	57
Medical Administrative Specialist	42
Average Annual Enrollment	339
District-wide Average Annual Headcount	1733

Source: DW_STUDENT & CLASS Tables

New Opportunities in Healthcare Career Training

In evaluating the Pacific Tower, Seattle Central is conducting a review of workforce development needs and training gaps in the Greater Seattle area. President Paul Killpatrick has convened a Healthcare Workforce Advisory Council (see description, membership and work program below) and conducted dozens of interviews with stakeholder organizations, such as community health clinics, hospitals and industry associations. Seattle Central and its sister colleges are using the feedback to re-evaluate the program mix of certificate, degree and continuing education offerings provided across our three colleges and SVI.

Among the opportunities for new program offerings are the following:

- Emergency Room Technician

- Patient Care Navigator

- Healthcare Information Technologist

- Medical Billing Clerk / Coding Specialist

- Community Healthcare Worker

- Therapist Technician (occupational, physical, speech, etc.)

- Medical/Clinical Lab Technicians

- Workers trained specifically for long term residential care environment

 - (certified nursing assistant, licensed practical nurse, RN, therapy technologist)

- Pharmacy Technician

In addition, a variety of skill sets for workers who already hold jobs were identified as possibilities for continuing or contract education to be offered by Seattle Central or its sister colleges:

- Team Dynamics and Communication Skills

- Leadership Training for mid-level healthcare professionals

- Integration of Behavioral Health professionals and treatments into holistic patient care plans

- Career Orientation / Career Ladder coaching

Enrollment and Budget Overview

Seattle Central and Seattle Vocational Institute currently offer a range of certification and associate degree opportunities in the allied healthcare professions. With a few exceptions, most sequences have a waiting list. As an example, there are over 200 individuals who have completed the pre-requisites for admission to the associate degree in nursing program but who sit on our waiting list. Our dental assisting and dental hygiene associate degree programs are constrained by the number of lab stations our current facilities allow.

Our plan for the Pacific Tower instructional space, however, is not predicated on an expansion of the existing associate degree programs in Allied Health. We will target our FTE growth in the new degree programs for Bachelor of Applied Science, Bachelor of Science – Nursing, and Associate of Applied Science – Transfer.

Rationale

The coursework required to earn the BAS and BSN (RN-B) degrees are primarily delivered through traditional classrooms, textbooks and self-guided study tools, rather than laboratory demonstrations and clinical rotations. We are also planning video relay classes to connect the Pacific Tower with additional classes that might be on any campus across the district. This allows us to serve more students with standard classrooms and a library, where adding sections in our existing associate degree programs would require additional laboratories and carry a higher per FTE cost (see appendices 2-4)²

Our research on employment demand has identified large gaps in the supply of bachelors' degreed professions, such as BSN (RN-B) nurses, as well as 'degree creep' in those allied health positions, such as respiratory technicians, who have traditionally required only an associates' degree.

² "Program Sustainability Data 2009-2010 and "2010-2011 Program Sustainability Data and "2011-2012 Program Sustainability Data."

Current& Projected Enrollment Ranges – 2015 to 2019

Expanded Enrollment Opportunity - Pacific Tower			
Program Area	Upper Range # of FTES	Base Case # of FTES	Current Enrollment # of FTES
Total	759	459	273
AAS-T in Allied Health	160	80	0
BAS in Allied Health	80	55	0
BS - Nursing	120	40	0
BAS - Healthcare Mgmt.	40	0	0
BAS – Community Health	40	0	0
Additional New Programs	Unknown	Unknown	0
Nursing - AD	82	82	80.8
Respiratory Care	42	42	41.4
Opticianry	50	40	38.4
Surgical Tech	55	35	30.4
Dental Hygiene	60	55	53.7
Dental Assistant	30	30	28.4

The programs listed herewith will be offered at the Pacific Tower satellite campus. Those below the line are currently offered at either the Broadway/Edison campus or at Seattle Vocational Institute. The ones above the line are new degree offerings. We assume that based on feedback from a new Advisory Council (see below) we may offer new programs at the satellite campus in response to emerging workforce training needs. The baseline case projection for the BAS – Healthcare Management and BAS – Community Health, Wellness and Education assumes that these sequences will not be offered in the 2015-16 school year.

We are, however, working on an alternate strategy to simultaneously introduce those sequences with our BSN (RN-B) and BAS degrees in dental hygiene and respiratory care in our first year at the Pacific Tower. The top end of our enrollment projections assume a faster ramp up of enrollment due to offering all four BAS degrees in the fall of 2015. It reflects a more optimistic view of our capability to launch all the new programs simultaneously.

These enrollment projections are exclusive of any contract training, continuing education enrollment. Given the push for hospitals to increase the percentage of their nurses holding a baccalaureate degree, we anticipate that incumbent employee training will be an important source of future enrollment or contract training partnerships.

Fiscal Impact

BAS -- Applied Science & BSN (RNB) Summary Income Statement

BSN (RNB) Cohort Model

	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19
Student FTES	25.2	41.6	54.8	67.8	79.6
Total Operating Expenses	357,200	480,935	552,199	552,199	552,199
SBCTC FTE Revenue @ \$3664 per avg. FTE -- existing allocation	92,496	152,585	200,950	248,338	291,492
Tuition	211,461	350,673	462,550	571,952	671,418
Fees	3,910	6,486	8,556	10,580	12,420
Total Revenues	307,867	509,745	672,056	830,870	975,329

Net	(49,333)	28,810	119,857	278,671	432,131
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BAS Allied Arts

Student FTES	57.4	159.3	159.3	169.3	179.3
Total Operating Expenses	732,288	1,665,560	1,721,142	1,721,142	1,721,142
SBCTC FTE Revenue @ \$3664 per avg. FTE -- existing allocation	210,395	583,716	583,716	620,356	656,996
Tuition	413,108	1,198,056	1,202,965	1,278,082	1,353,199
Fees	22,574	67,446	67,446	68,826	70,206
Total Revenues	646,077	1,849,218	1,854,127	1,967,264	2,080,401

Net	(86,211)	183,658	132,985	246,122	359,259
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Overall Financial Impact	(\$135,544)	\$212,468	\$252,842	\$524,793	\$791,390
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Aside from capital expenses associated with remodeling the Pacific Tower, the move to the Pacific Tower makes good financial sense. The new degree offerings have a lower FTE cost and higher FTE income than our current Allied Health associate degree programs. There are, however, additional operational expenses associated with operating a satellite campus, primarily in student support services. Discussions have been held with Legislative leadership about increasing the annual subsidy commitment from the state to cover these added operational expenses as well as the rent obligation.

The added enrollment capacity and lower per FTE instructional costs associated with the AAS-T, BSN (RN-B) and BAS-Allied Health courses equate to an opportunity to surplus income in a range between

\$180,000 to \$1 million or more per year by FY 2019. We project the Allied Health and Nursing Programs to be cash-positive in FY 2016 (see appendix 5 and 6).³

Background – History of Allied Health & Nursing Programs

Soon after it was founded in 1967, the Seattle Community College District became a key contributor to Seattle's rise as a center for world-class healthcare by educating and developing healthcare professionals in fields including nursing, allied health, dental, and mental health. The District's comprehensive professional healthcare programming is integral to the Puget Sound area's healthcare excellence and is offered in close collaboration with other local and regional educational institutions, including the University of Washington and Seattle University; major medical centers and hospitals such as Swedish, Virginia Mason, Overlake, Group Health, and Northwest Hospital; and numerous community clinics and long term care facilities.

Current healthcare course offerings (those offered by Seattle Central are highlighted) throughout the Seattle Community College District include:

- Nursing assistant
- Acute care nursing assistant
- Licensed practical nurse
- Registered nurse
- Medical office administrator
- Medical transcription
- Medical assistant
- Emergency medical technician
- Surgical technician
- Pharmacy technician
- Respiratory care technician
- Phlebotomy technician
- Biomedical equipment technician
- Opticianry
- Dental assistant
- Expanded function dental assistant
- Dental hygienist

Bachelors of Science in Nursing

Seattle Central's Nursing Program is a paramount example of the success we have achieved in our healthcare career training. We pride ourselves on current and innovative teaching methodology. A high NCLEX (National Council Licensure Examination) pass rates is evidence of a quality program. SCCC has consistently maintained a high NCLEX pass rate with a 5-year average of 96.24% (2007-2011

³ "BAS in AHS Revenue and Expenses Projection 9-26-2013" and "RNB-BSN Revenue and Expenses Projection 9-27-2013"

NCLEX School Reports). Our success in our Associate Degree in Nursing program prompted SCCC to apply to the State Board for Community and Technical Colleges (SBCTC) for approval to offer a Bachelors of Science in Nursing (BSN (RN-B) program (see appendix 7.)⁴

Seattle Central's application for authority to offer the RN-B and BAS in Allied Health are currently going through state review and we are expecting that by the end of this academic year that both will be approved. We are prompted to offer the BSN (RN-B) degree to meet the growing need for professional certifications that current holders of the professional credential (RN) and the associate degree in nursing (ADN) require (see appendix 8)⁵

Seattle Central plans to admit students in fall quarter of 2014, assuming the state review of our application currently underway is positive. The degree will provide a bridge for those who hold an RN to complete the BSN (RN-B). The BSN (RN-B) is also positioned within the SCCC's Nursing program so that our students who are working towards their ADN will be able to continue their ease-of-access to SCCC and build more marketable skills that are required in the health care industry. Additionally, this degree will be available to students in ADN degree programs throughout the Seattle Community College District (SCCD), thus addressing affordability and access issues for students who live or work in Seattle.

Bachelors of Science – Allied Health

Seattle Central's Bachelors of Applied Science in Allied Health prepares students for careers as educators, administrators, research associates, advanced clinical practitioners, and supervisors in the allied health sciences. Additionally, it provides a streamlined pathway for graduates in applied health sciences at the certificate and associate degree levels to transition into higher education.

We have an application under review by the state for authority to offer this degree and anticipate approval in the fall of 2013.

At present, place-bound students have few opportunities to pursue a baccalaureate degree due to difficulty in transfer of credits or lack of opportunity. In Seattle-King County, the nearest four-year college or university offering a bachelor's degree in dental hygiene is Eastern Washington University located some 300 miles away. Eastern is the only in-state college offering a dental hygiene degree-completion program.

The pathway formed by connecting certificate level health program completers at Seattle Vocational Institute and North and South Seattle Community Colleges to the new allied health AAS-T degree provides never before considered access to baccalaureate level education.

In addition to articulation with programs within the Seattle Community College District, the BAS degree program in Allied Health will articulate with related programs offered by other colleges in the region. Seattle Central is working with the University of Washington to ensure that graduates from the program

⁴ "Applied Baccalaureate Degree Plan."

⁵ "Statement of Need for the Bachelor of Science in Nursing."

have opportunities to continue their education and earn master's degrees. At a minimum, students will be on equal footing at the University of Washington for the Master's in Public Health (MPH) program for those pursuing research and health services administration, and at the Evergreen State College (TESC) for those who would like to become educators. These opportunities are in line with the goals of the College to provide lifelong learning opportunities to the diverse population in the Puget Sound area.

Background – Constraints in Central's Physical Plant

In 2011, as a part of its Facilities' Master Planning process, SCCC conducted a Space Needs Analysis with the assistance of Schreiber Starling & Lane Architects. The results of that study showed that SCCC was 31,000 square feet deficient in instructional space and student services space. When factoring in future growth and new academic initiatives, it was forecast that SCCC would be 179,762 square feet deficient. This was based on expected growth over the next 6-10 years, particularly in programs for STEM, Allied Health and other BAS degrees.

SVI's space limitations have restricted the number of dental hygiene and assisting chairs that can be used. The Pacific Hospital building would increase the number of chairs that are used, increasing the number of students in dental programs. Thus, if the Pacific Hospital building (or some other building) is provided to SCCC/SCCD by the State, this would address the current and future instructional and facility needs for health care programs. Absent any State support for either owned, leased, or rebuilding/remodel costs, it will be very difficult for SCCC/SVI to meet the growing demand for increasing or building new Allied Health programs.

The Pacific Tower allows all of Seattle Central's Allied Health programs to be located in one location. The relocation of the Allied Health programs from the Broadway-Edison building would free up additional classroom space for other instructional programs on campus. Given our landlocked location on Capitol Hill and the capital funding process at the State level, the Pacific Tower represents a unique opportunity for the College to expand and obtain additional space, with very minimum capital outlay.

Background – Gap between Demand for Healthcare Professionals and Higher Ed Supply

Seattle has the largest concentration of medical facilities and personnel in the Pacific Northwest; with over 74,600 medical workers and \$3 billion in labor income. The Seattle Office of Economic Development has opined that "the immediate problem in Seattle... is the inadequate supply of nurses and other support occupations."

The Seattle King County Workforce Development Council in September of 2013 issued its "Healthcare Talent Pipeline 2013" report. An occupational study of supply and demand by industry sector, the study specifically identifies gaps that may persist between known sources of trained employees and projected employment demand. Looking at the top 41 occupations within healthcare, the Council projects them to

"More generally, the study shows that there tend to be greater shortages at higher levels of educational attainment, underscoring the continued need for higher education." Page 17, WDC Healthcare Talent Pipeline Report.

"Labor shortages are projected for three of the top five highest demand Health Care Occupations (includes registered nurses and medical and health services managers)" page 22

"...the following trends and observations came from stakeholders and research for this study:

** Increase education requirements. Some employers express interest in increased education requirements for occupations such as Medical Assistants and Registered Nurses, a trend with several implications. Higher education requirements could translate to fewer job opportunities for lower- and middle-skill candidates... if this trend is deepening, it is possible that workforce preparation professionals should more actively move students and job seekers onto higher education tracks." Page 27*

grow by an average of 2.1% annually from 2015 to 2020, while total occupational employment in King County is projected to grow at the more modest pace of 1.3%. (see appendix 9)⁶

The Health Care occupations included in the Council's study are projected to produce nearly 23,800 openings in King County from 2015 to 2020, of which 12,500 will be new jobs added in the five year period. The sector's top 10 jobs, which account for 64% of Health Care employment, will grow from approximately 73,100 in 2015 to more than 81,400 by 2020; a gain of 8,300 new jobs from 2015-2020.

Among other observations, the Pipeline Study cites "an employer trend towards higher education requirements when hiring for some occupations, such as Registered Nurse and Medical Assistant."

These findings are supported by other regional analyses of the region's healthcare industry. According to a Joint Report from The Boston Consulting Group and the Washington Roundtable published in March, 2013: "There are 25,000 unfilled jobs in Washington as a result of the job skills gap (growing to 50,000 by 2017), 80 percent of which are in high-skill STEM and health care roles."

In addition, the Affordable Care Act is projected to lead to a shortage of 150,000 primary care physicians when the program is fully implemented. The gap will be filled by insuring nurses and health professional work "at the top of their licenses," which means community colleges must offer higher credentials for these professionals.

The Opportunity – BAS, BSN (RN-B), AAS-T Offerings Match to High Demand Professions

SCCC has developed a strategic plan to leverage our highly successful associate degree programs with the growing need for advanced credentials. Furthermore, SCCC is building on its successful reputation as an experienced BAS college. Central's current BAS program in Applied Behavioral Sciences has already graduated students who are now completing Master's degrees. Strategically, SCCC is leveraging its health care associate programs with growing needs based on the Health Care Reform Act. The Health Care Reform Act will bring about the reauthorization of the Title VIII Nursing Workforce Development program, which will mean greater federal support for education in nursing and other health care positions.

⁶ "Healthcare Talent Pipeline 2013" published by the Workforce Development Council, Sept. 2013.

Over the past five years, SCCC has developed internal and external relationships to assess the feasibility of creating a regional health care learning center that maximizes our unique location near Seattle's hospitals, collaborating with smaller Seattle-area clinics, and with the variety of quality allied health programs that we currently offer (Respiratory Technology, Dental Hygiene, Opticianry, Surgical Technology, and Nursing).

SCCC is also coordinating with our SCCD "sister-colleges" (North Seattle and South Seattle) to have this BSN (RN-B) degree as a "district-based" degree. SCCD establishes that all BAS degrees have a single campus accreditation, but will be "district-based" through providing articulations between our sister-colleges, the possibility of having some select classes at our sister-colleges, sharing instructional equipment across our sister-colleges, and/or having faculty from the sister-colleges occasionally teach in the given BAS program. The AAS-T program (see appendix 10)⁷ recently approved by the SBCTC will provide a curricular "bridge" for all campuses so that students' pre-requisites for the bachelors' degree programs can be earned on any campus.

Healthcare Community Advisory Council

To better help Seattle Central match its instructional resources to workforce needs, President Killpatrick is forming an Advisory Council specifically for Allied Health and the Pacific Tower Project. Composed of senior executives from hospitals, state healthcare associations, the long term care and primary care clinic communities, the Advisory Council purpose is to:

- To help Seattle Central CC gain a comprehensive understanding for current and projected demand for health services occupations, as well as emerging needs for training, certification and continuing education within those occupations.
- To advise Seattle Central on how best to deploy its training resources, especially the long term lease at the Pacific Tower, to meet the emerging needs for training, certification and continuing education.
- To facilitate new partnerships between the healthcare delivery community and Seattle Central, its sister colleges within the Seattle Community College District, and other higher education institutions with the goal of enhancing public health.

A timeline for the Advisory Council's work plan in 2013 through 2015 is attached (see appendix 8)⁸

In addition to this Advisory Council, SCCC will be setting up a Technical Advisory Committee for the AAS-T degree to make sure that as we unveil this degree it is both currently relevant to industry needs and remains so in the future.

⁷ "Program Approval Request – Associate of Applied Science – Transfer Program"

⁸ "SCCC Pacific Tower Project Advisory Committee Workplan"

The Advisory Council will not be asked to confine itself to a discussion of what Seattle Central and the District currently offer in healthcare career training. We will ask them to identify skill gaps and certification needs across the entire spectrum of healthcare careers. We will also ask them to discuss constraints and opportunities for incumbent workers and their institutional training needs. Their feedback will be used to help us identify needs for alternative or hybrid instructional models, new course offerings and possible collaborations to deliver content. As the Workforce Development Council has identified a widening gap between the supply and demand for healthcare professionals with a masters' degree, we may need to explore co-location with another higher education institution on the Pacific Tower campus.

Membership on the Council as of January 1st, 2014, consists of the following:

Mark Secord, Neighborcare
Charleen Tachibana, Virginia Mason
Linda Marzano, PacMed
Bill Schneider, former CEO of Northwest Hospital (per Bill Grinstein)
Diane Sosne, SEIU 1199
Dorene Hersh, Seattle King County Public Health
North Seattle Community College, (representative to be named)
Teresita Batayola, International Community Health Services
Bruce Gray, Northwest Regional Primary Care Association
June Altaras, Swedish Hospital
Paula Minton-Folz, UW Medicine
Lana Conrad, South Seattle Community College
Rogelio Riojas and/or Mary Bartolo, SeaMar
Linda McVeigh, Country Doctor Clinic
Linda Tieman, Washington Center for Nursing
Dr. Benjamin Danielson, Seattle Children's and Odessa Brown Clinic
Maria Courogen, WA Dept. of Health
Charissa Raynor, SEIU 775 / The Training Partnership
Chris Rivera, Washington Biomedical and Biotechnology Association
Ralph Forquera, Seattle Indian Health Board
Julie Clayton, Overlake Hospital
Barbara Trehearne, Group Health
Susan Crane, SkillUp Washington
Karen Allen, VA Puget Sound Healthcare System
Ira SenGupta, Cross Cultural Health Care
Dan Ferguson, Center for Excellence in Allied Health, Yakima Valley CC
Jodi Perlmutter, Western WA Area Health Education Center
Bill Grinstein, Foundation for Seattle Community Colleges
Steve Hill, Seattle Community College District Trustee
John Pierce, Premera Insurance
Steve Johnson, City of Seattle Economic Development
Dana Riley Black, Institute for Systems Biology

Key Considerations and Issues

Moving forward with the Seattle District as the anchor tenant for the Pacific Tower and the Allied Health and Nursing Programs of Seattle Central requires the cooperation of numerous stakeholders; the Dept. of Commerce, the SBCTC, the city of Seattle, the Pacific Hospital Public Development Authority, key institutions in the healthcare industry and an array of key influentials in the Legislature, local government and the educational community. Likewise, a number of issues arise which must be addressed and which require the cooperation, if not outright approval, of other stakeholders.

Timing

The Legislature directed the Dept. of Commerce to enter into a master lease for the Pacific Tower in part to prevent the Tower's conversion to non-healthcare uses, such as condominiums. Commerce has had to move quickly to negotiate terms of a master lease that presumably will commence before the District is ready to occupy. While the Legislature has provided Commerce funds to cover the District's rent obligation in the first 18 months from January 1st, 2014, we anticipate pressure to take occupancy and move programs to the Pacific Tower at the earliest possible date.

Traditional design/bid/build methodology is unlikely to meet a target date of fall 2015 for transferring instructional programs to the Pacific Tower. District and Seattle Central leadership are exploring with the state alternatives to design/bid/build to accelerate the time frame. Preliminary research suggests that using a General Contractor/Construction Manager model can shorten the timeline for occupancy and, possibly, get a better estimate of final costs for the tenant improvements needed for our portion of the Pacific Tower. We are in discussions with the city of Seattle on shortening the permitting and design review process.

Nonetheless, there is a real possibility that we will not be able to take occupancy in the Pacific Tower until sometime in 2016. Any remodeling delay which delays occupancy beyond the fall of 2015 will have consequential effects on how many students we can admit into the various degree programs and when we can offer the full concentrations in each degree program (hence effecting our overall FTE projections).

Adequacy of the Capital Budget Appropriation

Until such time as both a programmatic and schematic design are completed, all estimates for the cost of building out the instructional space and supplying it with furnishing and instructional equipment are speculative. The Legislature deemed the preliminary estimate provided by the District as overly cautious and too high. The final capital budget appropriation was \$20 million with a verbal assurance that, should it prove inadequate, the Legislature would provide a supplemental capital budget appropriation.

In addition, the appropriation language provided leeway for the Dept. of Commerce to use the money for common area improvements serving all tenants, not just the build out for the District.

Identifying a more reliable estimate of the costs for modifying the five floors in the Pacific Tower allotted to Seattle Central must be a top priority. Monitoring Commerce's expectations for how much money it will allocate for common area building improvements and preserving as much of the \$20 million for our needs will be essential.

Program and Curriculum Development

Seattle Central has four career tracks targeted for the BAS degree program, two of which require new curriculum development and hiring of new staff. The original plan was to phase in over three years the introduction of the Community Health, Wellness and Education BAS and the Healthcare Management BAS. Given the gaps identified in the Workforce Council's Healthcare Pipeline Report, it makes good sense to evaluate whether we can accelerate those two degree offerings.

Seattle Central is preparing a budget estimate for the funds needed to accelerate the curriculum development and hiring of instructional staff and leadership.

Articulation and Integration of Allied Health District-Wide

Community leadership and stakeholders in the Pacific Tower Project view the District as their training partner, not just Seattle Central. They want uniform quality and capability across the Allied Health graduates coming from all four campuses. They view our collective healthcare course offerings as one system, not individual programs.

The AAS-T program was specifically designed to facilitate articulation between pre-requisite courses taken at any of our four campuses and the upper division requirements of Central's BAS and BSN (RN-B) degree offerings. We will need to continue to examine with our sister colleges where shared faculty, innovative content delivery, and flexibility in where and when courses are offered can shorten the time to graduation and the cost effective delivery of our training.

Strategic Partnerships

The Pacific Tower has as its key tenant today the Pacific Medical Center (PacMed) primary care clinic and diagnostic imaging center. Once a key part of the PHPDA, PacMed has a long tradition of service to the local community and has been proposed as a clinical rotation partner and "living laboratory" for the Allied Health and Nursing students of the District and Seattle Central. PacMed Clinics, as an example, has committed to five spots in primary care in ambulatory settings for Central's nursing students, as well as slots for medical assistant students from SVI. The Dept. of Commerce and other proponents of the Pacific Tower Project have been actively recruiting other primary care clinics and healthcare provider associations to relocate to the Pacific Tower.

Co-location should facilitate new learning venues and mentorship opportunities for our students. In addition, it could allow for the recruitment of affiliate instructors lent by their healthcare employers to the College.

Allied Health and Nursing leadership will use the move to the Pacific Tower to extend the existing dialogue with major institutions on Pill Hill about continuing education, contract training and internship possibilities.

Instructional Program Support and Development Timeline

INSTRUCTION RELATED REQUIREMENTS

DESCRIPTION	FTEF	EST. ANNUAL SALARY + BENEFITS	DATE NEEDED	COMMENTS
Project Coordinator	0.75	\$ 93,310	9/16/2013	Position to last 6 to 9 months (Lincoln)
Design Consultant		\$ 12,000	ASAP	To meet with faculty & staff to expedite the planning before actual project architect selection. Could use Shreiber & Starling for this contract.
Equipment Inventory & Consultant		\$ 3,000	ASAP	To assess existing and future equipment needs for the programs. May require two different consultants: one for inventory and one for the equipment-need assessment (possibility to invite equipment manufacturers for minimal costs).
Curriculum Designer – (FT Faculty) Community Health & Education	1	\$ 73,315	Spring 2014 Ongoing Position	The Allied Health BAS includes this concentration. Prior to Pac Med Tower becoming available and due to resource constraints, it was not feasible to grow this concentration for another 3-4 years (which was reflected in our conservative FTE count). However, with Pac Med being available – we can put this on a fast-track by developing this curriculum for a 2014 program admissions process (with the program/concentration starting upon occupancy of the Pac Med Tower). Position will need to be on-going and converted as a FT program faculty member.

Curriculum Designer – (FT Faculty) Healthcare Services Management	1	\$ 73,315	Spring 2014 Ongoing Position	The Allied Health BAS includes this concentration. Prior to Pac Med Tower becoming available and due to resource constraints, it was not feasible to grow this concentration for another 3-4 years (which was reflected in our conservative FTE count). However, with Pac Med being available – we can put this on a fast-track by developing this curriculum for a 2014 program admissions process (with the program/concentration starting upon occupancy of the Pac Med Tower). Position will need to be on-going and converted as a FT program faculty member.
Goods & Services: Facilitating the various meetings		40 PT Staff x \$33/hour x 20 meeting hours = \$26,400 G&S = 10 total meetings, travel, and report development = \$40,000	ASAP	The various consultants will need to meet with faculty and staff. There are hourly rates associated with part-time staff/faculty that must be invited to the given meetings. Travel and other goods/services costs would also need to be budgeted.
Good & Services & PTF hourly		\$ 66,400		
TOTAL STAFFING		\$ 254,940		
<i>Total Instruction related costs</i>		\$ 321,300		

STUDENT SERVICES RELATED REQUIREMENTS

Non-profit Liaison & Internship/Externship Director	1	\$ 86,645	Spring 2014 Ongoing position	Identifying Pac Med NPs and incumbent working training/partnership opportunities; identifying partnerships with clinical assignments (both within Pac Med and outside of Pac Med); Coordinating Service Learning, credit for prior learning, and externships. Once occupancy occurs – career placement services added to the job description.
Director of Student Success Services	1	\$ 86,645	Spring 2014 Ongoing Position	Ultimately will be responsible for all functions of hiring, training, and supervising the student services staff that will be at the Pac-Med building. However, before occupancy this person will be the point person for aspects of program registration, academic planning, and advising which will be highly involved with the changing 2&4 year programs in 2013-2014.
Advisor/Coordinator for Registration	1	\$ 79,980	Spring 2014 Ongoing Position	Beginning in the 2014-2015 academic year this position will be phased in to address increasing advising, enrollment and transcript evaluation processes. This person will also work closely with instructional programs for program admission which would occur in 2014.
Librarian	1	\$ 73,315	Fall 2014 Ongoing Position	New position to support library services at Pacific Tower to satisfy accreditation requirements. Position should be hired immediately prior to occupancy. This person will need to order library collection prior to occupancy.
IT Technician	1	\$ 79,980	Fall 2014 Ongoing Position	New position to support IT services at Pacific Tower. Position should be hired immediately prior to occupancy.

Admin Support	0.5	\$ 26,660	Winter 2015 Ongoing Position	New position to support administrative services at Pacific Tower (reception, cashiering, etc.) Position should be hired immediately prior to occupancy.
VARIOUS HOURLY SUPPORT		\$ 60,362	Spring 2014 Ongoing Position	Various hourly employees to support and backup student services, instruction, library services, and IT services functions
<i>TOTAL Student Services related Costs</i>		\$ 493,587		



MEMORANDUM

Seattle
CENTRAL
Community
College

NORTH
Seattle
Community
College

SOUTH
Seattle
Community
College

SVI Seattle
Vocational
Institute

■ ■ ■

Georgetown
Campus

NewHolly
Learning
Center

Seattle
Maritime
Academy

Wood
Construction
Center

TO: Board of Trustees

FROM: Jill Wakefield
Chancellor

DATE: January 16, 2014

SUBJECT: Approval to Enter into a Long-term Lease

Background

Pursuant to District Policy 108, the Board of Trustees has reserved authority "[t]o authorize every sale or purchase of real property, and every lease of real property which is for a term of three years or more and requires payment by the district of \$50,000 or more in any fiscal year."

Over the past decade, Seattle Central Community College has faced a critical capacity issue with Allied Health Programs. The College is at 30,000 square feet over capacity and is in the process of seeking approval for a Bachelor's of Nursing which would create a total space deficit in the range of 80,000 square feet. In 2009, the College developed a proposal for a regional community health education center to house these programs. While there was support for the project, funding was not available for the \$120 million facility.

In the fall of 2012, the Pacific Hospital Preservation and Development Authority announced that 200,000 square feet of space was available at their Pacific Tower building atop Beacon Hill overlooking the city. The ground floor of the building is already occupied by the Pacific Medical Center Beacon Hill Clinic which serves a large and diverse mix of patients.

Area legislators and several community members approached Seattle Community Colleges and asked if we would be interested in becoming the "anchor tenant" in the Pacific Tower that would house other community health care clinics and organizations as well. Subsequently, the Legislature authorized the Washington Dept. of Commerce to enter into a 30 year lease for the Pacific Tower with the purpose of creating a community healthcare, education and innovation center. The 2014 Capital Budget provided \$20 million for renovation and re-purposing the Pacific Tower for the community healthcare and career instructional mission.

Washington District VI

1500 Harvard Avenue
Seattle, WA 98122
206.934-4100
206.934.4155/TT
Fax 206.934.3883

Seattle Central retained architects to conduct a 'test to fit' of the Pacific Tower for the allied health instructional programs. They returned with an affirmative recommendation of the Tower's suitability and proposed a plan for the occupancy of 85,000 square feet of the building. That plan includes housing of the College's Dental Hygiene, Dental Assistant, Bachelor of Nursing, Associate Nursing Degree, Respiratory, Surgical Technology and Optician programs.

On November 12th of 2013, the Washington Dept. of Commerce entered into a master lease with the Pacific Hospital Preservation and Development Authority. Commerce has asked the District to enter into a sublease for 85,000 square feet for a satellite allied health instructional campus of Seattle Central Community College at the Pacific Tower.

Current Tower tenant Pacific Medical Center has indicated that they would be open to working with the colleges to offer clinical training opportunities at their on-site clinic. There may also be opportunities to offer clinical training at their eight other clinics which serve more than 300,000 patients. Clinic sites are a key component of health care education programs.

Seattle Central has formed a Healthcare Workforce/Pacific Tower Advisory Council with the region's leading hospitals, clinics, research institutions and public health authorities. Members have affirmed the need for expanded workforce training capacity and indicated their willingness to partner with Seattle Central and the District on new and existing programs.

Staff of the District and Seattle Central have negotiated through the Washington State Dept. of Enterprise Services on the terms of a 30 year sublease to be the anchor tenant, with two optional ten year extensions. In addition, staff and leadership of the District have met with the Speaker of the House on the capital budget requirements for the satellite instructional campus. The Speaker has provided written commitments of his intention to solicit both private funds and additional state capital budget appropriations to fully fund the renovation, tenant improvements, instructional equipment and furnishings of Seattle Central's 85,000 square feet at the Pacific Tower.

Recommendation

It is recommended that the Board of Trustees authorize the Chancellor to enter into:

- 1) A lease with the Washington Dept. of Commerce for a 30-year lease for approximately 85,000 rentable square feet with access to at least forty one percent (41%) of all available parking stalls with rent at \$12.00 per square foot with an annual 3 percent escalator clause. The Seattle Community Colleges are responsible

for its pro-rata share of property management services, estimated to be \$10.70 per rentable square foot triple net (insurance and maintenance operating expenses) and for tenant improvements.

2) A memorandum of understanding with the Washington State Department of Commerce regarding payment of the lease's financial obligations from legislative appropriations, satellite campus operating budget subsidies from legislative appropriations, and priority on use of the capital budget appropriations for the Seattle Central Community College tenant improvements.

Transmitted with a favorable recommendation.

Submitted by:

A handwritten signature in black ink that reads "Jill Wakefield". The signature is written in a cursive, flowing style.

Jill Wakefield, Ed.D.
Chancellor

RECEIVED

FEB 21 2014

COMMERCE DIRECTOR'S OFFICE

PACIFIC TOWER SUBLEASE AGREEMENT

between

STATE OF WASHINGTON,
acting through the
DEPARTMENT OF COMMERCE
as Sublandlord

and

SEATTLE COMMUNITY COLLEGE DISTRICT VI
as Subtenant

DATED AS OF NOVEMBER 12, 2013

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EXHIBIT LIST

- Exhibit A – Premises – Pacific Tower Floorplans depicting space subleased to Subtenant
- Exhibit A1 – Premises – Legal Description
- Exhibit B – Encumbrances

PACIFIC TOWER SUBLEASE AGREEMENT

This Pacific Tower Sublease Agreement is made by and between the STATE OF WASHINGTON, acting through the Department of Commerce, as Sublandlord, and the SEATTLE COMMUNITY COLLEGE DISTRICT VI, an agency of the State of Washington, as Subtenant, as of November 12, 2013.

Pursuant to a Tower and Adjacent Property Lease Agreement dated November 12, 2013, by and between the Pacific Hospital Preservation and Development Authority, a public corporation chartered by the City of Seattle, as Landlord, and the State of Washington, acting through the Department of Commerce, as Tenant, the Department of Commerce is authorized, as Sublandlord, to sublease certain space in the Pacific Tower building located in Seattle, Washington.

Subtenant desires to sublease from Sublandlord and Sublandlord agrees to sublease to Subtenant certain space in Pacific Tower, together with certain ancillary rights associated therewith, all as more fully set forth below.

NOW THEREFORE, the Parties agree as follows:

Section 1 DEFINITIONS

As used in this Sublease, the following capitalized terms shall have the following meanings:

Base Rent means \$12.00 per square foot in Lease Year one, escalated annually as set forth in this Sublease.

Capital Improvements means improvements required to be capitalized in accordance with generally accepted accounting principles.

Commencement Date means the date of this Sublease, first stated above.

Common Areas means the areas located on the Property as may be designated by Sublandlord from time to time as being available for the common use by Sublandlord and subtenants and occupants of Pacific Tower, including such areas as the exterior courtyard, sidewalks, driveways and other similar facilities. The Pacific Tower rooftops are not a Common Area and are reserved for Landlord's use.

Easement Rights means certain easement rights applicable to the Property as further set forth in the Reciprocal Easement Agreement applicable to the Pacific Tower Campus dated August 26, 1998 and recorded under King County Recording No. 9810050840; provided, however, that Landlord intends to enter into an Amended and Restated Reciprocal Easement Agreement that will modify the terms of the original Reciprocal Easement Agreement. The

original Reciprocal Easement Agreement, as modified by the Amended and Restated Reciprocal Easement Agreement, is referred to in this Sublease as the "REA".

Event of Default means the occurrence of any of the events specified in Section 18.1 of this Sublease.

Existing Improvements means Pacific Tower and the West Garage.

Impositions means the payment obligations set forth in Section 7.2.

Initial Improvements means Subtenant's leasehold improvements to the interior of the Premises to convert portions of that space to the authorized use.

Landlord means the Pacific Hospital Preservation and Development Authority, a public corporation chartered by the City of Seattle, which is the Landlord in the Lease.

Lease means the Tower and Adjacent Property Lease Agreement dated November 12, 2013, by and between the Pacific Hospital Preservation and Development Authority, a public corporation chartered by the City of Seattle, as Landlord, and the State of Washington, acting through the Department of Commerce, as Tenant.

Lease Year means each twelve (12) calendar month period commencing on January 1 and ending on December 31 during the Term.

Leasehold Taxes means taxes due or which may be due upon or with respect to the leasehold estate created by this Sublease, or the rents payable or paid by Subtenant to Sublandlord, including any leasehold excise tax imposed under Chapter 82.29A RCW, but excluding any tax measured by net income.

Maintenance Standard means Subtenant's obligation to maintain the Premises at all times in a manner and condition consistent with buildings of similar age and character to the Premises, with the intention of the Parties being that the Premises be returned to Sublandlord upon the expiration of the Term, in the same or better condition than they were in on the Commencement Date, subject to normal wear and tear.

MOU means the Memorandum of Understanding by and between the Parties dated as of January 1, 2014.

Operating Costs or Costs means all expenses of Landlord for maintaining, operating and repairing the Property (including the Common Areas), Pacific Tower, and the personal property used in connection therewith, including without limitation insurance premiums, utilities, reciprocal easement costs, customary management fees, and other expenses that in accordance with generally accepted accounting and management practices would be considered an expense of maintaining, operating, or repairing Pacific Tower and Property (such management fee to be calculated as if Landlord were paying rent for the Reserved Space at then-applicable market rates), excluding, however, (i) Taxes; (ii) costs of any special services rendered to occupants for

which a separate charge is collected; (iii) leasing commissions and other leasing expenses; and (iv) costs of Capital Improvements.

Pacific Tower means the sixteen-story building located at 1200 12th Avenue South, Seattle, Washington 98144, with a tax parcel number of 2829600110.

Parties means Sublandlord and Subtenant.

Premises means the portion of Pacific Tower subleased to Subtenant, as depicted on Exhibit A, which the Parties agree and stipulate has a rentable area of 85,000 square feet.

Property means the Existing Improvements and the associated sidewalks, structures, and landscaping pertaining thereto.

Renewal Notice means the written notice to Sublandlord from Subtenant of Subtenant's desire to renew the Term for a Renewal Period.

Renewal Period means each of the two (2) potential ten (10) year extensions of the Term.

Rent means the annual Base Rent, paid monthly, and all other amounts due to Sublandlord from Subtenant as specified in this Sublease.

Rent Commencement Date means January 1, 2014.

Sublandlord means the State of Washington, acting through the Department of Commerce.

Sublease means this Pacific Tower Sublease Agreement between Sublandlord and Subtenant.

Subtenant means the Seattle Community College District.

Subtenant's Pro Rata Share means the stipulated proportionate rentable area of Pacific Tower which, for purposes of this Sublease, the Parties agree is 41.389%.

Taxes means taxes and assessments (including special district levies) on real and personal property payable during any calendar year or fiscal year, based on the actual assessment period, with respect to the Property, the Premises, and all property of Tenant, real or personal, used directly in the operation of the Premises and the Property, together with any taxes levied or assessed in addition to or in lieu of any such taxes (excluding any net income or franchise tax).

Tenant means Washington State Department of Commerce, which is the Tenant in the Lease.

Term means the Sublease term, which is thirty (30) years, beginning on the Rent Commencement Date and ending December 31, 2043. Whenever the word "Term" is used in this Sublease, it shall be deemed to include any exercised Renewal Period.

West Garage means the freestanding parking garage located west of Pacific Tower.

Year means calendar year.

Section 2 **PREMISES**

2.1 PACIFIC TOWER. For and in consideration of Subtenant's covenant to pay the rental and other sums provided for herein, and the performance of the other obligations of Subtenant hereunder, Sublandlord subleases to Subtenant, and Subtenant subleases from Landlord, that portion of Pacific Tower which is the area shown on Exhibit A and legally described in Exhibit A-1.

2.2 ENCUMBRANCES. This Sublease is subject to all existing easements, licenses, exceptions, and other encumbrances and to all matters that a prudent inspection of the Premises and Property would disclose. The encumbrances known to Sublandlord are listed in Exhibit B. The rights herein granted to Subtenant are limited to those owned by Sublandlord.

2.3 RECORDING PROHIBITED. Subtenant may not record this Sublease in any public records. On request, Sublandlord shall execute a Memorandum of Lease in a form suitable for recording.

2.4 USE OF CERTAIN FACILITIES. Subject to approval by Landlord and Sublandlord, Subtenant shall have a nonexclusive license to use the loading dock of the Pacific Tower, the freight elevator, and the dumpsters and waste management facilities.

2.5 COMMON AREAS. Subtenant shall have a non-exclusive license to use the Common Areas, subject to the non-exclusive rights of Sublandlord and other subtenants and occupants to use such Common Areas, any rules and regulations imposed by Sublandlord from time to time relating to the Common Areas, and the REA.

2.6 ELECTRICAL CLOSETS. Subject to agreement with Sublandlord, Subtenant shall have a nonexclusive easement for utilities through the riser system of Pacific Tower, which includes the nonexclusive right of Subtenant to use the electrical closets in the basement and the ground floor of Pacific Tower. Accordingly, Subtenant (and persons providing utility services to the Premises with the approval of Subtenant) may access and may install conduit, fiber optic lines, junction boxes, panels and similar equipment within the electrical closets in the basement and ground floor of Pacific Tower (and in ceiling spaces reasonably necessary to run lines into such electrical closets). The locations of the electrical closets are shown in Exhibit E to the Lease. Except in the case of an emergency, Subtenant shall have exclusive access to its data rooms and the electrical closets exclusively serving Subtenant.

2.7 PARKING RIGHTS. Tenant shall have a non-exclusive license to use up to forty-one percent (41%) the West Garage.

2.8 EASEMENTS AND PARKING RIGHTS. In addition to the sublease of the Premises and use of the Common Areas as provided herein, Subtenant shall also have during the term of this Sublease the full benefit of the Easement Rights.

Section 3 TERM

3.1 TERM. The Term shall commence upon the Commencement Date and shall end thirty (30) years after the Rent Commencement Date of January 1, 2014. The Term shall therefore expire on December 31, 2043; provided, however, that, subject to the terms and conditions set forth herein, the Term may be extended for up to two (2) ten (10) year Renewal Periods.

3.2 SUBTENANT'S RIGHT TO RENEW. In the event that Sublandlord exercises its right to renew the Lease, which right allows Sublandlord to renew the Lease on certain terms and conditions for two (2) separate ten (10) year Renewal Periods and provided further that (i) there does not exist an Event of Default by Subtenant under any provision of this Sublease as of the date Subtenant delivers its Renewal Notice, and (ii) Subtenant has maintained the Premises in a manner consistent with the Maintenance Standard, Subtenant shall have the right to renew the Sublease at the end of the Term for two (2) separate periods of ten (10) years each (each, a "Renewal Period"), by giving notice as provided in Section 3.2.1. Subtenant's right to renew must be exercised for all (and not less than all) of the Premises.

3.2.1 Notice. Each such renewal shall be effective only if Subtenant provides the Renewal Notice to Sublandlord no earlier than twenty four (24) months prior to, and no later than eighteen (18) months prior to, expiration of the then-existing Term and if there does not then exist an Event of Default. In the event the Renewal Notice is not timely given, Subtenant's renewal rights shall automatically terminate without further notice or demand by Sublandlord.

3.2.2 Terms and Conditions. During each Renewal Period, this Sublease shall continue upon the same terms and conditions as provided in this Sublease.

Section 4 USE

4.1 USE. Absent Landlord and Sublandlord's prior written approval, the Premises shall be used only for educational purposes consistent with Subtenant's mission as a community college, and for no other purpose.

4.2 LANDMARK STATUS. Subtenant acknowledges that portions of Pacific Tower and the Property have been designated as an historic landmark and that Subtenant's right to make certain alterations or modifications thereto may be restricted and/or require the approval of the Landmark Preservation Board. Subtenant shall comply with all landmark restrictions and requirements affecting the Premises, as they may change from time to time, including without

limitation those set forth in that certain Amended Property Use and Development Agreement dated April 27, 1992 recorded in King County, Washington under Recording No. 9204090305.

Section 5 **RENTAL**

5.1 **RENTAL.** Subtenant covenants and agrees to pay Sublandlord Rent. Subtenant's obligation to pay Rent shall commence on the Rent Commencement Date and continue until the expiration of the Term of this Sublease.

5.2 **BASE RENT.** Commencing on the Rent Commencement Date, Tenant shall pay Base Rent at the following initial rate:

Annual Rate Per Square Foot	Annual Base Rent	Monthly Base Rent
\$12.00	\$1,020,000	\$85,000

5.3 **BASE RENT ADJUSTMENT.** Commencing on the first anniversary of the Rent Commencement Date and on the same date of each Lease Year of the Term thereafter, including the Renewal Periods, if applicable, Base Rent shall be increased by three percent (3%) over the amount of Base Rent payable immediately prior to such increase. Said otherwise, Base Rent shall be adjusted each Lease Year to equal the prior Lease Year's Base Rent multiplied by 1.03.

5.4 **PAYMENT.** Subject to the terms and conditions of the MOU, Base Rent shall be paid in equal monthly installments in advance in immediately available funds and in lawful money of the United States of America and shall be payable without notice, demand, or offset. All payments from Subtenant shall be delivered to:

Attn: Chief Financial Officer
Department of Commerce
P.O. Box 48300
Olympia, WA 98504-2525

or such other address designated by written notice.

5.5 **NET RENT.** The Parties intend and agree that the Rent herein specified and reserved shall be absolutely net to Sublandlord, so that this Sublease shall yield, net, free from all charges and deductions, to Sublandlord the Rent specified herein each year during the Term of this Sublease.

5.6 **LATE CHARGE.** If Subtenant fails to make any payment of Base Rent or other sum which becomes due and payable by Subtenant hereunder within five (5) days after such payment is due, whether Sublandlord has given notice of overdue payment, Subtenant shall be required to pay Sublandlord a late charge equal to five percent (5%) of the delinquent amount, or the maximum allowed by law, if less.

Section 6 **MAINTENANCE**

6.1 SUBTENANT'S REPAIR OBLIGATIONS. Subtenant shall, at its sole cost and expense, promptly perform all maintenance and repairs to the Premises that are not Landlord's express responsibility under the Lease, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Subtenant's repair obligations include, without limitation, repairs to: (1) floor covering; (2) interior partitions; (3) doors; (4) the interior side of demising walls; (5) electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Subtenant and located in the Premises or other portions of Pacific Tower; (6) supplemental air conditioning units, private showers and kitchens, including hot water heaters, plumbing, and similar facilities serving Subtenant exclusively; and (7) alterations performed by contractors retained by Subtenant.

6.2 SUBLANDLORD'S REPAIR OBLIGATIONS. Subtenant shall cooperate with Landlord and Sublandlord such that Landlord may keep and maintain in good repair and working order and make repairs to and perform maintenance upon: (1) structural elements of Pacific Tower; (2) the exterior of Pacific Tower, including exterior windows (3) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving Pacific Tower in general; (4) Common Areas; (5) lobby areas, service corridors and engineering facilities in the basement and Floor 1 of Pacific Tower; (6) the roofs of Pacific Tower; (7) elevators serving Pacific Tower; and (8) the West Garage. Sublandlord shall promptly make repairs (considering the nature and urgency of the repair) for which Sublandlord is responsible.

6.3 MAINTENANCE STANDARD. During the Term, Subtenant shall comply with the Maintenance Standard and shall keep or cause others to keep the Premises in good and clean order and condition, and shall promptly make or cause others to make all necessary or appropriate repairs, replacements and renewals thereof, necessary to maintain the Premises in good and clean order and condition, reasonable wear and tear excepted.

6.4 MUTUAL SELF HELP. If Subtenant or Sublandlord (as applicable, the "non-performing party") fails to perform any of its maintenance obligations hereunder for a period of thirty (30) days after notice of such failure is given to it by the other party (the "enforcing party"), then the enforcing party shall have the right, but not the obligation, at its sole election (but not as its exclusive remedy), to perform the obligations which are asserted to have not been performed or observed at the sole expense of the non-performing party and to recover all costs or expenses incurred in connection therewith, together with interest thereon at ten percent (10%) per annum, or the maximum allowed by law if less, from the date expended until repaid. Notwithstanding the foregoing, if the enforcing party determines in its reasonable good faith judgment that an emergency involving imminent danger of injury or death to persons or damage to property exists due to the non-performing party's failure to perform its obligations hereunder, then the enforcing party may immediately perform the obligations which give rise to such emergency at the expense of the non-performing party. Any performance by the enforcing party pursuant to this section shall not constitute a waiver of the non-performing party's failure to perform. Notwithstanding the foregoing, in no event shall Subtenant have the right to perform any work on the structural elements of Pacific Tower or the West Garage, or on any building systems that serve any area beyond the Premises. As of the date of this Sublease, such shared

building systems are (i) chilled water system (chiller, cooling towers, heat exchanger, circulation pumps); (ii) building automation system (controls the HVAC, lighting); (iii) generator (emergency lights and elevators); (iv) fire panel (all fire life safety systems - horns, strobes, sprinklers, etc.); (v) domestic water booster pumps; (vi) building supply and exhaust fans; and (vii) electrical distribution (switchgear).

Section 7 **ASSESSMENTS AND UTILITIES; TAXES; CONTEST OF IMPOSITIONS**

7.1 UTILITIES. Commencing on the Commencement Date, Subtenant shall pay the cost of all utilities provided to the Premises, including without limiting the generality of the foregoing, all charges for heat, light, electricity, water, gas, telephone service, garbage collection, and sewage and drainage service. Utilities that are separately metered to the Premises shall be paid by Subtenant directly to the provider thereof, and upon request by Sublandlord, Subtenant shall provide proof of such payment. The cost of utilities that are not separately metered to the Premises shall be included in Operating Costs.

7.2 TAXES.

7.2.1 Subject to Subtenant's fulfillment of its payment obligations set forth below, Sublandlord shall arrange to pay when due each and every one of the following during the Term (collectively, the "Impositions"): (a) all real property taxes or payments in lieu thereof due with respect to the Premises or any portion thereof, including real property taxes on the value of any improvements constructed by Subtenant hereunder; (b) Leasehold Taxes; (c) all assessments for public improvements or benefits assessed during the Term of this Sublease, and similar assessments and charges with respect to the Premises; and (d) all other rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including interest and penalties thereon), which at any time during or in respect of the Term may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Premises or any part thereof, or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Premises or any part thereof.

7.2.2 Subtenant shall pay its Pro Rata Share of Impositions, as applicable, other than Leasehold Taxes, in accordance with the terms of Section 9 below.

7.2.3 Subtenant shall pay to Sublandlord, within ten (10) days after receipt of an invoice from Sublandlord, all Leasehold Taxes.

7.2.4 Subtenant shall pay directly to the taxing authority, as and when due, all taxes imposed on or with respect to personal property and intangibles located in or used in connection with the Premises, including without limitation personal property taxes on Subtenant's personal property that are payable after the expiration of the Term (due to the fact that personal property taxes are paid in arrears).

7.2.5 Installments. If by law any Imposition may at the option of the taxpayer be paid in installments, Sublandlord may exercise such option and shall pay all such installments

(and interest, if any) becoming due during the Term as the same become due (including any installment with respect to any assessment that may be payable following the Commencement Date) and subtenant shall at the end of the Term deposit with Sublandlord an amount sufficient to pay Subtenant's pro rata share of all Impositions for the calendar year in which the Sublease terminates.

Section 8 **CONSTRUCTION OF IMPROVEMENTS**

8.1 ACCEPTANCE OF PREMISES. Subtenant has inspected the Premises and accepts the same on the Commencement Date in their current, as-is condition, and acknowledges that Sublandlord has made no representation or warranty whatsoever regarding the condition of the Premises, and has no obligation to make any alterations or improvements thereto.

8.2 INITIAL IMPROVEMENTS. Subtenant intends to make Initial Improvements to the Premises. All costs of designing, constructing, and obtaining permits for the Initial Improvements shall be paid solely by Subtenant. Subtenant shall diligently, expeditiously, and in good faith attempt to obtain all necessary permits and approvals for the Initial Improvements, and shall complete construction of the Initial Improvements as soon as reasonably practicable after the Commencement Date and in accordance with the terms of this Sublease.

8.3 APPROVAL OF IMPROVEMENTS

8.3.1 Landlord Approval; Oversight Fee. Landlord's prior written approval is required for (i) all plans and specifications for the Initial Improvements; and (ii) Subtenant's budget for the Initial Improvements. Landlord's approval also is required for any subsequent alterations or improvements to the Premises after the Initial Improvements that (i) affect building systems; (ii) affect building structural elements or the exterior of the Existing Improvements; (iii) affect more than 5,000 square feet of Rentable Area in the Premises; or (iv) cost more than Fifty Thousand Dollars (\$50,000). Subtenant shall pay Landlord a reasonable project management fee for Landlord's oversight of improvements, not to exceed one percent (1%) of the cost of the improvements.

8.3.2 Manner of Approval. Approvals required under Section 8.3.1 shall be deemed given unless Landlord notifies Subtenant in writing within twenty (20) days of the written request thereof, stating the reasons for withholding such approval. Subtenant's request for such approval shall include sufficient information (including general plans and specifications) so as to permit Landlord to make an informed decision with respect thereto. Any disapproval by Landlord shall state the reasons for withholding such approval. Landlord's approval shall not be required for any modification, replacement, alteration or addition to any previously approved improvements, unless there is a material change from the plans and specifications previously approved by Landlord, in which event such material change shall be submitted to Landlord in accordance with the terms of this Section.

8.4 LANDLORD PROTECTIONS. Prior to commencing construction of the Initial Improvements, Subtenant shall provide Landlord with a payment and performance bond from a surety reasonable acceptable to Landlord which covers all costs for the completion of the Initial

Improvements. Subtenant shall also comply with such reasonable procedures as Landlord may establish to preserve the lien-free completion of the Initial Improvements, including requiring the receipt of periodic lien waivers from all contractors performing such work.

8.5 PERMITS; COMPLIANCE WITH CODES. All building permits and other permits, licenses, permissions, consents and approvals required to be obtained from governmental agencies or third parties in connection with construction of the Initial Improvements and any other improvements, repairs, replacements or renewals to the Premises shall be acquired as required by applicable laws, ordinances or regulations by and at the sole cost and expense of Subtenant. Sublandlord agrees to cooperate reasonably with Subtenant, at no expense to Sublandlord, in Subtenant's efforts to secure such permits. Subtenant shall cause all work on the Premises during the Term to be performed in accordance with all applicable laws, including the Landmark Requirements, and all directions and regulations of all governmental agencies and the representatives of such agencies having jurisdiction, including without limitation the Landmark Preservation Board. Notwithstanding the foregoing, any repairs, revisions or betterments requiring the approval of the Landmark Preservation Board shall first be submitted to Landlord for Landlord's review and approval. Landlord may then, if it so elects in its sole discretion, submit such approval request to the Landmark Preservation Board itself and thereafter act as liaison between Subtenant and the Landmark Preservation Board with respect to such requested repairs, revisions or betterments.

8.6 STANDARD OF IMPROVEMENTS. The Initial Improvements, and all other improvements, repairs, replacements or remodels to the Premises, shall be constructed in a good quality manner consistent with the Maintenance Standard. Subtenant shall cause all such work to be performed diligently, subject to delays beyond the reasonable control of Subtenant.

8.7 OWNERSHIP OF IMPROVEMENTS. During the Term of this Sublease, the Initial Improvements constructed by Subtenant and all additions, alterations and improvements to the Premises and all appurtenant fixtures, machinery, and equipment installed therein shall be the property of Subtenant. At the expiration or earlier termination of this Sublease, the Initial Improvements and all additions, alterations and improvements to the Premises and all appurtenant fixtures, machinery, and equipment installed therein shall, at Sublandlord's option, become the property of Sublandlord.

8.8 CONTROL. Notwithstanding anything to the contrary in this Sublease, during the Term of this Sublease, Subtenant shall have exclusive control and possession of the Premises, and Sublandlord shall have no liabilities, obligations, or responsibilities whatsoever with respect thereto.

8.9 SURRENDER UPON TERMINATION. Upon expiration or earlier termination of this Sublease, Subtenant shall remove Subtenant's personal property and equipment unattached to the Property (excluding such equipment as is necessary for the proper operation of the Property and any equipment the removal of which would cause Sublandlord to be in breach of the condition of any tenancy of any subtenant within Pacific Tower, all of which shall become the property of the Sublandlord) and shall surrender the Premises to Sublandlord, along with any plans and specifications Subtenant then possesses or controls, provided, however, that Sublandlord may

acquire any such personal property or equipment that Subtenant has the right to remove hereunder by payment to Subtenant of an amount equal to the fair market value of such property (with a credit against such fair market value of any amounts contributed by Sublandlord toward the costs of acquiring such personal property if such cost was reimbursed by Sublandlord to Subtenant as an Operating Cost as provided below), provided further, however, that Subtenant shall not remove any appurtenant fixtures, machinery, or equipment, or any additions to or replacements thereof made during the Term of this Sublease. Subtenant's personal property and equipment not removed by Subtenant at expiration or other termination or within a reasonable time thereafter shall be considered abandoned, and Sublandlord may dispose of such property in accordance with the law governing abandoned property in effect at the time of abandonment.

8.10 PROTECTION OF USE. Subtenant agrees that, in performing the construction of the Initial Improvements and any subsequent improvements, Subtenant shall: (i) use reasonable efforts to minimize the disruption from the construction work on other portions of Pacific Tower and the tenants therein; (ii) preserve at all times reasonable access to Pacific Tower and the West Garage; (iii) keep the exterior of Pacific Tower and the construction areas reasonably clean, and minimize noise, dust, and debris in and around Pacific Tower; (iv) advise all contractors and other parties performing construction work at the Premises of these provisions; and (v) use all reasonable efforts to maintain continuous utility services to Pacific Tower. The Parties agree to cooperate in good faith to coordinate all construction activities within Pacific Tower so as to permit continued use and occupancy during construction of the improvements.

8.11 Vertical Shafts, Chases and Risers. Commencing upon the Commencement Date, Subtenant shall have the reasonable right of access to the Premises and those portions of Pacific Tower still occupied by Landlord or its tenant to construct vertical mechanical shafts, chases and risers to install mechanical, electrical and similar systems to the Premises.

Section 9 SERVICES AND UTILITIES; OPERATING COSTS

9.1 SERVICES AND UTILITIES

9.1.1 STANDARD SERVICES. Subject to reimbursements as provided herein, the Premises shall be furnished with electricity, water and elevator service, at all times during the term of the Sublease. Sublandlord shall also provide lamp replacement service for building standard light fixtures, toilet room supplies, window washing at reasonable intervals, building security and customary building janitorial service. Subtenant acknowledges that Sublandlord has no obligation to expand the capacities of or otherwise enhance any of the building systems in Pacific Tower, including without limitation the electrical or water systems, and any necessary expansions or enhancements of those systems shall be the sole obligation of Subtenant.

9.1.2 SEPARATE METERING FOR SERVICES. Subtenant shall pay separately and directly to the utility provider all costs of utility services directly metered to the Premises.

9.2 OPERATING COSTS

9.2.1 PAYMENT BY TENANT. Commencing as of the Rent Commencement Date, and throughout the remainder of the Term, Subtenant shall pay as a pass-through expense Subtenant's Pro Rata Share of Operating Costs. Operating Costs shall be determined and shall be payable as provided herein.

9.2.2 ESTIMATED COSTS AND TAXES. At the beginning of each Year, Sublandlord shall furnish Subtenant both a written statement of estimated Operating Costs and Taxes for such year and a calculation of Subtenant's Pro Rata Share of any such amount. Subtenant shall pay 1/12th of that amount as an estimated pass-through expense for each month during the Year. If at any time during the Year Sublandlord reasonably believes that the actual Operating Costs and Taxes will vary from such estimated Operating Costs and Taxes by more than five percent (5%), Sublandlord, by written notice to Subtenant, may revise the estimate for such Year, and pass-through expenses for the balance of such Year shall be paid based upon such revised estimates.

9.2.3 ACTUAL COSTS AND TAXES. Within one hundred twenty (120) days after the end of each Year or as soon thereafter as practicable, Sublandlord shall deliver to Subtenant a written statement setting forth Subtenant's Pro Rata Share of the actual Operating Costs and Taxes during the preceding Year. If the actual Operating Costs and Taxes exceed the estimates for each paid by Subtenant during the Year, Subtenant shall pay the amount of such excess to Sublandlord within thirty (30) days after receipt of such statement. If the actual Operating Costs and Taxes are less than the amount paid for each by Subtenant to Sublandlord, the amount of such overpayment by Subtenant shall be refunded by check from Sublandlord to Subtenant.

9.2.4 RECORDS AND ADJUSTMENTS. Sublandlord shall keep records showing all expenditures made in connection with Operating Costs and Taxes, and such records shall be available for inspection and audit by Subtenant for sixty (60) days after receipt of the statement of actual costs. Subtenant hereby waives any right to any adjustment of sums paid under this section unless a claim in writing specifying the reasons therefor is delivered to Sublandlord no later than forty-five (45) days after the end of the audit period for which the sums were paid. Operating Costs and Taxes shall be prorated for any portion of a Year at the beginning or end of the Term of this Lease. If Subtenant timely disputes Sublandlord's determination of Operating Costs and Taxes, and if such dispute is not settled by agreement of the Parties, such dispute shall be resolved as provided in Section 19 of this Sublease. Pending such resolution, Subtenant shall pay its share of Operating Costs and Taxes as estimated by Sublandlord. If the dispute is determined in Subtenant's favor, Sublandlord shall credit such overpayment against the next payments of Operating Costs and Taxes due from Subtenant hereunder. If the dispute is determined in Sublandlord's favor, Subtenant shall pay such underpayment to Sublandlord within thirty (30) days after such determination.

9.2.5 West Garage. Notwithstanding anything to the contrary contained in this Sublease, all Operating Costs and Taxes attributable to the West Garage shall not be included in the Operating Costs and Taxes allocated among the tenants in Pacific Tower, but shall instead be paid one hundred percent (100%) by Sublandlord.

9.2.6 CAPITAL IMPROVEMENTS. Notwithstanding anything to the contrary in this Sublease, costs for Capital Improvements incurred by Sublandlord for the exclusive benefit of the Subtenant with respect to the maintenance, operation, repair, or replacement of the Premises shall be paid one hundred percent (100%) by Subtenant. Any costs for Capital Improvements incurred by Sublandlord with respect to the maintenance, operation, repair, or replacement of the Premises that are not for the exclusive benefit of the Subtenant will be billed in accordance with Subtenant's Pro Rata Share.

Section 10 DAMAGE OR DESTRUCTION

10.1 DESTRUCTION. In the event the Existing Improvements are destroyed by fire, earthquake, or other casualty so as to render the Premises unfit for occupancy, and Sublandlord neglects or refuses to restore said premises to their former condition, then Subtenant may terminate this Sublease and shall be reimbursed for any unearned Rent that has been paid.

10.2 EXTENDED REPAIR PERIOD. In addition to the foregoing, in the event any damage or destruction that, in Subtenant's sole judgment, renders twenty-five percent (25%) or more of the Premises untenable for a period of three hundred sixty five (365) days, either Sublandlord or Subtenant may thereafter terminate this Sublease upon sixty (60) days' prior written notice to the other, provided that if the Premises are restored to a tenantable condition during that 60-day period, such notice of termination shall be deemed void and this Sublease shall remain in full force and effect.

10.3 DAMAGE DURING LAST FIVE YEARS OF TERM. If there occurs during the last five (5) years of the Term damage or destruction to the Premises and the costs of repairing, restoring, replacing or rebuilding the same exceeds twenty percent (20%) of the new replacement cost of Premises, then Subtenant may elect to terminate the Term and, in such event, Subtenant shall give notice to Sublandlord of its election within sixty (60) days after the Parties agree on the amount of damage, and the Term shall thereupon terminate as of the date of such notice.

10.4 RENT ABATEMENT. During the period of restoration or repair following any damage or destruction of the Premises, Rent shall be abated to the extent that, and for as long as, such portion of the Premises are rendered unusable, in Subtenant's sole judgment, for Subtenant's normal operations therein. Without limiting the foregoing, the parties acknowledge and agree that the loss of parking as provided for in this Sublease shall render the Premises untenable.

Section 11 INSURANCE

11.1 ACQUISITION OF INSURANCE POLICIES. Subtenant shall, at its sole cost and expense, either self-insure to Sublandlord's satisfaction or procure and maintain, or cause to be procured and maintained, during the entire Term the insurance described herein (or its then-available equivalent), which insurance shall be subject to Sublandlord's review and approval, which approval shall not be unreasonably withheld. Policy limits, coverages and deductibles shall be reviewed annually by Sublandlord and Subtenant may adjust its coverages as reasonably

requested by Sublandlord, if prudent, considering levels of inflation, risk of loss, premium expenses, and other relevant factors. Any dispute regarding policy limits shall be resolved as provided in Section 19 hereof.

11.2 TYPES OF REQUIRED INSURANCE. Tenant shall self-insure or procure and maintain the following insurance:

11.2.1 Commercial General Liability Insurance. Commercial general liability insurance insuring against bodily injury or property damage sustained in, on or about, or as a result of Subtenant's use or occupancy of, the Premises and the appurtenances thereto, including the sidewalks and alleyways adjacent thereto, with limits of liability no less than the following:

Bodily Injury and Property Damage Liability
Two Million Dollars (\$2,000,000)
each occurrence and annual aggregate.

11.2.2 Automobile Liability Insurance. Automobile bodily injury and property damage liability covering all owned, nonowned, and hired vehicles with limits of liability no less than the following:

Two Million Dollars (\$2,000,000)
Combined single limit each occurrence or accident
(no aggregate applicable).

11.2.3 Umbrella Liability Insurance. Umbrella liability insurance in the amount of \$23,000,000.

11.2.4 Builder's Risk Insurance. During construction of the Initial Improvements and during any subsequent restorations, alterations or changes in the Premises that may be made by Subtenant at a cost in excess of \$250,000 per job (adjusted every fifth Anniversary Date during the Term as provided in Section 21.1), builder's risk insurance upon the entire work on the Premises to the current 100% replacement value thereof against "all risks" of physical loss or damage to the property insured including earthquake and flood.

11.2.5 Worker's Compensation Insurance. Worker's compensation (statutory limits) and employer's liability insurance in amounts not less than \$1,000,000 per accident for bodily injury by accident; \$1,000,000 policy limit by disease; and \$1,000,000 per employee for bodily injury by disease in respect of any work by employees of Subtenant on or about the Premises.

11.3 TERMS OF INSURANCE. The policies required under Section 11.2 shall name Sublandlord as additional insured to the extent of Subtenant's negligence (except for worker's compensation insurance), as appropriate, and Subtenant shall provide to Sublandlord certificates of insurance and additional insured endorsements obtained by Subtenant hereunder promptly upon the request of Sublandlord. Further, all policies of insurance described in Section 11.2 shall: (a) For liability policies, be written as primary policies not contributing with and not in

excess of coverage that Landlord may carry; (b) Contain an endorsement providing that the amount of coverage will not be cancelled with respect to Sublandlord or Trustee of Insurance except after forty five (45) days' prior written notice from the insurance company to Subtenant (ten (10) days for nonpayment of premium); (c) Expressly provide that Sublandlord shall not be required to give notice of accidents or claims and that Sublandlord shall have no liability for premiums; and (d) Be written by insurance companies having a Bests rating of "A VIII" or better, and such insurance companies shall be reasonably acceptable to Sublandlord.

11.4 SUBLANDLORD'S ACQUISITION OF SUBTENANT'S INSURANCE. If Subtenant at any time during the Term fails to procure or maintain insurance required hereunder or to pay the premiums therefor, Sublandlord shall have the right to procure the same and to pay any and all premiums thereon, and any amounts paid by Sublandlord in connection with the acquisition of insurance shall be immediately due and payable as additional rent, and Subtenant shall pay to Sublandlord upon demand the full amount so paid and expended by Sublandlord, together with interest thereon at the rate provided in Section 21.14 hereof from the date of such expenditure by Sublandlord until repayment thereof by Subtenant. Any policies of insurance obtained by Sublandlord covering physical damage to the Premises shall contain a waiver of subrogation in favor of Subtenant if and to the extent such waiver is obtainable and if Subtenant pays to Sublandlord on demand the additional costs, if any, incurred in obtaining such waiver.

11.5 WAIVER OF SUBROGATION. Sublandlord and Subtenant hereby agree to release and hold harmless each other and any other person or entity claiming by, under, or through either or both of them, whether by way of subrogation or otherwise, from any loss or damage to real or personal property on the Premises (collectively "loss") suffered by such party, to the extent such loss is (or would have been, had the insurance required by this Sublease been carried) covered by insurance carried by the party suffering such loss, even if such loss shall have been caused by the recklessness of any person or entity for whom such party may be legally liable. Sublandlord and Subtenant shall each self-insure or procure insurance policies with such a waiver of subrogation and with a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releaser to recover thereunder, provided, however, if policies with such a clause or endorsement shall not be obtainable or shall be obtainable only at a premium over that chargeable without such waiver, the party seeking such policy shall notify the other thereof, and the latter shall have ten (10) days thereafter either (a) to procure such insurance in companies reasonably satisfactory to the other party or (b) to agree to pay such additional premium. If neither (a) nor (b) is done, this Section shall have no effect during such time as such policies shall not be obtainable or the party in whose favor a waiver of subrogation is desired shall refuse to pay the additional premium. If such policies shall at any time be unobtainable, but shall be subsequently obtainable, neither party shall be subsequently liable for a failure to obtain such insurance until a reasonable time after notification thereof by the other party.

Section 12 CONDEMNATION

12.1 TOTAL TAKING. In the event of the taking or condemnation by any competent authority for any public or quasi-public use or purpose of the whole of the Premises or materially

all of the Premises at any time during the Term, the right of Sublandlord and Subtenant to share in the proceeds of any award for the Premises and damages upon any such taking, shall be as follows:

12.1.1 Termination of Sublease. The Sublease Term shall cease as of the date of possession by the condemnor and all rental and other payments shall be apportioned as of the date of possession.

12.1.2 Sublandlord's and Subtenant's Shares. Sublandlord and Subtenant shall each receive the value of their respective interests in the Premises, together with interest thereon from the date of taking to the date of payment at the rate paid on the award, and attorneys' fees and other costs to the extent awarded. The values of the Sublandlord's and Subtenant's respective interests in the Premises shall be established by the same court of law or other trier of fact that establishes the amount of the condemnation award, but if there is no court of law available or willing to determine Sublandlord's and Subtenant's respective interests, those interests shall be determined pursuant to Section 19 hereof.

12.2 SUBSTANTIAL TAKING. In the event of the taking in condemnation of less than the whole of the Premises but materially all of the Premises such that the Sublease terminates, any award shall be divided as provided in Section 12.1.2 above.

12.2.1 Determination of Substantial Taking. For the purposes of this Section, a taking or condemnation of materially all of the Premises, as distinguished from a taking or condemnation of the whole of said Premises, means a taking described in paragraph (c) of Section 12.3 hereof.

12.3 PARTIAL TAKING. In the event of a partial taking or condemnation, e.g., a taking or condemnation of less than materially all of the Premises:

(a) The Term of this Sublease (except as hereinafter provided) shall nevertheless continue, but the annual Base Rent to be paid by Subtenant under Section 5 shall thereafter be reduced by the amount that the rental value of the Premises immediately prior to such taking exceeds the rental value of the Premises immediately after such taking.

(b) The award shall be divided and shared by Sublandlord and Subtenant as provided in Section 12.1.2 hereof.

(c) If the remaining part of the Premises not so taken cannot be adequately restored, repaired or reconstructed so as to constitute a complete functional unit of property of substantially the same usefulness, design and construction, having regard to the taking, as immediately before such taking, capable of producing, after the payment of all operating expenses thereof, the annual Base Rent (as adjusted pursuant to paragraph (a) above) and other charges herein reserved, and after the performance of all covenants, terms, agreements and provisions herein and by law provided to be performed and paid by the Subtenant, a fair and reasonable net annual income, as hereinafter determined, then the Tenant shall have the right, to be exercised by written notice to the Sublandlord within sixty (60) days after the date of taking,

to terminate this Sublease as to such remaining part of the Premises not so taken on a date to be specified in said notice not earlier than the date of such taking. In such case the Subtenant shall pay and satisfy all Rent due and accrued hereunder up to such date of such termination, including all sums and all other charges, and shall perform all of the obligations of Subtenant hereunder to such date, and thereupon this Sublease shall terminate. The determination of what constitutes a fair and reasonable net annual income shall be governed by the average net annual income produced by the Premises during the three-year period immediately preceding such taking reduced in the same proportion as Base Rent in Section 12.3(a) hereof.

(d) If the Sublease is not terminated as hereinabove provided, and if such taking occurs prior to the last ten (10) years of the Sublease Term, then, as to the Premises not taken in such condemnation proceeding, Sublandlord shall proceed diligently, to the extent the portion of the condemnation award paid to Subtenant is sufficient for such purpose, to make an adequate restoration, repair or reconstruction of the part of the building not taken so as to restore, repair or reconstruct the Premises, to the extent practicable, to a functional unit of substantially the same usefulness, design, construction, quality, and to a condition having the income-generating capability of the Premises prior to such taking.

12.4 SUCCESSIVE TAKINGS. In case of a second or any other additional partial taking or takings from time to time, the provisions hereinabove contained shall apply to each partial taking.

12.5 TEMPORARY TAKING. If the whole or any part of the Premises or of the Subtenant's interest under this Sublease be taken or condemned by any competent authority for its temporary use or occupancy, and subtenant shall continue to pay, in the manner and at the times herein specified, the full amounts of the Base Rent and all Impositions and other charges payable by Subtenant hereunder, then this Sublease shall continue and, except only to the extent that Subtenant may be prevented from so doing pursuant to the terms of the order of the condemning authority, Subtenant shall perform and observe all of the other terms, covenants, conditions and obligations hereof upon the part of Subtenant to be performed and observed, as though such taking or condemnation had not occurred. In the event of any such temporary taking or condemnation, Subtenant shall be entitled to receive the entire amount of any award made for such taking, whether paid by way of damages, rent or otherwise, unless such period of temporary use or occupancy shall extend to or beyond the expiration date of the Term of this Sublease, in which case such award shall be apportioned between Sublandlord and Subtenant as of such date of expiration of the Term.

Section 13 SUBTENANT TO COMPLY WITH LAWS; NO DISSOLUTION

13.1 COMPLIANCE BY SUBTENANT. Subtenant shall at all times during the Term of this Sublease, at Subtenant's sole cost and expense, perform and comply with laws, rules, orders, ordinances, regulations and requirements now or hereafter enacted or promulgated that are applicable to the Premises and the business of Subtenant conducted with respect thereto, including without limitation the Landmark Requirements.

Section 14 **INSPECTION BY SUBLANDLORD**

14.1 INSPECTION OF PREMISES. Sublandlord and Sublandlord's agents and representatives shall be entitled, from time to time, upon reasonable notice to Subtenant, to go upon and into the Premises for the purpose of: (a) Inspecting the same; or (b) Inspecting the performance by Subtenant of the agreements and conditions of this Sublease. Sublandlord shall assume no duty or liability with respect to the Premises or their maintenance as a result of such inspection. During the last thirty six (36) months of the Term of this Sublease, Subtenant shall permit inspection of the Premises at reasonable times and for reasonable periods by or on behalf of prospective tenants and prospective purchasers.

14.2 RIGHTS OF SUBTENANTS. Notwithstanding the provisions of Section 14.1, the rights of Landlord to enter into any portion of the Premises that are subject to a sublease from Tenant to any subtenant shall be subject to reasonable restrictions contained in such sublease that are applicable to Tenant and any provisions of applicable law.

Section 15 **RESPONSIBILITY OF THE PARTIES**

15.1 Indemnity. Each party to this Sublease shall be responsible for injury to persons or damage to property resulting from negligence on the part of itself, its employees, its agents, or its officers. Each party to this Sublease ("Indemnifying Party") shall indemnify and defend the other party to this Sublease (the "Indemnified Party") from and against all claims asserted by persons not parties to this Sublease, arising from or relating to the Indemnifying Party's breach of this Sublease, negligence, intentional misconduct, or violation of law. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any third party.

15.2 LIMITATIONS ON OBLIGATIONS. Notwithstanding the above, in the event of the concurrent negligence of Subtenant, or its authorized representatives, on the one hand, and that of Sublandlord, or its authorized representatives, on the other hand, which concurrent negligence results in damage to any persons or property occurring in, on or about the Premises or the Property, either party's obligation to indemnify the other party as set forth above shall be limited to the extent of the negligence of such party, or its authorized representatives, including such party's proportional share of costs and attorneys' fees incurred in connection with any claims, actions or proceedings brought with respect to such damage. In no event shall Sublandlord or Subtenant be indemnified for its sole negligence or that of its authorized representatives.

15.3 WAIVER OF IMMUNITY. For the purposes of these indemnification provisions only, Sublandlord and Subtenant specifically and expressly waive any immunity that may be granted them under the Washington State Industrial Insurance Act, Title 51 RCW; provided that such waiver shall be expressly limited to the waiving party's indemnification obligations herein and shall not be intended as a benefit to any third party. The indemnification obligations under this Sublease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under worker's compensation acts, disability benefits acts, or other employee benefits acts. **The parties acknowledge and agree that this waiver has been specifically negotiated.**

15.4 SUBTENANT'S DUTY TO INDEMNIFY LANDLORD. Notwithstanding any provision to the contrary, Subtenant shall indemnify Landlord for all claims, losses or damages arising from Subtenant's negligence or use and occupancy of the Premises.

15.5 SUBTENANT'S DUTY TO INSURE. Notwithstanding any provision to the contrary, Subtenant shall self-insure or carry commercial general liability insurance with at least One Million Dollars (\$1,000,000) of coverage, and to name Landlord as an additional insured under that policy.

15.6 SUBTENANT'S CONTRACTS. Notwithstanding any provision to the contrary, Subtenant shall cause each contract entered into by it for work done on or in the Premises to (i) include an indemnification of Landlord by the contractor thereunder for all claims, loss, or damage arising from the contractor's work on or in the Premises or Property; and (ii) require the contractor thereunder to carry commercial general liability insurance with at least One Million Dollars (\$1,000,000) of coverage, and to name Landlord as an additional insured under that policy.

Section 16 SUBLETTING AND ASSIGNMENT

16.1 SUBLETTING. Subtenant shall not sublet any portion of the Premises without Sublandlord's prior written authorization and agreement as to the terms and conditions pertaining thereto.

16.2 ASSIGNMENTS. Subtenant shall not assign its interest in the Premises or this Sublease.

16.3 COVENANTS BINDING ON SUCCESSORS AND ASSIGNS. All of the terms, conditions, and covenants of this Sublease shall inure to the benefit of and be binding upon the successors and assigns of the respective Parties hereto, but the provisions of this Section 16.3 shall in no way affect or derogate from the other provisions of this Section 16.

Section 17 SUBLANDLORD AND SUBTENANT TO FURNISH STATEMENT

17.1 SUBLANDLORD'S STATEMENT. Sublandlord, within twenty (20) days after written request to Sublandlord from Subtenant, will furnish a written statement, duly acknowledged, as to the following items: (a) The amount of the rent due, if any; (b) Whether the Sublease is unmodified and in full force and effect (or, if there have been modifications, whether or not the same are in full force and effect as modified and identifying the modifications); (c) Whether to Sublandlord's actual knowledge Subtenant is in default and specifying the nature of any such default; and (d) Such other matters as Subtenant may reasonably request and that relate to the actual knowledge of Sublandlord.

17.2 SUBTENANT'S STATEMENT. Subtenant, within twenty (20) days after written request of the Sublandlord, will furnish a written statement, duly acknowledged, as to: (a) Whether the Sublease is unmodified and in full force and effect (or, if there have been

modifications, whether or not the same are in full force and effect as modified and identifying the modifications); (b) Whether there are any defaults thereunder on the part of Sublandlord to the actual knowledge of Subtenant and specifying the nature of such defaults, if any; and (c) Such other matters as Sublandlord may reasonably request and that relate to the actual knowledge of Subtenant.

17.3 FAILURE TO FURNISH. Upon the failure of Sublandlord or Subtenant, as the case may be, to furnish such statements within the said 20-day period, it shall be conclusively presumed that the Sublease is in full force and effect and that there are no defaults thereunder by the other party, except to the extent of facts actually known by the party to whom such statement was to be directed.

Section 18 **DEFAULT**

18.1 EVENT OF DEFAULT. The occurrence of any of the following shall constitute an "Event of Default:"

18.1.1 Payments of Base Rent. Failure of Subtenant to duly and punctually make any payment of Base Rent owing to Sublandlord hereunder as and when the same becomes due and payable.

18.1.2 Payments of Other Amounts. Failure of Subtenant to duly and punctually make any payment owing to Sublandlord hereunder other than the payment of Rent, as and when the same becomes due and payable, or the failure to maintain any of the insurance coverages required hereunder or pay any of the premiums required to be paid with respect thereto, and such occurrence or failure continues for a period of fifteen (15) days after notice thereof given to Subtenant by Sublandlord.

18.1.3 Other Covenants. Subtenant or Sublandlord being in breach of, or Subtenant or Sublandlord failing to perform, comply with, or observe any other term, covenant, warranty, condition, agreement or undertaking contained in or arising under this Sublease other than those referred to hereinabove in this Section 18 and such failure continues for a period of thirty (30) days after notice thereof is given by the nondefaulting party to the defaulting party.

18.2 TERMINATION OF SUBLEASE. In addition to all other rights and remedies available to Sublandlord by law or equity, Sublandlord may, at any time after the occurrence of any Event of Default on the part of Subtenant, and while the same remains unremedied, give notice to Subtenant of its intention to terminate this Sublease, in which case, unless within sixty (60) days after the giving of such notice, the condition creating or upon which is based such Event of Default is cured, this Sublease shall terminate as of the expiration of such sixty (60) days and Sublandlord may reenter upon the Premises and have possession thereof.

18.3 EFFECT OF TERMINATION. Upon termination of the Term under this Section 18, all rights and privileges of Subtenant and all duties and obligations of Sublandlord hereunder shall terminate. Immediately upon such termination of the Term, and without further notice to any other party, Sublandlord shall have the right to assert, perfect, establish and confirm all

rights reverting to Sublandlord by reason of such termination by any means permitted by law, including the right to take possession of the Premises, together with all improvements thereto, fixtures therein (including trade fixtures) and any and all capital alterations and improvements that may be constructed upon or to the Premises, with or without process of law, and to remove all personal property from the Premises and all persons occupying the same and to use all necessary lawful force therefor and in all respects to take the actual, full and exclusive possession of the Premises and every part thereof as Sublandlord's original estate, thereby wholly terminating any right, title, interest or claim of or through Tenant as to the Premises or fixtures and alterations to the Premises, and all personal property located on the Premises, all without incurring any liability to Subtenant or to any person occupying or using the Premises for any damage caused or sustained by reason of such entry or such removal, except for damage resulting from Sublandlord's negligence in effecting such removal.

18.4 DAMAGES AND REMEDIES. The exercise by either party of any remedy arising by virtue of an Event of Default shall not be considered exclusive, but either party may exercise any and all other rights or remedies provided by this Sublease or by law or equity. The termination of the Term pursuant to this Section 18 shall not extinguish the right of either party to collect damages arising from the breach of this Sublease by the other party. Subtenant shall be liable for Rent accruing up to the end of the Term specified in this Sublease, notwithstanding the early termination of such Term due to an Event of Default and the reentry of Sublandlord before the normal expiration of the Term as established herein or pursuant hereto, except that Sublandlord shall make reasonable and diligent efforts to rerent the Premises upon such terms as it sees fit in its reasonable discretion and for a term that may expire either before or after the specified termination date of the Term herein, and Subtenant shall pay to Sublandlord all Rent and other sums that would be payable hereunder by Subtenant if no such termination and reentry had occurred, less the net proceeds, if any, of any such reletting after deducting Sublandlord's reasonable expenses in connection with such reletting, including but not limited to repossession costs, brokerage commissions, legal expenses, employee expenses, alteration costs and other such reletting preparation expenses, and Subtenant shall pay such current damages to Sublandlord on the days on which such rental would have been payable hereunder if no such termination and repossession and reentry had occurred.

18.5 REASONABLE RENTAL VALUE DETERMINATION. Sublandlord may, at any time after a termination of the Term pursuant to this Section 18, recover from Subtenant the worth at such time (discounted to value at the time of termination) of the excess, if any, of the amount of the Rent reserved in this Sublease for the balance of the Term (had such termination not occurred) over the then-reasonable rental value of the Premises for the same period, such "reasonable rental value" being the amount of rental that Sublandlord can reasonably be expected to obtain as rent for the remaining balance of the Term (to its normal expiration date had such termination not occurred). Upon rerenting of the Premises by Sublandlord, Subtenant shall be liable to Sublandlord for the costs and expenses of rerenting and of such alterations and repairs as may be reasonably incurred by Sublandlord in readying the Premises for such rerenting, in accordance with the provisions of Section 18.4.

18.6 NO WAIVERS. No failure by any party hereto to insist upon the strict performance of any provision of this Sublease or to exercise any right, power or remedy consequent to any

breach thereof, and no waiver of any such breach, or the acceptance of full or partial Rent during the continuance thereof, shall constitute a waiver of any such breach or of any such provision. No waiver of any breach shall affect or alter this Sublease, which shall continue in full force and effect, or the rights of any party hereto with respect to any other then-existing or subsequent breach.

18.7 PAYMENT BY SUBLANDLORD OF SUBTENANT'S DEFAULTED PAYMENTS. In case of default on the part of Subtenant to pay any money, or do any act to satisfy any of the obligations or covenants that it is required to pay, do, or satisfy under the provisions of this Sublease, Sublandlord may, at its option, after written notice to Subtenant, pay any or all such sums, do any or all such acts that require the payment of money, or incur any expense whatsoever to remedy the failure of Subtenant to perform any one or more of the covenants herein contained. Subtenant shall repay the same to Sublandlord on demand, together with interest at the rate provided in Section 21.14 hereof, such interest to be calculated from the date payment is made by Sublandlord.

Section 19 **DISPUTES BETWEEN THE PARTIES**

19.1 GOOD FAITH EFFORTS TO RESOLVE. In the event that a dispute arises, the Parties shall attempt to resolve any such dispute as expeditiously as possible and, in so doing, shall cooperate fully and in good faith. Accordingly, in the event of such dispute, each party shall notify the other party's primary contact in writing and specify the nature of the dispute; the party's position regarding the dispute; prior efforts to resolve the dispute; and their preferred dispute resolution outcome.

19.2 RESOLUTION PROCESS. If, within thirty (30) days, the Parties' primary contacts are not able to resolve the dispute, the Parties shall cooperate to prepare a memorandum regarding the same and, within five (5) business days, forward the same to the Director of the Department of Commerce and the Director of the State System of Community and Technical Colleges. The respective Directors shall attempt to resolve any such dispute efficiently and as expeditiously as possible. In the event that the Directors are not able to resolve the dispute within ten (10) business days, the dispute shall be resolved through the Governor's interagency dispute process (RCW 43.17.330). In no event shall the Parties resolve disputes between the Parties in court.

Section 20 **WARRANTIES**

20.1 SUBLANDLORD'S WARRANTIES. Sublandlord represents and warrants that: ; (a) Sublandlord has the authority to enter into this Sublease, and its execution and delivery by Sublandlord has been duly authorized; and (b) Subtenant shall at all times during the Term of this Sublease have the right to peacefully and quietly have, hold, and enjoy the Premises, subject to the terms of this Sublease.

20.2 SUBTENANT'S WARRANTIES. Subtenant represents and warrants that Subtenant has the authority to enter into this Sublease, and its execution and delivery by Subtenant has been duly authorized.

Section 21 **OTHER PROVISIONS**

21.1 NO AGENCY. The Parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Sublease. Neither party is an agent of the other party nor authorized to obligate it.

21.2 TIME OF THE ESSENCE. Time is of the essence for each and every provision of this Sublease.

21.3 CAPTIONS. The captions of this Sublease and the table of contents preceding this Sublease are for convenience and reference only; are not a part of this Sublease; in no way amplify, define, limit or describe the scope or intent of this Sublease, or in any way affect this Sublease.

21.4 MEANING OF TERMS. Words of any gender in this Sublease shall be held to include any other gender, and words in the singular number shall be held to include the plural when the sense requires.

21.5 INTERPRETATION. The language in all parts of this Sublease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Sublandlord or Subtenant. Each party acknowledges that it and its legal counsel have reviewed this Sublease. The parties agree that the terms and conditions of this Sublease shall not be construed against any Party on the basis of such party's drafting, in whole or in part, of such terms and conditions.

21.6 SEVERABILITY. If any provision of this Sublease (other than those relating to payment of Rent) or the application thereof to any person or circumstances shall to any extent be held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Sublease, and to this end the provisions of this Sublease are declared to be severable. If such invalidity becomes known or apparent to the parties, the parties agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this Sublease.

21.7 SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Sublease shall survive and remain in effect following the expiration or earlier termination of this Sublease, *Provided*, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations period.

21.8 MEMORANDUM OF LEASE; RECORDING. The parties agree to execute and acknowledge an appropriate memorandum of this Sublease for public recordation purposes, so that public notice is given of the Term of this Sublease.

21.9 AMENDMENT. This Sublease may be amended only in writing, signed by both Sublandlord and Subtenant.

21.10 BROKER'S COMMISSIONS. Each of the Parties hereby represents and warrants to the other that it has not discussed or had any communications concerning the Premises with any real estate agent or broker pertaining to this transaction, and that to the best of their knowledge no commissions or broker's fees are owed on this transaction. Should any claim for a commission or finder's fee be asserted by any third party as a result of the act or omission of either party, then the party alleged to have agreed to pay such commission or fee shall be solely responsible therefore, and shall indemnify, defend, and hold the other party harmless from any and all loss, damage, liability, cost, or expense, including, without limitation, attorneys' fees, suffered or incurred by it arising out of or relating to any claim for real estate commission or fee made by any such real estate agent or broker.

21.11 NOTICES. All notices, demands, requests, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other may be given personally or may be delivered by depositing the same in the United States mails, certified, registered or equivalent, return receipt requested, postage prepaid, properly addressed, and sent to the following addresses:

Sublandlord
Department of Commerce
State of Washington
PO Box 48300
Olympia, WA 98504-2525
Attn: Chief Financial Officer

Subtenant
Seattle Community College District
Washington District VI
1500 Harvard Avenue
Seattle, WA 98122
Attn: Chancellor

or to such other address as either party may from time to time designate by written notice to the other. Notices given by mail as aforesaid shall be deemed received and effective on the second business day following such dispatch.

21.12 INTEREST. Except as otherwise specifically provided herein, any amounts due one party to the other pursuant to the terms of this Sublease, including amounts to be reimbursed one to the other, shall bear interest from the due date or the date the right to reimbursement accrues at the "prime rate" published most recently prior to such date in the Wall Street Journal, or its successor, for commercial, short-term (i.e., maturity dates of 1 year or less) unsecured loans plus 2%, but not less than 12% per annum, provided, however, that such rate shall not exceed, in any event, the highest rate of interest that may be charged under applicable law without the creation of liability for penalties or rights of offset or creation of defenses. For purposes of interest calculations, the due date of amounts or the date the right to reimbursement accrues shall be deemed the date that it originally was owing but may have been disputed, as distinguished from the date of final resolution.

21.13 GOVERNING LAW. The validity, construction, and performance of this Sublease shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflict of laws rules.

21.14 EXHIBITS. All exhibits referred to herein are deemed to be incorporated in this Sublease in their entirety.

21.15 SUCCESSORS AND ASSIGNS. This Sublease shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

21.16 INTEGRATED AGREEMENT. This Sublease together with the other documents, agreements and exhibits referenced herein and the Memorandum of Understanding between the Parties contains the final and complete expression of the Parties relating in any manner to the leasing, use, and occupancy of the Premises and other matters set forth in this Sublease and supersedes all prior negotiations and representations. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect. There are no representations or understandings of any kind not set forth herein.

21.17 NO WAIVER IMPLIED. No waiver of any default hereunder shall be implied from any omission by either party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. The acceptance by Sublandlord of Rent with knowledge of the breach of any of the covenants of this Sublease by Subtenant shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term or condition of this Sublease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition. The consent or approval by Sublandlord or Subtenant, as the case may be, to or of any act by the other party requiring consent or approval shall not be deemed to waive or render unnecessary Sublandlord's or Subtenant's consent or approval, as the case may be, to or of any subsequent similar acts by the other party.

21.18 FURTHER ASSURANCES. Upon execution, each party shall do and perform, or cause to be done and performed, all such further acts, and shall execute and deliver all such other agreements, certificates, instruments, and documents, as the other party reasonably may request in order to carry out the intent and accomplish the purposes of this Sublease and the consummation of the transactions contemplated hereby.

21.19 PREVAILING WAGE. Work, construction, alterations, repairs, and improvements to the Premises must comply with RCW 39.12 and RCW 39.040.260, to the extent required by law.

21.20 NO GUARANTEES. It is understood that no guarantees, express or implied, representations, promises, or statements have been made by the Sublandlord or Subtenant unless endorsed herein in writing.

21.21 REQUIRED CONSENTS. Except to the extent expressly provided otherwise in this Sublease, any consent or approval of Sublandlord or Subtenant required under this Sublease shall be granted or denied within thirty (30) days of receipt of the request therefor.

21.22 COUNTERPARTS. This Sublease may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Sublease at different times and places by the Parties shall not affect the validity thereof so long as all the Parties hereto execute a counterpart of this Sublease.

EXECUTED AND EFFECTIVE, as of the day and year first above written.

SUBLANDLORD

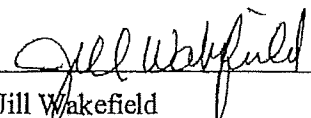
STATE OF WASHINGTON,
acting through the Department of Commerce

By: 
Dan McConnon

Its: Deputy Director

SUBTENANT

SEATTLE COMMUNITY COLLEGE
DISTRICT VI

By: 
Jill Wakefield

Its: Chancellor

STATE OF WASHINGTON
COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Jill Wakefield is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the representative of Seattle Community College District VI, a public entity, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 19 day of February, 2014.

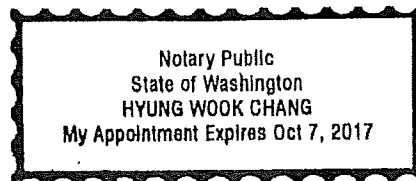

(Signature of Notary)

Hyung Wook Chang

(Legibly Print of Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at Seattle, WA

My appointment expires 10/07/17



STATE OF WASHINGTON
COUNTY OF THURSTON

SS.

I certify that I know or have satisfactory evidence that Dan McConnon is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the representative of the STATE OF WASHINGTON, acting through the Department of Commerce, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

DATED this 21st day of February, 2014.

Paul S. Currington
(Signature of Notary)

Paul S. Currington
(Legibly Print of Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at Oly WA

My appointment expires June 5, 2015

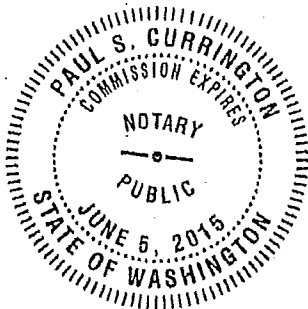


EXHIBIT A

Premises

The designated portions of the following attached floorplates for Pacific Tower:

- Floor 2
- Floor 3
- Floor 4
- Floor 5
- Floor 6

EXHIBIT A-1

Premises – Legal Description

The Premises are located at that portion of tax parcel number 2829600110, with a common street address of 1200 12th Avenue South, Seattle, Washington situated on the following real property:

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 City of Seattle as described in the Plat thereof recorded in Volume 24, Page 12, Records of King County, Washington, together with the streets and alleys attaching thereto by operation of law as vacated by City of Seattle under Ordinance No. 59530.

EXHIBIT B

Encumbrances

1. Restrictions, conditions, dedications, notes easements and provisions, if any, as contained and/or delineated on the face of the plat of Golf Heights Addition recorded in Volume 24 of Plats, Page 12, in King County, Washington.

2. Reservations, if any, for utility easements lying within vacated streets and alleys and for the right to make slopes for cuts and fills along street margins of said vacated streets and alleys as disclosed by City of Seattle Ordinance Nos. 59530 and 62723.

3. Covenants, conditions, restrictions and/or easements:

Recorded: December 1, 1981

Recording No.: 8112010772

Said Instrument was modified by a Modification and Partial Abrogation of Conditions Subsequent and Partial Release of Mortgage:

From: United States of America, acting by and through the Secretary of Health and Human Services

Recorded: October 5, 1998

Recording No.: 9810050837

By virtue of such modification, condition subsequent 4 is the only condition that does affect the leasehold estate.

4. Relinquishment of all existing and future rights to light, view and air, together with the rights of access to and from the State Highway constructed on lands conveyed by document in favor of the State of Washington:

Recorded: February 7, 1984

Recording No.: 8402070333

5. The Terms and provisions contained in the document entitled "Release of Damages Agreement" recorded May 24, 1985 as Recording No. 8505240545 of Official Records.

6. The terms and provisions contained in the document entitled "Property Use and Development Agreement" recorded October 5, 1989 as Recording No. 8910050164 of Official Records. Document(s) declaring modifications thereof recorded April 9, 1992 as Recording No. 9204090305 of Official Records.

7. Restrictions relating to historic preservation of the Pacific Medical Center as imposed by City of Seattle Ordinance No. 116055 recorded February 19, 1992 under Recording No. 9202191671. Approval required by the Land Marks Preservation Board to make alterations or significant changes to building exterior.

8. The terms and provisions contained in the document entitled "Agreement Related to the Transportation Management Plan" recorded December 2, 1992 as Recording No. 9212020177 of Official Records.
9. The terms, provisions and easement(s) contained in the document entitled "Reciprocal Easement Agreement" recorded October 5, 1998 as Recording No. 9810050840 of Official Records.
10. The terms and provisions contained in the document entitled "Memorandum of Drainage Control Plan" recorded October 14, 1999 as Recording No. 19991014000852 of Official Records.
11. The terms, provisions and easement(s) contained in the document entitled "Skybridge Interconnection and Adjacent Projects Easements and Agreements" recorded May 12, 2000 as Recording No. 20000512001625 of Official Records.
12. The terms and provisions contained in the document entitled "Geological Hazard Area Covenant" recorded September 26, 2000 and October 10, 2001 as Recording Nos. 20000926000623 and 20011010000460 of Official Records.
13. Tower and Adjacent Property Lease Agreement between Pacific Hospital Preservation and Development Authority, a public corporation chartered by the City of Seattle and State of Washington, acting through the Department of Commerce, dated November 12, 2013.

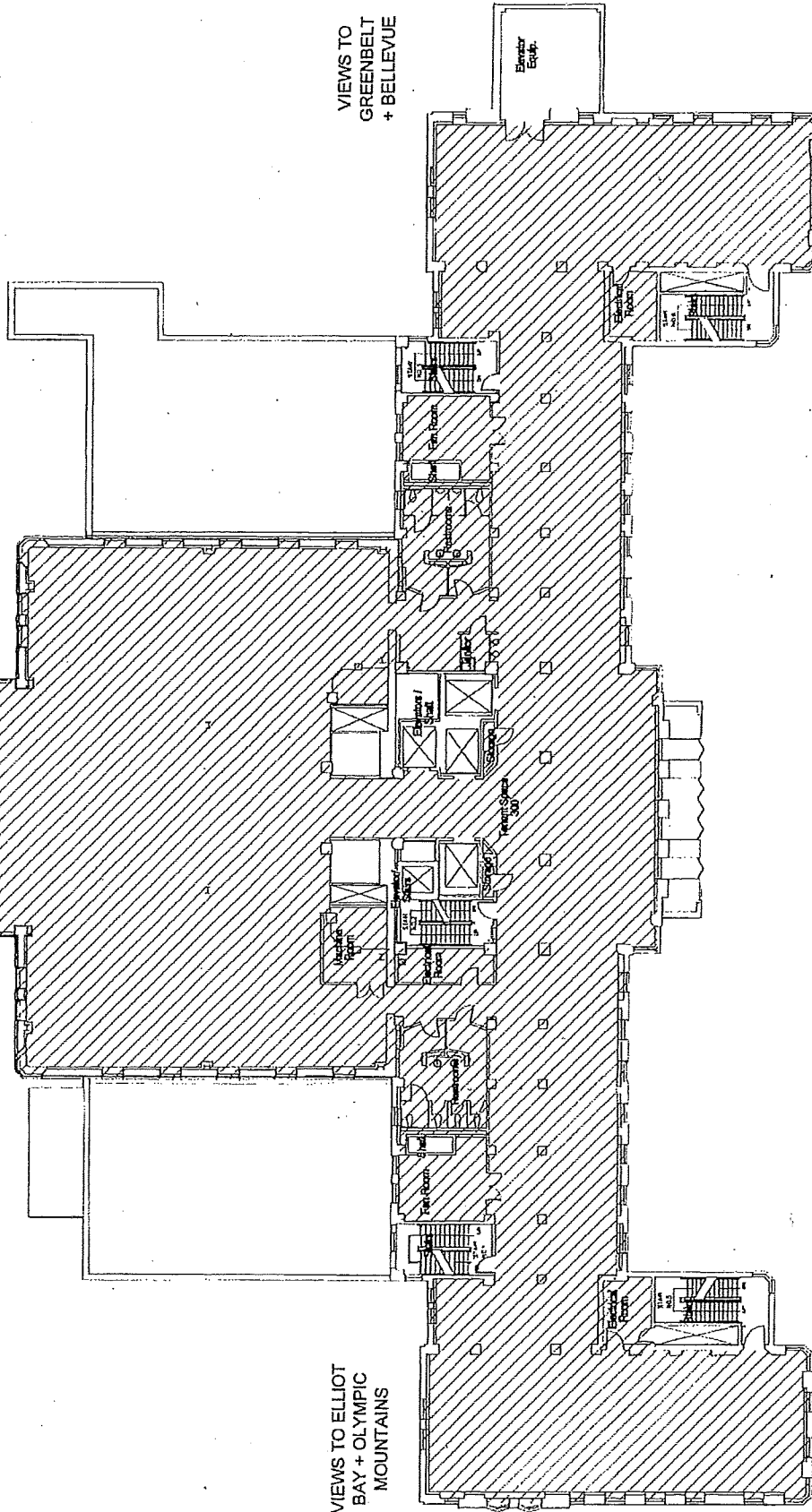
Floor 3

Available 19,556 RSF

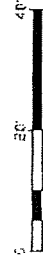
VIEWS TO CBD +
FIRST HILL

VIEWS TO ELLIOT
BAY + OLYMPIC
MOUNTAINS

VIEWS TO
GREENBELT
+ BELLEVUE



1200 12th Street
Seattle, Washington 98122



Floor 4

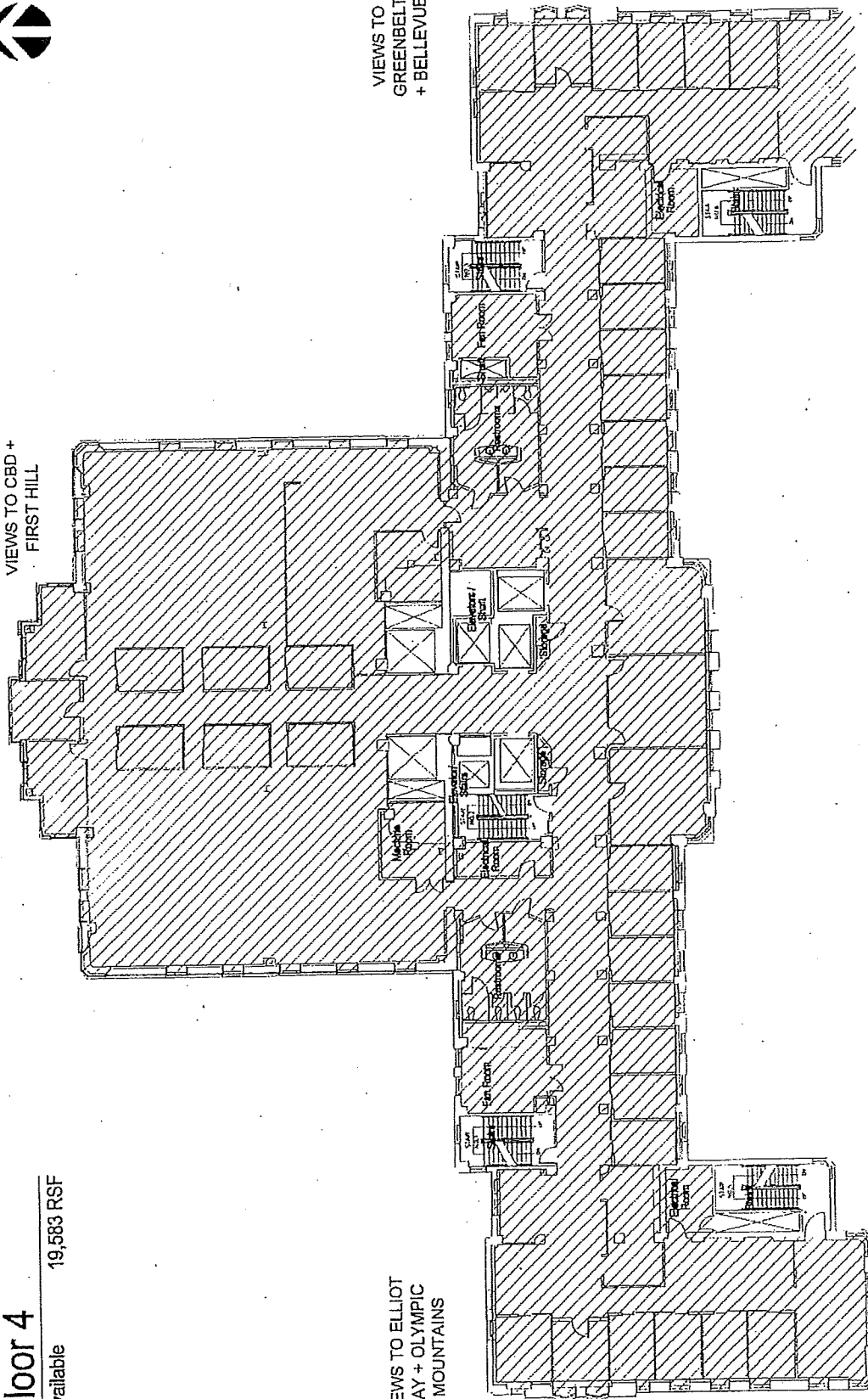
Available

19,583 RSF

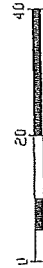
VIEWS TO CBD +
FIRST HILL

VIEWS TO
GREENBELT
+ BELLEVUE

VIEWS TO ELLIOT
BAY + OLYMPIC
MOUNTAINS



1200 12th Street
Seattle, Washington 98122



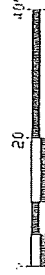
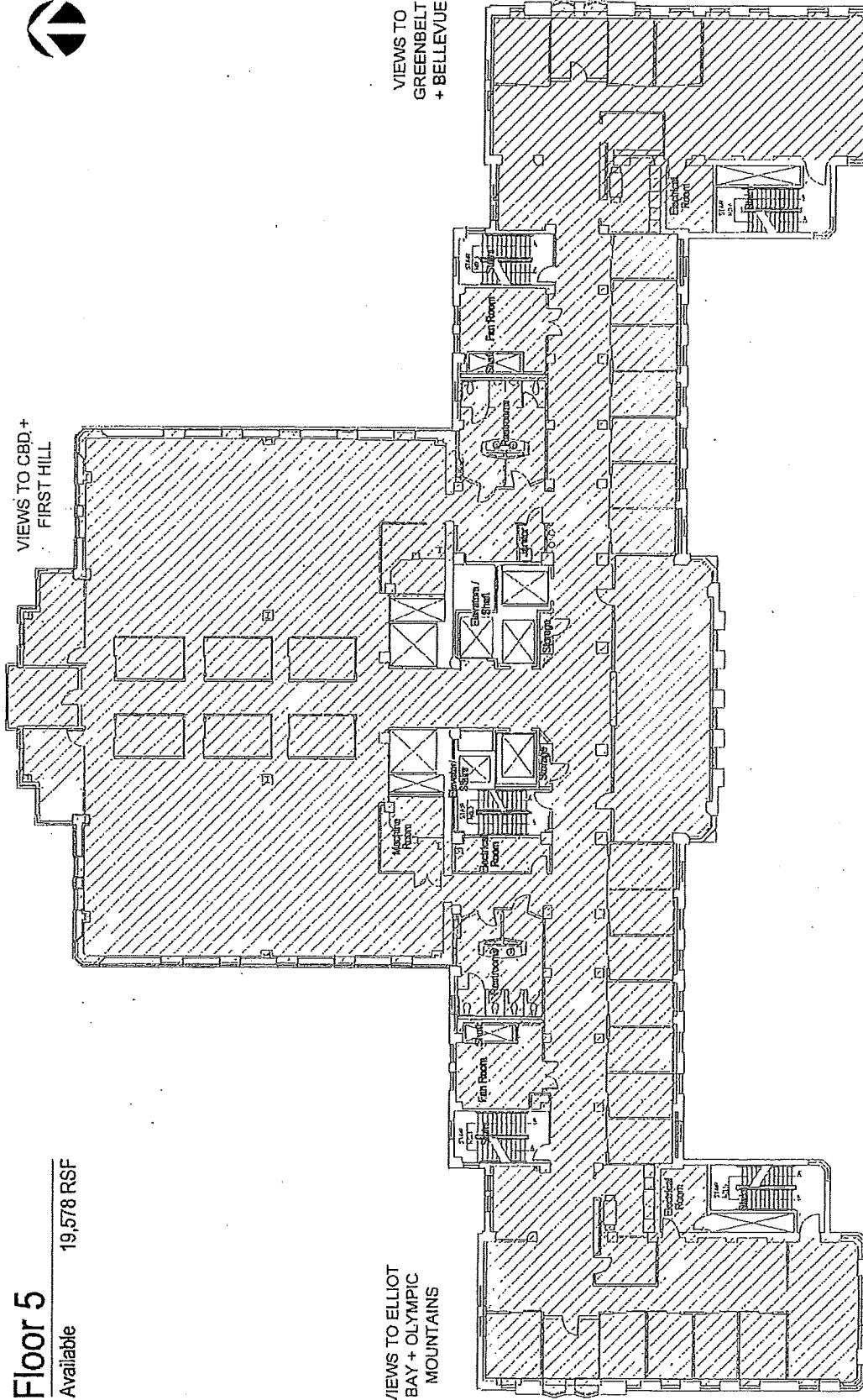
Floor 5

Available 19,578 RSF

VIEWS TO CBD +
FIRST HILL

VIEWS TO ELLIOT
BAY + OLYMPIC
MOUNTAINS

VIEWS TO
GREENBELT
+ BELLEVUE



1200 12th Street
Seattle, Washington 98122

April 1 st 2014	Selection of General Contractor / Construction Manager	Enterprise Services
Spring 2014	Hire Pacific Tower Program Coordinator and Bldg. Manager	EVP of Instruction, Dean of Allied Health
Summer 2014	Hire Director of Student Success	EVP of Instruction
August 2014	Issuance of Construction Documents	Enterprise Services
November 2013 – June 2014	Instructional Program Review with Healthcare Workforce Advisory Committee	EVP of Instruction, Dean of Allied Health & SCCC Project Manager
Spring 2014	Hiring of Curriculum Designer(s)	Dean of Allied Health
September 2014	Facility Construction Start	GC/CM
Fall 2014	Hire Advisor/Coordinator for Registration & Hire Librarian	
March 1, 2015	Specify and Order Instructional Equipment, Furnishings and Fixtures	Enterprise Services
Winter-Spring 2015	Hire IT Support & Administrative Support Personnel	
July-August 2015	Complete facilities construction and deliver all furniture, fixtures and equipment	Enterprise Services
September 2015	SCCC transfers allied health and nursing programs to Pacific Tower campus	Dean of Allied Health

Capital Construction Cost and Phasing

In February and March of 2013 the architectural firm of Schreiber, Starling and Lane (SSL) conducted a “test to fit” study for Seattle Central Community College to determine an estimate square footage to accommodate nursing and allied health instructional programs at the Pacific Tower. That study concluded that to accommodate the existing programs and the planned addition of the baccalaureate of applied science – allied health and the baccalaureate of science – nursing programs the college would need 85,000 square feet in the Pacific Tower. They provided a rough estimate of the capital requirements to build out five floors of the Tower and equip it for those allied health and nursing programs. Subsequently in late 2013, SSL and consultants to the Seattle Community College District conducted an analysis of those projected costs against comparable recent community college projects across Washington. The projected expenditures for remodeling, equipment and furnishings were best guesses wherein square footage by type of space was multiplied by a 2015 estimated per square foot cost. SSL advised that when a detailed program for the space is agreed upon and design development completed, we will have improved estimates.

The revised capital requirements for 85,000 square feet of space for Seattle Central at the Pacific Tower is an order of magnitude estimate of \$23 million. It can be broken out into two phases: \$18 million for

architectural and engineering design services, construction and project management; \$5 million for equipment, furnishings and fixtures.

To occupy the Pacific Tower by the fall of 2015, a construction contract will likely have to be signed by July of 2014. Equipment and furnishings can be ordered at a later date, probably six months out from final occupancy or roughly March of 2015. So it is conceivable to commit to the facility construction with \$18 million in available funds on July 1st, 2014 and delay commitments for equipment and furnishings until the District secures a second capital appropriation, private donations, or a certificate of participation is authorized.

The second reason is that, while the facility construction costs cannot be avoided, some of the equipment cost may be avoidable. Seattle Central has some equipment, such as simulation lab dummies and equipment and dental chairs, which may be in good enough condition to move to the Pacific Tower. SSL has built their estimate on purchasing all new equipment. In addition, we believe that private donors are much more inclined to give for specialized instructional equipment than general construction. So it is likely that the \$4.9 million equipment and furnishings expense can be reduced.

The proposed design and development timeline is aggressive and relies upon the use of an overlapping design and architectural services contract paired with an early selection of a general contractor/construction manager. By overlapping their services, rather than using a traditional design/bid/build process, Enterprise Services is hopeful of cutting down the overall project timeline and achieving savings.

There is a distinct possibility that Seattle Central will have to phase-in the transfer of existing instructional programs to the Pacific Tower campus if the assumptions on time savings and efficiency which underpin the timeline are not achieved.

Sublease and Memorandum of Understanding

Space in the Pacific Tower is subject to the terms of a thirty year sublease negotiated in the fourth quarter of 2013 with the Washington State Department of Commerce, the master tenant in the Pacific Tower. Under the terms of that sublease, the Seattle Community College District is responsible for its proportionate share of the rental, utilities and maintenance costs. Both the Washington Department of Commerce and the District expect that all such financial obligations of the District will be paid via biennial appropriation from the Washington State Legislature. The Department and the District have entered into a Memorandum of Understanding (see attached appendix) which runs as a companion document to the sublease. That Memorandum of Understanding outlines shared expectations about the source of funds to meet those sublease obligations, availability of capital appropriations to pay for tenant improvements and other financial aspects of establishing a satellite campus at the Pacific Tower.

The Vision – A Community Health Care, Education and Innovation Center

Seattle is both a regional hub for high quality medical care and a world-renowned bio-medical research hub. Within the city boundaries there are over 74,600 medical workers representing an annual earning power in excess of \$3 billion. Healthcare and bio-med represent one of the state's most important economic clusters.

Yet even in the face of one the nation's highest concentrations of physicians and nurses per capita, a significant percentage of the population has no primary care physician. Over 79,000 residents of King County will be newly enrolled in healthcare insurance under the Affordable Care Act, creating a surge in demand for primary care. Much of that care will be delivered, not by physicians, but by the professionals in Allied Health and Nursing which the colleges of the Seattle Community College District train. Many of those professions are being asked to upgrade their skills and training and to obtain higher levels of degree completion. One example is the expectation that by 2020, 80 percent of all nurses employed by hospitals will have a Bachelors of Science in Nursing (BSN) degree.

Led by Seattle Central, the Seattle Community College District will be the premier health career training provider for the Puget Sound Region. Across our three campuses and the Seattle Vocational Institute we currently serve 1800 students in our Allied Health and Nursing programs.¹ The accompanying report in Appendix 1 details the three year average enrollment in each healthcare career training program, as well as a discussion of unmet demand. With the addition of new instructional space, the introduction of new baccalaureate degrees, contract training for incumbent healthcare workers and opportunities for articulation with South and North Seattle Community Colleges, the Allied Health and Nursing Programs of Seattle Central will greatly expand.

From a 2013 enrollment of 243 FTEs in the Allied Health and Nursing programs at Seattle Central, we anticipate that expansion at the Pacific Tower campus will grow enrollment by an additional 216 FTEs at the low end to a high of an additional 432 FTEs. This does not include any contract training enrollments, another opportunity with great demand in the hospitals and clinics in the Seattle District's service area.

The Pacific Tower building will serve as a new satellite campus for the Allied Health and Nursing Programs. With a doubling of the instructional space currently available in the Broadway/Edison building, the Pacific Tower represents a chance to link our enrolled students with co-located healthcare clinics and healthcare industry associations. The Tower is currently home to a PacMed primary care clinic and diagnostic imaging center. Prospective tenants for the Pacific Tower being actively recruited by the Washington Department of Commerce include Neighborcare and SeaMar, two of the largest clinic networks in Washington State, as well as the Seattle Indian Health Board, the Washington State Hospital Association, and the Northwest Regional Primary Care Association.

Seattle Central, as the lead for the District's four campus training delivery model for Allied Healthcare Professions, will forge partnerships that should increase enrollment at all campuses. Central is introducing an Associate of Applied Sciences – Transfer in Allied Health degree which allows articulation of course offerings and transfer of credits earned at South, North and Seattle Vocational

¹ "Enrollment in the Health Medical Programs at the Seattle Community Colleges"

Institute (SVI.) This creates clear pathways for students to achieve their career goals up through a baccalaureate degree in the shortest time possible, regardless of at which campus they begin their training. Seattle Central has also identified Allied Health and Nursing programs in nearby community colleges, such as Highline and Shoreline, as feeders for its health care baccalaureate degree program.

Formation of a Healthcare Advisory Committee will provide an introduction of Central's new baccalaureate offerings and the District's comprehensive healthcare career training program to employers and industry leaders drawn from across the entire spectrum of healthcare delivery. This will lead to more openings for clinical rotations for enrolled students at all three campuses, as well as enhanced placement opportunities after graduation.

The Fit to the SCCD and Seattle Central Mission

The creation of a Community Healthcare, Education and Innovation Center led by Seattle Central is a significant new initiative that is consistent with the mission of the District. It expands our course offerings for professions in one of the fastest growing industry clusters both regionally and nationally. Those course offerings embody the principles of lifelong learning and a career ladder where successive levels of training and certification allow workers to move up the income ladder within their profession. Finally, by co-locating our faculty and students with primary care clinics it both enhances our community engagement and the learning environment for our students.

Seattle Central has four core themes:

- Responsive teaching and learning
- Being a catalyst for opportunity and success
- Diversity in action
- Engagement with our communities

The Broadway/Edison campus and the Pacific Tower anchor the two ends of 'Pill Hill,' the traditional locus of healthcare delivery and employment. With the opportunity to expand instructional programs due to the Pacific Tower opportunity, Seattle Central will be more responsive, better engaged with its immediate community, and be a catalyst for industry growth and success.

This renewed emphasis on Allied Health and Nursing which results from relocating to the Pacific Tower also helps Central realize three strategic priorities embraced this academic year.

- It will help build enrollment, retention and completion by showing a

The Seattle Community Colleges will provide excellent, accessible educational opportunities to prepare our students for a challenging future.

Our Vision

The Seattle Community colleges will be learning-centered in providing high-quality and innovative education; and in preparing our students for success and lifelong learning.

We value teaching and learning

We promote commitment to a lifetime of learning; creation of a community of learners; imaginative, visionary, expert instruction; and use of innovative instructional technology.

We value students

We promote programs, services and activities that address students' needs and interests; student success through accessibility and support services; and student development through activities both inside and outside the classroom.

We value diversity

We promote respect for the abilities and interests of each individual; awareness and understanding of all people; and appreciation of the unique cultures of our campuses.

clear path for students to achieve licensure or credentialing for good paying jobs.

- It helps free up badly needed instructional space on the Broadway/Edison campus.
- It will engage the entire college in new partnerships, bringing in both more instructional resources and placement opportunities.

In sum, the vision of creating a satellite campus anchored by the Allied Health and Nursing programs is consistent with both the mission of the District and the strategic plan of Seattle Central.

Current Healthcare Career Training across Four Campuses

The following table represents the entire array of certificate and associate degree programs offered in the District's four campuses.

Seattle Community Colleges Allied Health Certificates/Degrees and Pathways			
Seattle Central Health Education Center			
SCCC	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Registered Nurse (ADN)	Associate Degree	RNB (BSN)	
Respiratory Care Practitioner (RCP)	AAS-T and BAS in Allied Health		
Surgical Technician	Certificate or Associate Degree	AAS-T in Allied Health	BAS in Allied Health Sciences
Opticianry	Associate Degree	BAS in Allied Health Sciences	
Expanded Function Dental Auxiliary (EFDA)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Dental Hygienist	AAS-T and BAS in Allied Health		
Nursing Assistant Certified (NAC)	Certificate	Registered nurse (ADN) or AAS-T in Allied Health	RNB (BSN) or BAS in Allied Health Sciences
SVI	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Medical Assistant	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Phlebotomy Technician	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Dental Assistant	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
NCCC	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Medical Assistant	Certificate or Associate Degree	AAS-T in Allied Health	BAS in Allied Health Sciences
Medical Reception	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Registered Nurse (LPN to RN) (ADN)	LPN Certificate and Associate Degree	RNB (BSN)	
Pharmacy Technician	Associate Degree	AAS-T in Allied Health	BAS in Allied Health Sciences
I-BEST Phlebotomy	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Nursing Assistant Certified (NAC)	Certificate	Registered nurse (ADN) or AAS-T in Allied Health	RNB (BSN) or BAS in Allied Health Sciences
SSCC	Certificate/Degree at Home Campus	Pathway 1 at SCHEC	Pathway 2 at SCHEC
Licensed Practical Nurse (LPN)	Certificate	Registered nurse (ADN)	RNB (BSN)
Registered Nurse (LPN to RN) (ADN)	LPN Certificate and Associate Degree	RNB (BSN)	
Medical Office Clerk	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Nursing Assistant Certified (NAC)	Certificate	Registered nurse (ADN) or AAS-T in Allied Health	RNB (BSN) or BAS in Allied Health Sciences
Previous District Healthcare Certificates			
Respiratory Care Practitioner (RCP)	Associate Degree	BAS in Allied Health Sciences	
Dental Hygienist	Associate Degree	BAS in Allied Health Sciences	
Medical Administrative Specialist (MAS)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Acute care nursing assistant	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Medical transcription	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Emergency medical technician (EMT)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Medical Office Administrator (MOA)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences
Health Unit Administrator (HUC)	Certificate	AAS-T in Allied Health	BAS in Allied Health Sciences

The two right hand columns illustrate the pathways by which students entering in the certificate or degree program at their "home" campus can attain the highest degree possible via articulation to Central's AAS-T program. We anticipate that new enrollment in our AAS-T and baccalaureate programs will come not just from current graduates of our sister colleges' certificate and degree programs, but from previous graduates as well. Even programs which the District has since discontinued, such as medical transcription and emergency medical technician, may be sources for baccalaureate candidates.

Current enrollment in the certificate and degree programs listed above is as follows:

Table 1
Seattle Community Colleges Healthcare Program Average Headcount for 2010-11,
2011-12 and 2012-13

Seattle Central	3-Year Average Headcount
Nursing	149
Surgical Technology	54
Opticianry	50
Dental Hygiene	46
Respiratory Care	45
Dental Assisting (EFTA)	19
Central Supply Technology	8
Patient Care Tech	5
Average Annual Enrollment	376
North Seattle	3-Year Average Headcount
Practical Nursing	175
Nursing	113
Nursing Assistant	86
Phlebotomy	84
Pharmacy Technician	62
Medical Assistant	59
Medical Assisting Programs	50
EMT	32
Sustainability in Healthcare	18
IT for Healthcare	13
Average Annual Enrollment	695
South Seattle	3-Year Average Headcount
LPN	131
NA-C	93
Medical Office Assistant	74
Nursing	28
Average Annual Enrollment	325
Seattle Vocational Institute	3-Year Average Headcount
Medical Assistant	179
Dental Assistant	63
Phlebotomy	57
Medical Administrative Specialist	42
Average Annual Enrollment	339
District-wide Average Annual Headcount	1733

Source: DW_STUDENT & CLASS Tables

New Opportunities in Healthcare Career Training

In evaluating the Pacific Tower, Seattle Central is conducting a review of workforce development needs and training gaps in the Greater Seattle area. President Paul Killpatrick has convened a Healthcare Workforce Advisory Council (see description, membership and work program below) and conducted dozens of interviews with stakeholder organizations, such as community health clinics, hospitals and industry associations. Seattle Central and its sister colleges are using the feedback to re-evaluate the program mix of certificate, degree and continuing education offerings provided across our three colleges and SVI.

Among the opportunities for new program offerings are the following:

- Emergency Room Technician

- Patient Care Navigator

- Healthcare Information Technologist

- Medical Billing Clerk / Coding Specialist

- Community Healthcare Worker

- Therapist Technician (occupational, physical, speech, etc.)

- Medical/Clinical Lab Technicians

- Workers trained specifically for long term residential care environment

 - (certified nursing assistant, licensed practical nurse, RN, therapy technologist)

- Pharmacy Technician

In addition, a variety of skill sets for workers who already hold jobs were identified as possibilities for continuing or contract education to be offered by Seattle Central or its sister colleges:

- Team Dynamics and Communication Skills

- Leadership Training for mid-level healthcare professionals

- Integration of Behavioral Health professionals and treatments into holistic patient care plans

- Career Orientation / Career Ladder coaching

Enrollment and Budget Overview

Seattle Central and Seattle Vocational Institute currently offer a range of certification and associate degree opportunities in the allied healthcare professions. With a few exceptions, most sequences have a waiting list. As an example, there are over 200 individuals who have completed the pre-requisites for admission to the associate degree in nursing program but who sit on our waiting list. Our dental assisting and dental hygiene associate degree programs are constrained by the number of lab stations our current facilities allow.

Our plan for the Pacific Tower instructional space, however, is not predicated on an expansion of the existing associate degree programs in Allied Health. We will target our FTE growth in the new degree programs for Bachelor of Applied Science, Bachelor of Science – Nursing, and Associate of Applied Science – Transfer.

Rationale

The coursework required to earn the BAS and BSN (RN-B) degrees are primarily delivered through traditional classrooms, textbooks and self-guided study tools, rather than laboratory demonstrations and clinical rotations. We are also planning video relay classes to connect the Pacific Tower with additional classes that might be on any campus across the district. This allows us to serve more students with standard classrooms and a library, where adding sections in our existing associate degree programs would require additional laboratories and carry a higher per FTE cost (see appendices 2-4)²

Our research on employment demand has identified large gaps in the supply of bachelors' degreed professions, such as BSN (RN-B) nurses, as well as 'degree creep' in those allied health positions, such as respiratory technicians, who have traditionally required only an associates' degree.

² "Program Sustainability Data 2009-2010 and "2010-2011 Program Sustainability Data and "2011-2012 Program Sustainability Data."

Current& Projected Enrollment Ranges – 2015 to 2019

Expanded Enrollment Opportunity - Pacific Tower			
Program Area	Upper Range # of FTES	Base Case # of FTES	Current Enrollment # of FTES
Total	759	459	273
AAS-T in Allied Health	160	80	0
BAS in Allied Health	80	55	0
BS - Nursing	120	40	0
BAS - Healthcare Mgmt.	40	0	0
BAS – Community Health	40	0	0
Additional New Programs	Unknown	Unknown	0
Nursing - AD	82	82	80.8
Respiratory Care	42	42	41.4
Opticianry	50	40	38.4
Surgical Tech	55	35	30.4
Dental Hygiene	60	55	53.7
Dental Assistant	30	30	28.4

The programs listed herewith will be offered at the Pacific Tower satellite campus. Those below the line are currently offered at either the Broadway/Edison campus or at Seattle Vocational Institute. The ones above the line are new degree offerings. We assume that based on feedback from a new Advisory Council (see below) we may offer new programs at the satellite campus in response to emerging workforce training needs. The baseline case projection for the BAS – Healthcare Management and BAS – Community Health, Wellness and Education assumes that these sequences will not be offered in the 2015-16 school year.

We are, however, working on an alternate strategy to simultaneously introduce those sequences with our BSN (RN-B) and BAS degrees in dental hygiene and respiratory care in our first year at the Pacific Tower. The top end of our enrollment projections assume a faster ramp up of enrollment due to offering all four BAS degrees in the fall of 2015. It reflects a more optimistic view of our capability to launch all the new programs simultaneously.

These enrollment projections are exclusive of any contract training, continuing education enrollment. Given the push for hospitals to increase the percentage of their nurses holding a baccalaureate degree, we anticipate that incumbent employee training will be an important source of future enrollment or contract training partnerships.

Fiscal Impact

BAS -- Applied Science & BSN (RNB) Summary Income Statement

BSN (RNB) Cohort Model					
	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17	Year 4 2017-18	Year 5 2018-19
Student FTES	25.2	41.6	54.8	67.8	79.6
Total Operating Expenses	357,200	480,935	552,199	552,199	552,199
SBCTC FTE Revenue @ \$3664 per avg. FTE -- existing allocation	92,496	152,585	200,950	248,338	291,492
Tuition	211,461	350,673	462,550	571,952	671,418
Fees	3,910	6,486	8,556	10,580	12,420
Total Revenues	307,867	509,745	672,056	830,870	975,329
Net	(49,333)	28,810	119,857	278,671	432,131
BAS Allied Arts					
Student FTES	57.4	159.3	159.3	169.3	179.3
Total Operating Expenses	732,288	1,665,560	1,721,142	1,721,142	1,721,142
SBCTC FTE Revenue @ \$3664 per avg. FTE -- existing allocation	210,395	583,716	583,716	620,356	656,996
Tuition	413,108	1,198,056	1,202,965	1,278,082	1,353,199
Fees	22,574	67,446	67,446	68,826	70,206
Total Revenues	646,077	1,849,218	1,854,127	1,967,264	2,080,401
Net	(86,211)	183,658	132,985	246,122	359,259
Overall Financial Impact	(\$135,544)	\$212,468	\$252,842	\$524,793	\$791,390

Aside from capital expenses associated with remodeling the Pacific Tower, the move to the Pacific Tower makes good financial sense. The new degree offerings have a lower FTE cost and higher FTE income than our current Allied Health associate degree programs. There are, however, additional operational expenses associated with operating a satellite campus, primarily in student support services. Discussions have been held with Legislative leadership about increasing the annual subsidy commitment from the state to cover these added operational expenses as well as the rent obligation.

The added enrollment capacity and lower per FTE instructional costs associated with the AAS-T, BSN (RN-B) and BAS-Allied Health courses equate to an opportunity to surplus income in a range between

\$180,000 to \$1 million or more per year by FY 2019. We project the Allied Health and Nursing Programs to be cash-positive in FY 2016 (see appendix 5 and 6).³

Background – History of Allied Health & Nursing Programs

Soon after it was founded in 1967, the Seattle Community College District became a key contributor to Seattle's rise as a center for world-class healthcare by educating and developing healthcare professionals in fields including nursing, allied health, dental, and mental health. The District's comprehensive professional healthcare programming is integral to the Puget Sound area's healthcare excellence and is offered in close collaboration with other local and regional educational institutions, including the University of Washington and Seattle University; major medical centers and hospitals such as Swedish, Virginia Mason, Overlake, Group Health, and Northwest Hospital; and numerous community clinics and long term care facilities.

Current healthcare course offerings (those offered by Seattle Central are highlighted) throughout the Seattle Community College District include:

- Nursing assistant
- Acute care nursing assistant
- Licensed practical nurse
- Registered nurse
- Medical office administrator
- Medical transcription
- Medical assistant
- Emergency medical technician
- Surgical technician
- Pharmacy technician
- Respiratory care technician
- Phlebotomy technician
- Biomedical equipment technician
- Opticianry
- Dental assistant
- Expanded function dental assistant
- Dental hygienist

Bachelors of Science in Nursing

Seattle Central's Nursing Program is a paramount example of the success we have achieved in our healthcare career training. We pride ourselves on current and innovative teaching methodology. A high NCLEX (National Council Licensure Examination) pass rates is evidence of a quality program. SCCC has consistently maintained a high NCLEX pass rate with a 5-year average of 96.24% (2007-2011

³ "BAS in AHS Revenue and Expenses Projection 9-26-2013" and "RNB-BSN Revenue and Expenses Projection 9-27-2013"

NCLEX School Reports). Our success in our Associate Degree in Nursing program prompted SCCC to apply to the State Board for Community and Technical Colleges (SBCTC) for approval to offer a Bachelors of Science in Nursing (BSN (RN-B) program (see appendix 7.)⁴

Seattle Central's application for authority to offer the RN-B and BAS in Allied Health are currently going through state review and we are expecting that by the end of this academic year that both will be approved. We are prompted to offer the BSN (RN-B) degree to meet the growing need for professional certifications that current holders of the professional credential (RN) and the associate degree in nursing (ADN) require (see appendix 8)⁵

Seattle Central plans to admit students in fall quarter of 2014, assuming the state review of our application currently underway is positive. The degree will provide a bridge for those who hold an RN to complete the BSN (RN-B). The BSN (RN-B) is also positioned within the SCCC's Nursing program so that our students who are working towards their ADN will be able to continue their ease-of-access to SCCC and build more marketable skills that are required in the health care industry. Additionally, this degree will be available to students in ADN degree programs throughout the Seattle Community College District (SCCD), thus addressing affordability and access issues for students who live or work in Seattle.

Bachelors of Science – Allied Health

Seattle Central's Bachelors of Applied Science in Allied Health prepares students for careers as educators, administrators, research associates, advanced clinical practitioners, and supervisors in the allied health sciences. Additionally, it provides a streamlined pathway for graduates in applied health sciences at the certificate and associate degree levels to transition into higher education.

We have an application under review by the state for authority to offer this degree and anticipate approval in the fall of 2013.

At present, place-bound students have few opportunities to pursue a baccalaureate degree due to difficulty in transfer of credits or lack of opportunity. In Seattle-King County, the nearest four-year college or university offering a bachelor's degree in dental hygiene is Eastern Washington University located some 300 miles away. Eastern is the only in-state college offering a dental hygiene degree-completion program.

The pathway formed by connecting certificate level health program completers at Seattle Vocational Institute and North and South Seattle Community Colleges to the new allied health AAS-T degree provides never before considered access to baccalaureate level education.

In addition to articulation with programs within the Seattle Community College District, the BAS degree program in Allied Health will articulate with related programs offered by other colleges in the region. Seattle Central is working with the University of Washington to ensure that graduates from the program

⁴ "Applied Baccalaureate Degree Plan."

⁵ "Statement of Need for the Bachelor of Science in Nursing."

have opportunities to continue their education and earn master's degrees. At a minimum, students will be on equal footing at the University of Washington for the Master's in Public Health (MPH) program for those pursuing research and health services administration, and at the Evergreen State College (TESC) for those who would like to become educators. These opportunities are in line with the goals of the College to provide lifelong learning opportunities to the diverse population in the Puget Sound area.

Background – Constraints in Central's Physical Plant

In 2011, as a part of its Facilities' Master Planning process, SCCC conducted a Space Needs Analysis with the assistance of Schreiber Starling & Lane Architects. The results of that study showed that SCCC was 31,000 square feet deficient in instructional space and student services space. When factoring in future growth and new academic initiatives, it was forecast that SCCC would be 179,762 square feet deficient. This was based on expected growth over the next 6-10 years, particularly in programs for STEM, Allied Health and other BAS degrees.

SVI's space limitations have restricted the number of dental hygiene and assisting chairs that can be used. The Pacific Hospital building would increase the number of chairs that are used, increasing the number of students in dental programs. Thus, if the Pacific Hospital building (or some other building) is provided to SCCC/SCCD by the State, this would address the current and future instructional and facility needs for health care programs. Absent any State support for either owned, leased, or rebuilding/remodel costs, it will be very difficult for SCCC/SVI to meet the growing demand for increasing or building new Allied Health programs.

The Pacific Tower allows all of Seattle Central's Allied Health programs to be located in one location. The relocation of the Allied Health programs from the Broadway-Edison building would free up additional classroom space for other instructional programs on campus. Given our landlocked location on Capitol Hill and the capital funding process at the State level, the Pacific Tower represents a unique opportunity for the College to expand and obtain additional space, with very minimum capital outlay.

Background – Gap between Demand for Healthcare Professionals and Higher Ed Supply

Seattle has the largest concentration of medical facilities and personnel in the Pacific Northwest; with over 74,600 medical workers and \$3 billion in labor income. The Seattle Office of Economic Development has opined that "the immediate problem in Seattle... is the inadequate supply of nurses and other support occupations."

The Seattle King County Workforce Development Council in September of 2013 issued its "Healthcare Talent Pipeline 2013" report. An occupational study of supply and demand by industry sector, the study specifically identifies gaps that may persist between known sources of trained employees and projected employment demand. Looking at the top 41 occupations within healthcare, the Council projects them to

"More generally, the study shows that there tend to be greater shortages at higher levels of educational attainment, underscoring the continued need for higher education." Page 17, WDC Healthcare Talent Pipeline Report.

"Labor shortages are projected for three of the top five highest demand Health Care Occupations (includes registered nurses and medical and health services managers)" page 22

"...the following trends and observations came from stakeholders and research for this study:

** Increase education requirements. Some employers express interest in increased education requirements for occupations such as Medical Assistants and Registered Nurses, a trend with several implications. Higher education requirements could translate to fewer job opportunities for lower- and middle-skill candidates... if this trend is deepening, it is possible that workforce preparation professionals should more actively move students and job seekers onto higher education tracks." Page 27*

grow by an average of 2.1% annually from 2015 to 2020, while total occupational employment in King County is projected to grow at the more modest pace of 1.3%. (see appendix 9)⁶

The Health Care occupations included in the Council's study are projected to produce nearly 23,800 openings in King County from 2015 to 2020, of which 12,500 will be new jobs added in the five year period. The sector's top 10 jobs, which account for 64% of Health Care employment, will grow from approximately 73,100 in 2015 to more than 81,400 by 2020; a gain of 8,300 new jobs from 2015-2020.

Among other observations, the Pipeline Study cites "an employer trend towards higher education requirements when hiring for some occupations, such as Registered Nurse and Medical Assistant."

These findings are supported by other regional analyses of the region's healthcare industry. According to a Joint Report from The Boston Consulting Group and the Washington Roundtable published in March, 2013: "There are 25,000 unfilled jobs in Washington as a result of the job skills gap (growing to 50,000 by 2017), 80 percent of which are in high-skill STEM and health care roles."

In addition, the Affordable Care Act is projected to lead to a shortage of 150,000 primary care physicians when the program is fully implemented. The gap will be filled by insuring nurses and health professional work "at the top of their licenses," which means community colleges must offer higher credentials for these professionals.

The Opportunity – BAS, BSN (RN-B), AAS-T Offerings Match to High Demand Professions

SCCC has developed a strategic plan to leverage our highly successful associate degree programs with the growing need for advanced credentials. Furthermore, SCCC is building on its successful reputation as an experienced BAS college. Central's current BAS program in Applied Behavioral Sciences has already graduated students who are now completing Master's degrees. Strategically, SCCC is leveraging its health care associate programs with growing needs based on the Health Care Reform Act. The Health Care Reform Act will bring about the reauthorization of the Title VIII Nursing Workforce Development program, which will mean greater federal support for education in nursing and other health care positions.

⁶ "Healthcare Talent Pipeline 2013" published by the Workforce Development Council, Sept. 2013.

Over the past five years, SCCC has developed internal and external relationships to assess the feasibility of creating a regional health care learning center that maximizes our unique location near Seattle's hospitals, collaborating with smaller Seattle-area clinics, and with the variety of quality allied health programs that we currently offer (Respiratory Technology, Dental Hygiene, Opticianry, Surgical Technology, and Nursing).

SCCC is also coordinating with our SCCD "sister-colleges" (North Seattle and South Seattle) to have this BSN (RN-B) degree as a "district-based" degree. SCCD establishes that all BAS degrees have a single campus accreditation, but will be "district-based" through providing articulations between our sister-colleges, the possibility of having some select classes at our sister-colleges, sharing instructional equipment across our sister-colleges, and/or having faculty from the sister-colleges occasionally teach in the given BAS program. The AAS-T program (see appendix 10)⁷ recently approved by the SBCTC will provide a curricular "bridge" for all campuses so that students' pre-requisites for the bachelors' degree programs can be earned on any campus.

Healthcare Community Advisory Council

To better help Seattle Central match its instructional resources to workforce needs, President Killpatrick is forming an Advisory Council specifically for Allied Health and the Pacific Tower Project. Composed of senior executives from hospitals, state healthcare associations, the long term care and primary care clinic communities, the Advisory Council purpose is to:

- To help Seattle Central CC gain a comprehensive understanding for current and projected demand for health services occupations, as well as emerging needs for training, certification and continuing education within those occupations.
- To advise Seattle Central on how best to deploy its training resources, especially the long term lease at the Pacific Tower, to meet the emerging needs for training, certification and continuing education.
- To facilitate new partnerships between the healthcare delivery community and Seattle Central, its sister colleges within the Seattle Community College District, and other higher education institutions with the goal of enhancing public health.

A timeline for the Advisory Council's work plan in 2013 through 2015 is attached (see appendix 8)⁸

In addition to this Advisory Council, SCCC will be setting up a Technical Advisory Committee for the AAS-T degree to make sure that as we unveil this degree it is both currently relevant to industry needs and remains so in the future.

⁷ "Program Approval Request – Associate of Applied Science – Transfer Program"

⁸ "SCCC Pacific Tower Project Advisory Committee Workplan"

The Advisory Council will not be asked to confine itself to a discussion of what Seattle Central and the District currently offer in healthcare career training. We will ask them to identify skill gaps and certification needs across the entire spectrum of healthcare careers. We will also ask them to discuss constraints and opportunities for incumbent workers and their institutional training needs. Their feedback will be used to help us identify needs for alternative or hybrid instructional models, new course offerings and possible collaborations to deliver content. As the Workforce Development Council has identified a widening gap between the supply and demand for healthcare professionals with a masters' degree, we may need to explore co-location with another higher education institution on the Pacific Tower campus.

Membership on the Council as of January 1st, 2014, consists of the following:

Mark Secord, Neighborcare
Charleen Tachibana, Virginia Mason
Linda Marzano, PacMed
Bill Schneider, former CEO of Northwest Hospital (per Bill Grinstein)
Diane Sosne, SEIU 1199
Dorene Hersh, Seattle King County Public Health
North Seattle Community College, (representative to be named)
Teresita Batayola, International Community Health Services
Bruce Gray, Northwest Regional Primary Care Association
June Altaras, Swedish Hospital
Paula Minton-Folz, UW Medicine
Lana Conrad, South Seattle Community College
Rogelio Riojas and/or Mary Bartolo, SeaMar
Linda McVeigh, Country Doctor Clinic
Linda Tieman, Washington Center for Nursing
Dr. Benjamin Danielson, Seattle Children's and Odessa Brown Clinic
Maria Courogen, WA Dept. of Health
Charissa Raynor, SEIU 775 / The Training Partnership
Chris Rivera, Washington Biomedical and Biotechnology Association
Ralph Forquera, Seattle Indian Health Board
Julie Clayton, Overlake Hospital
Barbara Trehearne, Group Health
Susan Crane, SkillUp Washington
Karen Allen, VA Puget Sound Healthcare System
Ira SenGupta, Cross Cultural Health Care
Dan Ferguson, Center for Excellence in Allied Health, Yakima Valley CC
Jodi Perlmutter, Western WA Area Health Education Center
Bill Grinstein, Foundation for Seattle Community Colleges
Steve Hill, Seattle Community College District Trustee
John Pierce, Premera Insurance
Steve Johnson, City of Seattle Economic Development
Dana Riley Black, Institute for Systems Biology

Key Considerations and Issues

Moving forward with the Seattle District as the anchor tenant for the Pacific Tower and the Allied Health and Nursing Programs of Seattle Central requires the cooperation of numerous stakeholders; the Dept. of Commerce, the SBCTC, the city of Seattle, the Pacific Hospital Public Development Authority, key institutions in the healthcare industry and an array of key influentials in the Legislature, local government and the educational community. Likewise, a number of issues arise which must be addressed and which require the cooperation, if not outright approval, of other stakeholders.

Timing

The Legislature directed the Dept. of Commerce to enter into a master lease for the Pacific Tower in part to prevent the Tower's conversion to non-healthcare uses, such as condominiums. Commerce has had to move quickly to negotiate terms of a master lease that presumably will commence before the District is ready to occupy. While the Legislature has provided Commerce funds to cover the District's rent obligation in the first 18 months from January 1st, 2014, we anticipate pressure to take occupancy and move programs to the Pacific Tower at the earliest possible date.

Traditional design/bid/build methodology is unlikely to meet a target date of fall 2015 for transferring instructional programs to the Pacific Tower. District and Seattle Central leadership are exploring with the state alternatives to design/bid/build to accelerate the time frame. Preliminary research suggests that using a General Contractor/Construction Manager model can shorten the timeline for occupancy and, possibly, get a better estimate of final costs for the tenant improvements needed for our portion of the Pacific Tower. We are in discussions with the city of Seattle on shortening the permitting and design review process.

Nonetheless, there is a real possibility that we will not be able to take occupancy in the Pacific Tower until sometime in 2016. Any remodeling delay which delays occupancy beyond the fall of 2015 will have consequential effects on how many students we can admit into the various degree programs and when we can offer the full concentrations in each degree program (hence effecting our overall FTE projections).

Adequacy of the Capital Budget Appropriation

Until such time as both a programmatic and schematic design are completed, all estimates for the cost of building out the instructional space and supplying it with furnishing and instructional equipment are speculative. The Legislature deemed the preliminary estimate provided by the District as overly cautious and too high. The final capital budget appropriation was \$20 million with a verbal assurance that, should it prove inadequate, the Legislature would provide a supplemental capital budget appropriation.

In addition, the appropriation language provided leeway for the Dept. of Commerce to use the money for common area improvements serving all tenants, not just the build out for the District.

Identifying a more reliable estimate of the costs for modifying the five floors in the Pacific Tower allotted to Seattle Central must be a top priority. Monitoring Commerce's expectations for how much money it will allocate for common area building improvements and preserving as much of the \$20 million for our needs will be essential.

Program and Curriculum Development

Seattle Central has four career tracks targeted for the BAS degree program, two of which require new curriculum development and hiring of new staff. The original plan was to phase in over three years the introduction of the Community Health, Wellness and Education BAS and the Healthcare Management BAS. Given the gaps identified in the Workforce Council's Healthcare Pipeline Report, it makes good sense to evaluate whether we can accelerate those two degree offerings.

Seattle Central is preparing a budget estimate for the funds needed to accelerate the curriculum development and hiring of instructional staff and leadership.

Articulation and Integration of Allied Health District-Wide

Community leadership and stakeholders in the Pacific Tower Project view the District as their training partner, not just Seattle Central. They want uniform quality and capability across the Allied Health graduates coming from all four campuses. They view our collective healthcare course offerings as one system, not individual programs.

The AAS-T program was specifically designed to facilitate articulation between pre-requisite courses taken at any of our four campuses and the upper division requirements of Central's BAS and BSN (RN-B) degree offerings. We will need to continue to examine with our sister colleges where shared faculty, innovative content delivery, and flexibility in where and when courses are offered can shorten the time to graduation and the cost effective delivery of our training.

Strategic Partnerships

The Pacific Tower has as its key tenant today the Pacific Medical Center (PacMed) primary care clinic and diagnostic imaging center. Once a key part of the PHPDA, PacMed has a long tradition of service to the local community and has been proposed as a clinical rotation partner and "living laboratory" for the Allied Health and Nursing students of the District and Seattle Central. PacMed Clinics, as an example, has committed to five spots in primary care in ambulatory settings for Central's nursing students, as well as slots for medical assistant students from SVI. The Dept. of Commerce and other proponents of the Pacific Tower Project have been actively recruiting other primary care clinics and healthcare provider associations to relocate to the Pacific Tower.

Co-location should facilitate new learning venues and mentorship opportunities for our students. In addition, it could allow for the recruitment of affiliate instructors lent by their healthcare employers to the College.

Allied Health and Nursing leadership will use the move to the Pacific Tower to extend the existing dialogue with major institutions on Pill Hill about continuing education, contract training and internship possibilities.

Instructional Program Support and Development Timeline

INSTRUCTION RELATED REQUIREMENTS

DESCRIPTION	FTEF	EST. ANNUAL SALARY + BENEFITS	DATE NEEDED	COMMENTS
Project Coordinator	0.75	\$ 93,310	9/16/2013	Position to last 6 to 9 months (Lincoln)
Design Consultant		\$ 12,000	ASAP	To meet with faculty & staff to expedite the planning before actual project architect selection. Could use Shreiber & Starling for this contract.
Equipment Inventory & Consultant		\$ 3,000	ASAP	To assess existing and future equipment needs for the programs. May require two different consultants: one for inventory and one for the equipment-need assessment (possibility to invite equipment manufacturers for minimal costs).
Curriculum Designer – (FT Faculty) Community Health & Education	1	\$ 73,315	Spring 2014 Ongoing Position	The Allied Health BAS includes this concentration. Prior to Pac Med Tower becoming available and due to resource constraints, it was not feasible to grow this concentration for another 3-4 years (which was reflected in our conservative FTE count). However, with Pac Med being available – we can put this on a fast-track by developing this curriculum for a 2014 program admissions process (with the program/concentration starting upon occupancy of the Pac Med Tower). Position will need to be on-going and converted as a FT program faculty member.

Curriculum Designer – (FT Faculty) Healthcare Services Management	1	\$ 73,315	Spring 2014 Ongoing Position	The Allied Health BAS includes this concentration. Prior to Pac Med Tower becoming available and due to resource constraints, it was not feasible to grow this concentration for another 3-4 years (which was reflected in our conservative FTE count). However, with Pac Med being available – we can put this on a fast-track by developing this curriculum for a 2014 program admissions process (with the program/concentration starting upon occupancy of the Pac Med Tower). Position will need to be on-going and converted as a FT program faculty member.
Goods & Services: Facilitating the various meetings		40 PT Staff x \$33/hour x 20 meeting hours = \$26,400 G&S = 10 total meetings, travel, and report development = \$40,000	ASAP	The various consultants will need to meet with faculty and staff. There are hourly rates associated with part-time staff/faculty that must be invited to the given meetings. Travel and other goods/services costs would also need to be budgeted.
Good & Services & PTF hourly		\$ 66,400		
TOTAL STAFFING		\$ 254,940		
<i>Total Instruction related costs</i>		\$ 321,300		

STUDENT SERVICES RELATED REQUIREMENTS

Non-profit Liaison & Internship/Externship Director	1	\$ 86,645	Spring 2014 Ongoing position	Identifying Pac Med NPs and incumbent working training/partnership opportunities; identifying partnerships with clinical assignments (both within Pac Med and outside of Pac Med); Coordinating Service Learning, credit for prior learning, and externships. Once occupancy occurs – career placement services added to the job description.
Director of Student Success Services	1	\$ 86,645	Spring 2014 Ongoing Position	Ultimately will be responsible for all functions of hiring, training, and supervising the student services staff that will be at the Pac-Med building. However, before occupancy this person will be the point person for aspects of program registration, academic planning, and advising which will be highly involved with the changing 2&4 year programs in 2013-2014.
Advisor/Coordinator for Registration	1	\$ 79,980	Spring 2014 Ongoing Position	Beginning in the 2014-2015 academic year this position will be phased in to address increasing advising, enrollment and transcript evaluation processes. This person will also work closely with instructional programs for program admission which would occur in 2014.
Librarian	1	\$ 73,315	Fall 2014 Ongoing Position	New position to support library services at Pacific Tower to satisfy accreditation requirements. Position should be hired immediately prior to occupancy. This person will need to order library collection prior to occupancy.
IT Technician	1	\$ 79,980	Fall 2014 Ongoing Position	New position to support IT services at Pacific Tower. Position should be hired immediately prior to occupancy.

Admin Support	0.5	\$ 26,660	Winter 2015 Ongoing Position	New position to support administrative services at Pacific Tower (reception, cashiering, etc.) Position should be hired immediately prior to occupancy.
VARIOUS HOURLY SUPPORT		\$ 60,362	Spring 2014 Ongoing Position	Various hourly employees to support and backup student services, instruction, library services, and IT services functions
<i>TOTAL Student Services related Costs</i>		\$ 493,587		

Available

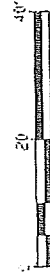
VIEWS TO CBD +
FIRST HILL

VIEWS TO
 GREENBELT
 + BELLEVUE

VIEWS TO ELLIOT
 BAY + OLYMPIC
 MOUNTAINS



1200 12th Street
Seattle, Washington 98122



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made by and between the Washington State Department of Commerce ("Commerce") and the Seattle Community College District VI ("SCCD"), as of January 1, 2014.

RECITALS

- A. The Washington State Legislature, pursuant to the 2013-2014 operating budget for the State of Washington, directed Commerce to enter into a thirty year real property lease with the Pacific Hospital Preservation and Development Authority ("PHPDA"), a public corporation chartered by the City of Seattle, for approximately 205,000 net rentable square feet of the Pacific Tower building located in Seattle, Washington.
- B. Commerce and PHPDA entered into a Tower and Adjacent Property Lease Agreement dated November 12, 2013 pursuant to which Commerce may sublease space within Pacific Tower to accomplish the Legislature's direction to create a community healthcare, education and innovation center with SCCD as the anchor subtenant of that center.
- C. The Washington State Legislature provided Commerce \$4.85 million for the 2013-2015 biennium "solely for purposes of creating and operating a community health care and education and innovation center at the Pacific Medical Center in Seattle. Amounts provided in this subsection must be used for lease, maintenance, operations, and other required related expenses for Seattle community colleges allied health programs and other related uses identified by the department of commerce." 3ESSB 5034, Section 128(19).
- D. The Washington State Legislature further provided Commerce with a \$20 million capital appropriation "solely for predesign, design, renovation, and other development or transition costs necessary for Pacific Tower to be used for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community meeting and training facilities. Funds may be allotted only after a memorandum of understanding containing the lease provisions and a plan for construction management has been executed between the state of Washington and the Pacific hospital preservation and development authority." 3ESSB 5035, Section 1080.
- E. The parties understand the legislative intent for the above referenced operating budget appropriation (3ESSB 5034, Section 128(19)) and capital budget appropriation (3ESSB 5035, Section 1080) to be to ensure that the SCCD could occupy and use the Pacific Tower facility at no additional operating expense to the SCCD for rent, utilities, and common area charges.

- F. Commerce and SCCD (collectively the "Parties") have entered into a Pacific Tower Sublease Agreement dated as of November 12, 2013 pursuant to which SCCD has subleased approximately 85,000 square feet of Pacific Tower.

UNDERSTANDING

The Parties agree as follows:

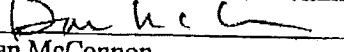
1. RENT & OPERATING EXPENSES. Pursuant to the Legislative direction referenced above, the Parties agree that appropriated funds for SCCD's sublease expenses (base rent, common area costs, and operating expenses) shall be drawn down from the operating budget appropriation (3ESSB 5034, Section 128(19)) on a monthly basis by the Commerce for payment of SCCD's sublease expenses as set forth in the sublease.
2. CAPITAL BUDGET PRIORITY. Commerce shall use or authorize at least \$16.1 million of the above referenced capital appropriation (3ESSB 5035, Section 1080) to make improvements required to prepare the Pacific Tower for occupancy, build out of common areas used by SCCD, and build out instruction space for SCCD within the premises subleased by SCCD. Commerce will cooperate with the SCCD's efforts to supplement the capital budget appropriation for the SCCD's tenant improvement needs.
3. TENANT IMPROVEMENTS. To the extent practicable, the Parties intend to use one general contractor/construction manager to accomplish tenant improvements for the Pacific Tower project and to streamline the design, permitting, and construction of the space to be occupied by the SCCD, such that SCCD may conduct classes in the Pacific Tower in the fall quarter of 2015.
4. EXPANSION. In the event that SCCD wishes to increase the amount of space that it subleases from Commerce, the Parties will attempt to accommodate the SCCD's expansion plan; provided, however, that SCCD shall notify Commerce twenty-four months in advance of SCCD's desired expansion and provided further that such space is available. In such event, SCCD shall have a right of first opportunity to sublease additional space. SCCD shall be responsible for expansion costs.
5. INSURANCE. Both Commerce and SCCD have liability insurance through the State of Washington's risk management program which includes self-insurance and excess liability coverage. Accordingly, the Parties agree that, between them, the liability insurance obligations set forth in the sublease agreement shall be satisfied by SCCD providing to Commerce a certificate of self-insurance from the State of Washington's Office of Risk Management. Third party claims shall be the responsibility of the party involved. The Parties each shall provide their own insurance for personal property.
6. PARKING. SCCD shall be allotted, without charge, 41% of the West Garage parking space. The allocation of the space shall be determined by Commerce. In the event that SCCD charges for parking or is remunerated in any fashion, such sums shall be provided, without reduction, to Commerce. In the event that Commerce secures additional parking

rights for Pacific Tower, Commerce shall offer SCCD the opportunity for additional parking; provided, however, that SCCD's cost for such parking shall be no greater than Commerce's total costs for such parking (including acquisition and all related costs).

7. SATELLITE CAMPUS COSTS. Commerce shall support a \$300,000 allocation in the Governor's 2014 supplemental budget to be used for the SCCD's satellite campus costs. The parties anticipate that the Legislature will allocate funds directly to SCCD in future biennia. SCCD, with support from Commerce, will seek an increase to \$650,000.

EXECUTED AND EFFECTIVE, as of the day and year first above written.

STATE OF WASHINGTON,
acting through the Department of Commerce

By: 
Dan McConnon

Its: Deputy Director

SEATTLE COMMUNITY COLLEGE
DISTRICT VI

By: 
Jill Wakefield

Its: Chancellor

Ms. Batayola moved to approve the November 13 meeting minutes, and Ms. Gregoire seconded the motion. Motion passed unanimously (4-0).

Mr. Hill moved to approve the October 9 meeting minutes, and Ms. Gregoire seconded the motion. Motion passed with three votes in favor of approval and one abstention.

RECOMMENDED TENURE

Ms. Gayton asked for a motion to grant tenure to Doug Tompson, Basic and Transitional Studies, Seattle Central College. **Ms. Batayola moved, and Mr. Hill seconded the motion. Motion was passed unanimously (4-0).**

TENDER OF GIFTS

Ms. Gregoire moved, and Mr. Hill seconded the motion to accept the gifts tendered to Seattle College District. Motion was passed unanimously (4-0).

2014-15 BOARD OF TRUSTEES MEETING SCHEDULE CHANGE

Ms. Batayola moved to approve the revised 2014-15 Board of Trustees meeting schedule. Mr. Hill seconded the motion. Motion was passed unanimously (4-0).

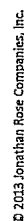
DELEGATION OF AUTHORITY TO THE CHANCELLOR TO AMEND THE PACIFIC TOWER LEASE

Due to the complexity of financing the Pacific Tower project, the Seattle College Foundation is considering forming an affiliated LLC to apply for New Market Tax Credits and the Historic Preservation Tax Credits. The Foundation Board had retained counsel and met several times over the past weeks to conduct due diligent on the feasibility and risks involved. The Foundation Board will be meeting on December 17 for a final review on the Foundation's prerequisites and vote on whether to go forward. Based on the requirements of the tax credits, the lease with the Department of Commerce will have to be shortened from 30 years to 19 years and 11 months. The lease amendment is required to be signed by end of the year.

Due to the short turnaround time, the Board voted to delegate the authority to the Chancellor to amend the Pacific Tower lease, if necessary. Mr. Hill moved and Ms. Gregoire seconded the motion. Motion was passed unanimously (4-0).

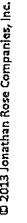
RECOMMENDATION ON BUILDING NAMING AT NORTH SEATTLE COLLEGE

Ms. Gayton commented that the Board has the opportunities to listen and review the requests of naming a building at North Seattle College after faculty member Lynda Wilkinson. The Board recognizes the passion and energy noted by Maureen Nutting and other faculty members. Ms. Gayton indicated that the Board also noted there are many faculty and staff members worthy of recognition, e.g. Ms. Donna Miller-Parker. Hence Ms. Gayton asked the Chancellor's Cabinet come back in January with a formal recommendation for the Board's consideration.



TOTAL CONTRACT COST + MARKUPS			
B. Sales Tax	9.5%		
C. Construction Contingency	0%		
TOTAL 2.2. CONSTRUCTION COSTS			
3. OWNERS CONSTRUCTION-RELATED COSTS			
A. FF&E List of needs to be developed by client			
0% << % of Construction Cost (2A+2B only)			
College FF&E			
Fine Arts Kitchen/Bunkette Equipment			
Common Spaces FF&E			
0% Contingency on above			
Total A. FF&E			
B. Fees, Insurance & Other Construction Costs			
Incentives to Contractor			
Insurance Provided by Owner			
0% << % of Construction Cost (2A+2B only)			
Pollution/Environmental			
Builders Risk			
General & Excess Liability			
Performance Bonds / Subguard			
0.00% << % of Construction Cost (2A+2B only)			
Permit/Agency Costs			
Building Permits			
Special Filings			
Mock ups			
Construction-Period Utilities (if not included in Construction)			
Utilities			
Independent Inspections/Monitoring/Testing			
Independent Monitoring/LPC			
Independent Testing & Inspection Services/TRI's			
Site Security			
Site Security			
Total B. Fees, Insurance & Other Construction Costs			
C. Owner's Construction-Related Contingency			
0% Owner's Contingency			
TOTAL OWNERS CONSTRUCTION-REL COSTS			
4. SOFT COSTS			
A. Feasibility and Due Diligence			
Facility Assessment by SSL			
Preconstruction Services - Metterson			
0% Contingency			
Total Feasibility & Due Diligence			
B. Legal Fees			
General			
0.00% Contingency			
0.00% Reimbursables			
Total Legal			
C. Architect			
Feasibility/Program/Pre-Schematic Phases			
Pre-Design			
Subtotal Feasibility Fees			
Base Architect Fee			
0.00%			
Design Services MAAC			
Additional Design Services & Reimbursables (Amendments 1-15)			
Subtotal Base Fee BEFORE Sub-Consultants			
Sub-Consultants to the Architect			
Subtotal Arch Sub-Consultants			
Total Base Architect & Sub-Consultant Fees			
Reimbursables and Contingency			

7,088,053	23,556,715	30,644,768
673,365	2,261,445	2,934,810
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7,761,418	25,818,160	33,579,578
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Scenario 1

[illegible]

SUMMARY:			
1	Acquisition & Site Control	250,000	-
2	Construction Costs	7,761,118	35,818,160
3	Owner's Construction-Related Costs	-	1,390,633
4	Soft Costs	2,733,492	1,892,155
5	Fundraising & Marketing	-	403,243
6	Project Development Fee (NOT including Deferred Fee)	763,140	873,235
7	Overall Project Contingency	-	1,676,698
SUBTOTAL			43,881,174
without Def Dev Fee			1,750,000
DDF			45,231,174
with DDF			1,000,000
FF&E Paid for by COP			46,231,174
TOTAL PROJECT BUDGET			

NMTC FEES AND CLOSING COSTS

**Legal, Financial Modeling Closing Costs
CDE Fees and Capitalized Reserves
Construction Admin Fees**

SUBTOTAL

TOTAL INVESTMENT NEEDED

Total New Market Tax Credit Investment Need

USES OF FUNDS

I. SITE CONTROL & ACQUISITION		
A. Direct Site Costs		
Site Control/Acquisition - payment made to PDA	250,000	250,000
Closing Costs	-	-
Other	-	-
Total I.A. Direct Site Costs	250,000	250,000
B. Related Site Costs		
Total I.B. Related Site Costs	-	-
C. Contingency - Site Control & Acquisition		
0%	250,000	250,000
TOTAL SITE CONTROL & ACQUISITION		

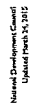
2. CONSTRUCTION COST & CONTINGENCIES

	Base	-	-	-	in NSS and General Conditions
Early Demo CO1,	747,857			747,857	
Phase 3 : CO2	612,799			612,799	
Seismic Work CO3	522,550			522,550	
Phase 3 : CO 4, 5, 6	93,920			93,920	
Early Demo CO7, CO8	31,122			31,122	
Demo/Ph. 3/Seismic CO9	56,973			56,973	
Phase 5: CO10			3,388,731	3,388,731	SCCC space
CO11: FAIR,1923	30,879			30,879	
CO12: FA31,37,39,32,36,40	125,788			125,788	
CO13: FA32,33	33,492			33,492	
CO14: FA9,10,14	-			-	
CO15: FA35,30,31,37,44	8,878			8,878	
CO16: COPR,FA2,43,45			82,352	82,352	
CO17: 8th fl Conf Rumm (COP7 Rev)			275,515	275,515	
CO19: FA5,41 Addl Seismic Demo			107,452	107,452	
			270,961	270,961	

Pacific Tower Renovation Fund Sources

updated 3/11/2015

Source	Type	v: Amount	Running Total	Status	Notes
<u>State of Washington</u>					
2013 Capital Budget	appropriation	# \$20,000,000	\$20,000,000	2013 biennial appropriation to Dept. of Commerce. Partially expended and balance to transfer to tax credit financing structure	Will be transferred under grant agreement to Fdln and then to QALICB
Smart Building Ctr. Energy Demonstration Grant	Commerce grant	\$3,000,000	\$23,000,000	Commerce administers this grant and made the award in July of 2014. Being held at Commerce for closing	Will be transferred under grant agreement to Fdln and then to QALICB
Jobs Act Grant to Seattle Central Colla	Commerce grant	# \$350,000	\$23,350,000	Awarded and being held at Commerce for closing.	Will be transferred under grant agreement to Fdln and then to QALICB
2015 Commerce Operating Budget Transfer	Commerce grant	\$97,925	\$23,447,925	Unspent funds from the 2013-15 operating budget appropriation to Commerce for support of the Pacific Tower project's planning, development and maintenance.	Will be transferred under grant agreement to Fdln and then to QALICB
2013-15 Capital Budget Re-programmed funds	Commerce grant	\$1,700,000	\$25,147,925	February 2015 commitment by Governor and Commerce to re-direct unspent money from a previously approved project and direct it to help cover shortfall at Pacific Tower.	Will be transferred under grant agreement to Fdln and then to QALICB
2013-15 Jobs Act Re-programmed grant	Commerce grant	\$300,000	\$25,447,925	LOI executed with US Bank and Consortium. LOI with URP is accepted and awaiting transmittal w fee. LOI from Seattle due this week.	Will be transferred under grant agreement to Fdln and then to QALICB
<u>Tax Credit Equity</u>	New Market Tax Credit - US Bank	\$6,377,950	\$31,825,875	LOI executed with US Bank. Architect has prepared draft of Part II application and 2nd meeting 11/25 with program officer at State Dept. of Archaeology and Historic Preservation to review the draft and supporting documentation of condition of 900+ windows. Proposal is to replace all windows. Will adjust and file formal application shortly after receiving preliminary review and advice.	Based on latest CohnReznick pro forma
	Historic Preservation Tax Credit -- US Bank	\$8,647,036	\$40,472,911		Based on latest CohnReznick pro forma
Non-Profit Tenant's % of tenant improvements	various	# \$139,000	\$40,611,911	Incorporated into each lease and held by Commerce Both have appropriated funds and provided written pledge to Commerce. Commerce will treat this as a receivable and advance this amount at tax credit closing against the receivable.	Will be transferred under grant agreement to Fdln and then to QALICB
King County and City of Seattle 2015-16 Capital Appropriation	Grant	\$710,000	\$41,321,911	Grant to Commerce was facilitated by FareStart 2/2015 and a matching amount is going to FareStart for their equipment needs.	Will be transferred under grant agreement to Fdln and then to QALICB
Boeing Good Neighbor Fund	Grant	\$250,000	\$41,571,911	In hand. Part of a \$1.0 million grant received in April 2014 from Gates. \$750k previously used to prepare FareStart kitchen and classrooms.	Will be transferred under grant agreement to Fdln and then to QALICB
Gates Fdtn.	Administers	\$250,000	\$41,821,911	Verbal commitment from WA State Housing Finance Commission. Term sheet and loan documents in preparation for March 1 board meeting for Commission to approve. Interest rate of 1% with interest only payments over 7 year term, principal due in balloon payment at 10th year.	Will be transferred under grant agreement to Fdln and then to QALICB
<u>Foundation for Seattle Colleges</u>	Loan at Preferred Non-Profit Rates Charged to Project out of Commerce Operating Budget uses Discretionary Fund under Governor's control	# \$2,000,000	\$43,821,911		Subject to approval by Fdln for Seattle Colleges to take out loan and Commission Board to approve. OFM and Treasurer will need to sign off on size and terms of loan.
Deferred Development Fee		\$3,076,901	\$46,898,812	A credit for funds previously expended on the project's design, development and management. Is acknowledged at closing to qualify total costs of project eligible for Historic Preservation Tax Credit.	Will be transferred under grant agreement to Fdln and then to QALICB
WA State Emergency Repair Fund Neighborcare & Seattle Central Funding for Dental Education Clinic Eqpt.		\$2,000,000	\$48,898,812	Governor will be asked to release funds before June 30th to help close the funding gap due to seismic upgrade demands and energy code investments.	
		\$1,100,000	\$49,998,812		To be raised by Neighborcare and Seattle Central by Nov. of 2015
Medina, Murdoch & other foundation grants	various grants	# \$1,500,000	\$51,498,812	Most philanthropies are budgeting for 2015 grant cycle. 10/29/14 Funders Forum hosted by Gates Foundation and Boeing will solicit and/or confirm pledges from other Northwest foundations and individual donors.	To be raised by Friends of Pacific Tower by Nov. 2015
Projected Cash Needed to Close on Tax Credits		\$48,460,010	\$438,802	Surplus over projected cash/equity need	
Certificate of Participation		\$1,000,000	\$52,498,812		
2015-17 Capital Budget Appropriation w/o Deferred Dev. Fee		\$6,000,000	\$58,498,812		
			\$55,421,911		





STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

February 26, 2015

TO: Brian Bonlender, Director
Department of Commerce

FROM: David Schumacher
Director

SUBJECT: PACIFIC TOWER REAL ESTATE TRANSACTION

Thank you for providing information to the Office of Financial Management (OFM) on the potential Pacific Tower real estate transaction.

We understand that capital costs to support the Health Education and Innovation Center at Pacific Tower have increased by approximately \$34 million, primarily resulting from unknown building conditions and building code requirements. These additional project costs are necessary to fully occupy the building and fulfill the Legislature's expectations for the building. We understand that actions are being taken to fill the gap in capital funds. This includes subleasing the property to the Foundation for Seattle Community Colleges (Foundation) that allows the Foundation to obtain additional funding for completion of the project through the use of New Market Tax Credits (NMTC) and Historic Tax Credits (HTC).

Through the Department of Commerce (Commerce), the Health Education and Innovation Center (Center) is expected to transform the vacant portions of the Pacific Tower building into a hub of activities that respond to community education and health care needs. The Center will be anchored by Seattle Community College programs designed to meet the emerging need for health care workers through classroom training, apprenticeships, and community partnerships that will create the skilled workforce to fill the thousands of jobs made possible through the expansion of Medicaid. The community partners that make up the Center will fill the remaining floors in the Tower, bringing together non-profit agencies that share the common goal of building healthier communities through services and innovation.

Based on what we know today, below are the conditions under which OFM would provide approval on the lease/sublease modification(s) required for the NMTC/HTC structure.

1) Legal documents for this transaction must:

- secure sufficient funding to complete the capital project;
- provide mechanisms to obtain sufficient revenue on an ongoing basis for Commerce to pay its obligations under the master lease with the Pacific Hospital Preservation & Development Authority (PHPDA);
- limit the Foundation's authority to incur debt related to this asset to the loans within the NMTC or HTC structures currently contemplated or those specifically approved by OFM and the Office of the State Treasurer (OST);

Project Prerequisites:

- Confirmation of timely availability of all additional funding sources needed to complete full scope of \$36 million project. Completion of sources and uses budget for follow-on \$12 million project, including status of each identified funding source.
- Professional outside management of the project to be retained as soon as possible to provide an independent assessment to align project scope to available resources and direct construction management (“owners rep” function). Firm also will independently evaluate operating costs of the building post completion of each phase to validate availability of appropriated funds to help service debt.

Prerequisites for Foundation Participation in Tax Credit Structure:

- Foundation will provide no guaranties.
- Confirmation satisfactory to the New Market Tax Credit Committee, of the following:
 - Assured (fully funded from transaction proceeds) recovery of costs to date.
 - Assured funding (either from reserves, funds from transaction proceeds or other specifically committed resources available through compliance period) of all Foundation annual compliance costs (including entities in which the Foundation is directly or indirectly involved) and unwind costs such as put/call payments.
 - Identification and confirmation of ongoing fee or premium that can be utilized for Foundation mission-related purposes.
- Written agreement with College District to provide or arrange for, at no cost to the Foundation, all compliance, administrative, reporting, accounting and audit services required under the tax credit structure for the Foundation or any entity formed by the Foundation or with which it is involved either directly or indirectly.

Prerequisites to Foundation Borrowing:

- Achieving an acceptable and conservative balance, in the judgment of the New Market Tax Credit Committee, between the following factors:
 - Terms available from the WSHFC (principal amount—not to exceed \$6 Million—interest rate; term; prepayment opportunities).
 - Resources sufficient to meet Foundation expectations, including: (a) reasonably predictable revenue from annual State appropriations (after rent and O&M

MEMORANDUM

TO: Board of Trustees

FROM: Jill Wakefield, Ed.D.
Chancellor

DATE: April 9, 2015

SUBJECT: Chancellor's Report

Opportunity Week • February 23-27

JPMorgan Chase Foundation awarded a \$900,000 grant to fund a project exploring new ways to prepare low-income individuals for employment success. The pilot project—the *Workforce Opportunity System*—is a paradigm shift that brings training and employment services together for the first time. The program is the joint effort of five partner organizations: **Seattle Colleges, Financial Empowerment Network, Seattle Housing Authority, Seattle Jobs Initiative, and the Workforce Development Council.**

The first Opportunity Week was held in February. Led by Seattle Colleges, the program taught current and potential residents of subsidized housing a variety of educational and employment topics and skills as a first step toward becoming self-sufficient. Participants received two college credits and created a number of useful documents, including a résumé, cover letter, and both an educational and employment plan to help them determine their next steps.

The program had a 100 percent completion rate, with many expressing appreciation for what they learned.

League for Innovation International Conference • March 8-11

As the 2015 chair of the board for the League for Innovation in the Community College, I presided over the opening ceremony of its 17th annual *Innovations* conference attended by 1500 representatives from community colleges around the world.

The conference provides a forum for collaboration among academic experts and leading community college professionals, while providing participants exclusive access to the most inventive and thought-provoking programs from across the globe.

Seattle Colleges was well represented throughout the conference, with several forums led by district employees:

1. *Growth Mindsets*: Lawrence Morales, Math & Science instructor, Seattle Central College
2. *Cohorts of Composites: Students and Faculty Learn Together* – Ellen Gordon, Georgetown program administrator and a team from South Seattle College
3. *Advancing Applied Baccalaureate: Lessons from State and National Research* – Malcolm Grothe, associate vice chancellor
4. *Developing a Competency Documentation Model for Middle Skill Job Seekers* – Holly Moore, executive dean, Georgetown

League of Education Voters • March 26

I served on a panel with **Elson Floyd, Washington State University president**, at the *League of Education Voters* annual fundraiser. Moderated by Frank Blethen, *The Seattle Times* publisher, the focus was on postsecondary access, education funding and our programs that support completion. When asked for my wish list for Seattle Colleges, I listed:

1. No person will be denied access to higher education because they believe they can't afford it. What better way is there to achieve social and economic equity than to make higher education available to all by eliminating the funding barrier?
2. Completion rate for students will be the same for everyone, regardless of race, age, or zip code.
3. All high school graduates will come to our doors prepared for college.

AACC Convention, April 19-25, San Antonio, TX

Theme of convention: The Next Big Things. I will be co-presenting "The Community College Baccalaureate: A New Frontier" along with the chancellors of Foothill-De Anza, San Diego, and Santa Fe Colleges. The section representing Seattle Colleges is entitled, "Leadership as a Strategy" and will highlight our program's growth and leadership since 2009 and how these programs have led to an increase in the diversity of students who are completing 4-year degrees.

New SCCtv Contract

SCCtv has entered an agreement with the City of Seattle to provide live cablecasting/broadcasting for Seattle Community Media (SCM).

The \$60,000 contract, expected to be signed in the next several weeks, requires SCCtv to offer up to three hours of live broadcasting per month to SCM's 84 producers, and Seattle's East African community in particular. Topics and audiences served by programming include Ethiopian, African American, Eritrean, Romanian, Korean, and Somali issues; LGBTQ, women, and Seattle youth issues; theater arts; cooking; gardening; travel; multicultural events; news; music; and faith.

News from Advancement

In March, the Seattle College District Foundation held its first new member orientation for two of its three new members. Foundation board officers and District Foundation staff participated. The group discussed invitations and suggestions for new board candidates, with a special focus on diversity and leaders in the business community.

Advancement also convened a campaign committee meeting, with volunteers taking on the role of ambassadors for the campaign and also reaching out to and soliciting input from community leadership.

MEMORANDUM

TO: Board of Trustees

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

DATE: April 9, 2015

SUBJECT: President's Report

Seattle Central College

Students named to All-Washington Academic Team

Students Phuc Thien Do and Jonathan Harper have been selected for the Phi Theta Kappa 2015 All-Washington Academic Team. They will join 65 students representing 34 community and technical colleges from all over Washington to be recognized during a ceremony at South Puget Sound Community College, where Governor Jay Inslee is slated to provide the keynote address.

Phuc Thien Do is a first generation college student from South Vietnam who is studying business and hopes to follow a career in clean energy. Jonathan Harper is a biology student who hopes to become a Medical Examiner and also has dreams of serving his community as a state representative.

The event is sponsored by Phi Theta Kappa International, the presidents and trustees of Washington's two-year colleges, the State Board for Community and Technical Colleges and KeyBank, which awards \$500 scholarships to each member of the team.

College hires consultant to help with enrollment

Seattle Central has started working with a well-respected enrollment and marketing consultant to create a campaign designed to encourage current students to re-enroll in Fall Quarter. Interact Communications, led by Dr. Pam Cox-Otto, will also review the process students must go through to enroll in the college to identify ways to make this process easier to navigate. Marketing and communications materials, including the website, will also be reviewed for messaging clarity and impact. The firm works only with two-year colleges and brings a wealth of knowledge and experience.

The consultant will build on efforts already taking place to improve retention among current students. Efforts that started during Fall Quarter to encourage students to re-enroll in Winter appear to be working. As of late March, enrollment for Spring was up nearly 100 FTES compared to the same time last year. Targeted emails, posters, fliers and buttons with a "Register Now" message have encouraged students to register early. Messages from President Killpatrick have also reinforced this theme.

Accreditation visit wraps up

In early April, representatives from the Northwest Commission on Colleges and Universities visited campus as part of the Mid Cycle Evaluation. This evaluation is conducted in the third year of the seven-year evaluation cycle and includes an official visit to campus. The evaluators examined the college's progress toward providing evidence of achieving the college's mission and core themes. Overall, the college is making excellent progress, and the changes made in the last two to three years with regard to planning and assessment helped demonstrate this progress for Year Seven. The outcome of this Mid Cycle Evaluation will be given in the next report to the Board of Trustees.

Strategic planning process moves forward

The college is currently undergoing its annual strategic planning process. In late March, departments submitted strategic plans that aligned with Seattle Central's overall strategic plan and priorities. The vice presidents of each unit are now in the process of reviewing these plans. As part of this process, departments submitted funding requests for proposals that require additional resources. College Council will review these proposals and make recommendations regarding allocation of funds.

Counselor advocates for more suicide prevention resources in higher education

Counselor Lori Miller spoke to reporter Elisa Hahn on KING 5 last month after testifying before the state legislature on House Bill 1138, which calls for more resources for suicide prevention in higher education. In her interview, she spoke about her experience at Seattle Central counseling students with suicidal thoughts. The bill would create a task force on suicide prevention in higher education.

Graphic Design students win grant for transgender bathroom finder app

In March, three students received a \$2,500 grant to develop an app to help people locate transgender-safe restrooms around Seattle. Seattle Central's "Design for a Trans-Inclusive Seattle" will also receive mentorship assistance for the project's development. Students Kate Powell, Caitlin Esworthy and Michel DeBauge plan to spend much of their summer developing their project.

Each year, the Seattle Chapter of the American Institute of Graphic Arts challenges teams to make a positive impact through design and offers one grant through its Pour Back fund to help the winning team develop its project. Three finalists were chosen to present their projects to a panel of top Seattle creative professionals, who evaluated the projects' potential to have a positive impact on the students' communities. This is the second year in a row a team from Seattle Central has bested teams from the University of Washington to win the grant.

Opticianry Updates

- The Opticianry class of 2014 was successful in passing local, state and national exams. On the state exam that certifies students as Opticians, the cohort had an 81 percent pass rate. Additionally, almost all students took two additional tests not required for state licensing: the American Board of Opticianry exam, with 91 percent of students passing, as well the exam of the National Contact Lens Examiners Certification board, which 100 percent of students passed.
- Instructor Amy Sabella led a service trip to Jamaica in October with four graduates. Over the two week trip, the group provided 3,500 patients with eye care services, including dispensing of glasses to all who needed them. Opticianry students continue to work with Volunteer Optometric Services to Humanity to provide glasses for this and other volunteer efforts.
- In mid-April, all 25 students from both Opticianry classes will attend the Opticians Association of Washington Annual Convention, which will offer classes taught by nationally recognized speakers in the industry.

Dean testifies at City Council meeting

Last month, Debra Sullivan, the dean of Applied Behavioral Science, which includes Child and Family Studies, addressed the Seattle City Council's Education Committee last month. She was chosen to speak at a preschool provider panel discussion because of her advocacy for quality early education and her role in training the next generation of providers at Seattle Central. The panel covered the importance of implementing quality early education related to a universal pre-Kindergarten program in Seattle proposed by Mayor Ed Murray. Debra offered her perspective on the best methods to teach quality

early-education and reflected on HighScope, which is a research-validated curriculum and assessments for preschoolers, infants, and toddlers.

Foundation accepting applications for new scholarship honoring Bruce Lee

The Seattle Central Foundation is now taking applications for a new scholarship available to Seattle Central students through the Bruce Lee Foundation, a non-profit dedicated to sharing Bruce Lee's insights with the world. The scholarship honors his time at Edison Technical School, the precursor of Seattle Central College, where he received his high school diploma.

The scholarship will award \$2,000 to one student annually who exemplifies Bruce Lee's passion for education as well as his "honest expression, forward thought, self-exploration, and assertiveness." Selection will be based on the student's academic success, personal statement, essays, financial need, recommendations and drive to overcome obstacles.

Pacific Tower update

Development of the new satellite campus for allied health professions at the Pacific Tower has now entered full scale construction. From bare floors and exterior walls, general contractor Mortenson Construction is installing interior walls to the college's five floors. McKinstry's workforce is drilling floor penetrations and running conduits for electrical and mechanical services. The revised target for turning over the space to Seattle Central is mid-December.

Financing for the \$54 million project is falling in place, with an anticipated closing on tax credit financing through US Bank of mid-April. All together, the Pacific Tower's rehabilitation will receive \$15 million in additional funding via federal tax credits.

Philanthropic fundraising for the rehabilitation of the Tower is making progress as well, with the Boeing Good Neighbor Fund awarding \$500,000 to FareStart and Commerce for the homeless youth barista training facility on the first floor. Seattle Central leadership and Neighborcare are jointly appealing to Delta Dental and the Washington Dental Services Foundation for a substantial contribution to our new dental education clinic. The total goal for philanthropic support is \$6.5 million.

Seattle Vocational Institute

PACT Program

Seattle Vocational Institute's Pre-Apprenticeship Construction Training (PACT) program held its Spring Readiness Training class at the end of March. The class was a success and due to the great turnout of students, SVI will be expanding the number of cohorts offered for this program. This summer, one new cohort will be added to increase the number of cohorts to three. Another exciting change includes moving the lab portion of the PACT program to the Wood Technology Center.

Additionally, Lawrence Willis has been hired as the new PACT Program Administrator. He brings a wealth of experience and connection to the construction industry and has successfully led numerous projects in the greater metropolitan area and the Central District. Mr. Willis is a journey level carpenter with over 15 years of experience. He will be utilizing his expertise to provide a smooth and supportive transition throughout the expansion of this program.

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: April 9, 2015
SUBJECT: President's Report – Information Only

ADVANCING STUDENT SUCCESS

Phi Theta Kappa Continues to Support Achievement at North

The North Seattle College chapter of Phi Theta Kappa International Honor Society has been very active in March. The organization hosted a Commit to Complete Ceremony with a banner signing on March 3. President Warren Brown spoke at the event and a representative from CollegeFish.org was on hand with scholarship applications and essay information. The chapter inducted 58 new members into the honor society at a ceremony in the Health Sciences and Student Resources Building on March 19 and hosted Phi Theta Kappa's Northwest Regional Spring Awards Conference on March 21 with participants from Montana, Idaho and Washington. Finally, on March 26, the All-Washington Academic Team scholarship award ceremony was held at South Puget Sound Community College.

SBCTC Approves New I-BEST Program

The State Board has approved North's application for an Early Childhood Education (ECE) I-BEST program. The I-BEST program will begin in the fall and will include a 12- and 20-credit specialized certificate which can lead to the 47-credit ECE certificate. This will be the fourth I-BEST program for the college.

NSC Hosts Seattle MESA Day

Seattle Mathematics Engineering Science Achievement (Seattle MESA) invited volunteers from the fields of science and math to help celebrate its annual engineering, math and science competition on March 28 at North. MESA Day provided an opportunity for 150 middle and high school students from the greater Seattle area to design and build projects and compete with other students. Additionally, teams presented an academic display of their research.

Campus Visit by 26 Ingraham High School Students

Twenty-six Ingraham High School seniors visited North Seattle College on March 12. Students applied, completed their COMPASS test, had lunch with North students, and heard from a panel of current students who fielded questions about what it is like to be in college at North. This visit was part of the College Spark Grant partnership with North Seattle College and Ingraham High School, and was coordinated by Juan Gallegos, North advisor and Ingraham College Navigator.

Kessler Art Scholarship Fundraiser

ET Kessler—student, artist and friend of North—bequeathed her entire studio and supplies to North Seattle College. The equipment and supplies that will not be used by the NSC art studios will be sold at a special event on April 11 in The Grove (in the new Health Sciences and Student Resources Building), to raise funds for a new scholarship in ET's name. Additional donations of art supplies and original artwork are being solicited to increase the funds available to support North's art students. The festivities will also include a bake sale and an exploration of North artists-in-action.

EXCELLING IN TEACHING AND LEARNING

Administrators and Faculty Discuss Partnership with Australian Institution

Workforce Dean John Lederer, BEIT Dean Terry Cox, Business faculty member Bill Holt, International Business faculty member Honorio Todino, and International Program Director Ryan Packard met with a representative from the Royal Melbourne Institute of Technology (RMIT) to discuss a partnership to develop an international work-based learning project. Earlier in the year Chancellor Wakefield and Executive Director, Global Initiatives, Andrea Insley visited RMIT in Australia.

President's Leadership Meeting

The President's Leadership Meeting on March 12 launched the budget development cycle. To get a better understanding about what is occurring in the legislature and how it will impact higher education, President Brown invited LaVerne Lamoureux, director for Government Relations for Seattle Colleges, and Dr. Kurt Buttleman, vice chancellor for Finance and Technology at Seattle Colleges, to speak. Dr. Buttleman presented on the state and local impacts on our district budgetary outlook.

Successful Day for Student Psychology Researchers

Data collection for four research studies designed and run by students from Instructor Melissa Grinley's Fundamentals of Psychological Research (PSY 209) was extremely successful. A crowd of campus members participated in the experiments, and instructors gave extra credit and/or encouragement to their students to attend on March 2. One study ran 96 participants. After the collection of data, students analyzed the results and presented those results in a small symposium hosted on March 23 in the Grove Seminar Room. One research team gave a 10-minute talk; the other three teams presented via posters. The public was invited.

BUILDING COMMUNITY

Communicating a Public Health Incident on Campus

North Seattle College was informed in late February that a person on campus has been diagnosed with active tuberculosis (TB). Immediately upon learning this, the college worked closely with Public Health - Seattle and King County to identify and notify approximately 110 people who may have had close contact with this individual so that they could be properly evaluated. The county held free screenings for these individuals in late March and will again in mid-April. Letters and emails about this incident were mailed to the small group of people who had close contact with the infected individual, who is expected to make a full recovery. The college communicated this information campus-wide out of an abundance of caution and to be transparent about this public health incident. The general campus community is not at increased risk.

Martin Logan Named Director of Human Resources

Martin Logan has been hired as new director of Human Resources at North. Marty comes to North after being recruiting and HRIS specialist for the Seattle Colleges District, a role he has held since 2011. He worked previously at the Waldron HR Consulting Firm and for American Multi-Cinema Entertainment (AMC Theaters). Marty holds the Senior Professional in Human Resources credential, an M.P.A. from Seattle University, a B.S. in psychology from the University of Washington, and an A.A. from Edmonds Community College.

Melissa Mixon Named Permanent Director of Communications and Marketing

Melissa Mixon began her interim role in September and, during her short time at North, has helped strengthen our marketing and communications efforts both internally and externally. Melissa applied during an open and competitive hiring process and maintained positive job performance, which has earned her the permanent director position. Melissa brings to the position more than eight years of professional experience in communications, marketing and journalism—most recently in communications roles in K-12 and at the University of Texas at Austin.

Finalists Chosen for Executive Director of Institutional Effectiveness

The Executive Director for Institutional Effectiveness Search Committee has completed the first round of interviews and recommended two finalists. The two candidates completed 30-minute question and answer sessions on campus in mid-March. Campus feedback was requested. A decision on hiring is anticipated soon.

Staff Resource Fair

The Staff Resource Fair—held March 19 for OCE&E, partners and college staff—was organized to inform employees of North Seattle College, the OCE&E and community partners of the resources available on and off campus, with the goal of providing the best possible customer service and finding ways to collaborate with one another. More than 30 agencies signed up to participate, as well as several North departments. The day involved a combination of presentations/speakers and groups tabling to provide information and answer questions.

Bloody Sunday Commemoration

A screening of President Obama's speech aired on March 17 in commemoration of the 50th anniversary of Bloody Sunday. The intent was to help students and employees explore some of the history of the American Civil Rights Movement and how it still impacts us today

College Choir Presents Winter Concert

North Seattle College Choir presented their quarter-ending concert March 19 in the Concert Hall. Sixty-six students from the class with varying degrees of experience participated. Continuing the tradition of exploring the world musically, the program included: a Vietnamese folk song, a song from Cuba, two contemporary pieces joined by Philharmonia Northwest violinist Ann Rackl, an excerpt from *Carmina Burana*, a Canadian folksong, a Scottish folksong, and a version of "Wade in the Water" featuring North's gospel pianist, Sheila Gustafson. More than 20 students were featured in solos and playing instruments throughout the concert.

Earth Day Symposium Coming April 22

Hosted by the Sustainability Office, North will be presenting the first Earth Day Symposium—Solutions for a Sustainable Future—on April 22, to promote campus and community sustainability. The goal is to establish collaborations between the region's higher education institutions, non-profit organizations and the City of Seattle. The day will include tabling by local organizations and change makers, the dedication of our new solar installation (completed atop the Arts and Science Building in March), a cross-section of speakers and presentations, and a panel of local stakeholders (scheduled for late in the afternoon to facilitate participation by the local community).

MEMORANDUM

TO: Board of Trustees

FROM: Gary Oertli, President

DATE: April 9, 2015

SUBJECT: PRESIDENT'S REPORT – INFORMATION ONLY

Outreach Ramping Up for Sustainable Building Science Technology B.A.S. Pipeline

With the support of an \$875,000 National Science Foundation Grant awarded to South Seattle College and our partners to train the next generation of building managers, an expansive outreach plan has begun. The grant was awarded in August of 2014 to develop a Sustainable Building Science Technology Bachelor of Applied Science degree at South to train building managers on how to run increasingly sustainable and complex buildings in Washington. While the program, currently in its first cohort class, is a perfect fit for facility management professionals looking to advance, it also represents a viable field for the up-and-coming workforce. With that in mind, outreach will spread across Washington (with the help of several non-profit groups) to introduce high school students on up to sustainable building management as a future career option. We will also be connecting with minorities, women, veterans and Native Americans.

TRiO Directors Meet with Elected Officials in D.C.

South's TRiO Directors Sarah Sabay and Sebastian Myrick traveled to Washington, D.C. over the week of March 16 to attend the Council for Opportunity in Education Policy Seminar and represent the Northwest Association of Educational Opportunity Programs (of which Sebastian presides). Federal TRiO Programs are designed to identify and provide services to individuals from disadvantaged backgrounds, and the seminar was an opportunity for South's directors to connect with other programs from across the nation, and visit Capitol Hill to remind our elected officials of the importance of continued support of TRiO. Sarah and Sebastian, along with a TRiO alum, visited the offices of Representatives Jim McDermott and Jaime Herrera Beutler, Congressmen Derek Kilmer, Adam Smith and Denny Heck, and Senators Patty Murray and Maria Cantwell to discuss the impact these programs have on young lives.

South Signs MOU with American Samoa Government

On February 27, representatives from the American Samoa Government, including Governor Lolo Matalasi Moliga, toured a number of South's professional-technical and Bachelor of Applied Science programs before sharing a meal with South faculty and staff and signing a memorandum of understanding (MOU). The MOU is designed to promote cooperation between South Seattle

College and the American Samoa Government, with a desire to expand scholarly ties, facilitate academic cooperation and promote mutual understanding. Our visitors were particularly interested in bringing students and educators from American Samoa to South to train in Aviation Maintenance Technology, Automotive Technology, Culinary Arts, Specialty Baking, Wine Technology and the Hospitality Management B.A.S. programs.

South's All-Washington Academic Team Members Honored

On March 26, I had the honor of joining Governor Jay Inslee and other community and technical college leaders in celebrating the achievements of the 2015 All-Washington Academic Team, which includes South students Abdi Hassan and David Yama. The celebration, which took place at South Puget Sound Community College, commends students who reflect the diversity of the state, maintain high academic standards and contribute positively to their community. Both Abdi and David exemplify those traits.

Spring Quarter Scholarships Awarded

Thanks to hard work of South Seattle College's Foundation staff and the many volunteer hours logged by our Scholarship Committee, scholarship awards for the upcoming Spring Quarter have been finalized. In total, 83 students were awarded \$144,900 in scholarships to cover 123 quarters of learning. These awards will make a direct and significant impact on the lives and education of those students as they pursue their goals at South.

South Earns "Partner for Veteran Supportive Campuses" Designation

Each year, the Washington State Department of Veterans Affairs allows post-secondary institutions to apply for a *Partner for Veteran Supportive Campuses Certificate*. As it's been, reaching back several years, South was again awarded the designation in 2015 for our continuous development of services to support our student veterans. Criteria for the designation include robust veteran student services, a culture that promotes well-being and success for veterans, consistent and sustained support from campus leadership, and professional development for faculty and staff on issues and challenges faced by our veterans. A signing ceremony to make the designation official is planned for Monday, April 13.

Faculty Member Honored by VA Puget Sound for His Work with Veterans

South's support of veterans sometimes goes beyond the borders of campus, as exemplified by the work of English Instructor Marc Barrington with returning veterans of the Afghan and Iraq wars. For the past year and a half, Marc has been facilitating creative writing workshops in coordination with Veterans Affairs- Puget Sound. At the workshops, veterans learn key elements of good writing and create poems focused on exploring memory and place as a creative outlet. On March 12, VA-Puget Sound honored Marc with the Community Partner Award for his work.

Tenure Awarded to South Faculty

Mathematics faculty members Kim Llewelyn and John Toutonghi were awarded tenure by the Board of Trustees on March 12. These individuals have worked very hard to achieve this milestone in their careers. I personally want to thank them for the many ways they have contributed to our college – sharing their discipline and expertise with their students and peers and for the many more ways that they have added to the quality programs we offer. South has benefitted from their commitment to student success, knowledge and talent. At the tenure reception, we also properly celebrated Hospitality Management Instructor Hana Gala, who received tenure in October of 2014.

South ESL Instructor a First as TESOL President

South's English as a Second Language (ESL) Instructor Yilin Sun was appointed president of the TESOL International Association in 2014, and in doing so became the first community college faculty member to hold that position in TESOL's 49-year history. For nearly half a decade, TESOL has brought together English language educators, researchers, administrators and students to advance the profession and raise its standards worldwide. On Friday, March 27, Yilin started off the organization's 2015 conference in Toronto by presenting her presidential plenary, "Building Bridges: Journey to a Better Future for TESOL." It is an honor for South to have a figure at the forefront of improving English language education globally apply her expertise to teaching our students right here on campus.

Chef McNamara Shares His Story with Scholarship Winners

Every year, the Northwest Asian Weekly media group gives \$1,000 "Diversity Makes a Difference" scholarships and cash prizes to local high school students who have gone above and beyond in promoting diversity in their communities. The achievement of these young scholars was celebrated with their families on March 27, and South's own Chef Instructor Will McNamara joined Seattle City Councilmember Bruce Harrell, Port of Seattle Director of Engineering Tina Soike and Thach Nguyen from the Thach Real Estate Group on a panel at the event, where they met with the winners and told their personal stories of overcoming adversity.



SEATTLE COLLEGES

Central • North • South • SVI

TO: Board of Trustees

FROM: Mary Ellen O'Keeffe, Interim Vice Chancellor
Malcolm Grothe, Associate Vice Chancellor

DATE: April 9, 2015

SUBJECT: Vice Chancellors' Report – INFORMATIONAL ONLY

Early Childhood Education B.A.S. Degree

A Bachelor of Applied Science degree in Early Childhood Education is currently in development at North Seattle College. The degree aims to train more bachelor's-prepared early childhood practitioners for lead-teacher and administrator roles, help achieve local, state and national policy goals, and meet the needs of the Seattle workforce while ensuring a livable wage for practitioners. The Statement of Need document is being reviewed among the state's community colleges, and the SBCTC board members will review the document at their May meeting. An Advisory Committee is being assembled, made up of practitioners and other early childhood stakeholders, to help guide the development of the degree. An initial meeting of the Advisory Committee will be held on April 21.

A.A. Degree Completion Task Force

A districtwide task force is in action to increase completion of the A.A. degree through five key strategies. Subgroups are exploring the promise of automatic degree conferral, awarding reverse degrees, seeking faculty perspectives on the completion agenda, administering surveys to better understand student needs, and developing strong A.A. degree pathways.

eLearning Hybrid Retreats

Planning is under way for two districtwide hybrid course development retreats, providing an opportunity for faculty to learn and apply the principles and best practices of developing hybrid courses. Faculty from all three colleges will attend the retreats, each with a specific course selected to convert to a hybrid format and teach in the following quarters. Retreat follow-up sessions are also planned, to allow faculty who are new to hybrid teaching to hear and learn from veteran hybrid faculty. The college eLearning directors have led several successful hybrid retreats, helping to meet the growing student demand for hybrid courses.

Articulation Council

Representatives from all three colleges met with representatives from Seattle Public Schools to reactivate the Seattle Colleges and Seattle Public Schools Articulation Council. The focus of the meeting was to review past and current collaborations, and lay the groundwork for future work together. The Articulation Council will meet quarterly, with aims that include enhancing the number and success of Seattle Public Schools graduates articulating to Seattle Colleges.

B.A.S. Leader

Seattle Colleges is a national leader in pioneering B.A.S. degrees. Our reputation has resulted in a number of opportunities to share our expertise. In March, Malcolm Grothe, associate vice chancellor, participated in an educational seminar for the Illinois Community College Trustees Association (ICCTA). Following the seminar, the ICCTA Board of Representatives directed the association to further explore the option of Illinois community colleges awarding baccalaureate degrees in nursing, allied health, and applied technologies.

This month, Grothe will meet with California community college presidents and chief instructional officers to help develop procedures and processes needed to develop and implement B.A.S. degrees across the state.

MEMORANDUM

TO: Board of Trustees
FROM: Pak Wing Leung (Executive of Administration)
DATE: April 9, 2015
SUBJECT: ASC Board Report

Book Bank Program

The Student Success Committee created the Book Bank Program to help students save money on textbooks. During the winter quarter more than 20 students came to the ASC office to seek help from the Book Bank.

Women's History Month Events

In celebration of Women's History Month, the College Activities Board collaborated with Gay City, Planned Parenthood, and the Tournaments and Games Team on reproductive health services as part of the second annual Health Fair. Students and members of the community had access to free HIV testing by Gay City, and Planned Parenthood gave a workshop on sex education.

The College Activities Board and Women's Programs collaborated on the "Love Your Body" interactive art gallery addressing women's body images and self-awareness, in the Student Event Center. Students who attended the gallery contributed their own ideas and words into the interactive displays.

Tsutakawa Fountain Restoration

The ASC approved a \$10,000 allocation for the purpose of completing the restoration of George Tsutakawa's *Fountain* sculpture, located in the Atrium. George Tsutakawa, a renowned artist and Broadway High School alumni created and installed the sculpture in 1973. We are proud to make this contribution so that the fountain can be back in operation later this year, a reminder of Japanese-American history and an inspiration to Seattle Central students for many years to come.

Affordable Student ORCA Card

Student Advocacy Committee is currently working on a district – wide proposal for an affordable student ORCA Card plan, giving all students the same benefits provided by ORCA Lift Card. Student Advocacy is working in collaboration with students from Human Services Class, Metro

Transit Union and Jeff Kever, Seattle Central's Auxiliary and Transportation Services Director. The committee has gathered about 500 student signatures for a petition that supports the newly proposed student ORCA Card. Members of the Student Advocacy Committee will be presenting an ORCA Card proposal drafted by students in a meeting with King County council members on April 22nd.

MEMORANDUM

TO: Board of Trustees
Seattle Community College District

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

DATE: April 9, 2015

SUBJECT: STUDENT ADMINISTRATIVE COUNCIL BOARD REPORT –Information Only

- **Fee Board** – The Fee Board allocated a total of \$369,478 in funds to Universal Technology Fee requests. Not all of the requests were approved and some were amended. An allied group of departments, including Student Leadership, PIO, and IT Services, asked for a total of \$107,407.07 for digital signage and was given a total of \$50,000.
- **Students of Color Conference** – A total of 29 students and 3 advisors will be attending this year's Students of Color Conference, a record for North Seattle. The conference will give students the chance to relate to individuals within and outside of their racial lines in order to better understand humanity as a whole and what we can do to support one another as our communities continues to diversify.
- **City Council Debates** – Working directly with LaVerne Lamoureux, the Student Administrative Council is seeking to host a city council debate amongst members of the 5th legislative district. The goal is to deepen student understanding of how political engagement can affect us as a campus and that students should be directly involved in the legislative process.
- **Japanese American Citizens League** – On Saturday, June 13th the Japanese American Citizens League will be hosting an event entitled- Family: An API LGBTQ Gathering, on the North Seattle campus. Engaged with over half a dozen community organizations, the one day conference-style event will be bringing together members of the Asian Pacific Islander and LGBTQ communities to celebrate diversity and build support for API LGBTQ youth and their families. All are welcome! North Seattle College is partnering with the program to help provide support and encourage community engagement on campus.
- **Divestment** – The Student Administrative Council has begun looking more deeply into the issue of divestment from fossil fuels and what impact this may have on the college and future students. They have begun meeting representatives from the UW divestment group as well as the district Sustainability Coordinator, Ian Siadak, to see how they can help to educate students on this issue and gain support across the district.
- **Focus Groups** – The Research and Advocacy Board (RAB) has begun conducting focus groups to help gain insight to the student experience, specifically looking at math tutoring. A final report will be shared with the Learning Center Director and staff. Student feedback has helped to identify potential solutions that may help address the limited availability of tutors.

MEMORANDUM

TO: Board of Trustees

FROM: Shane Brookman
President, United Student Association

DATE: April 9, 2015

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

Spring Quarter Election of 2015-2016 USA Officers

USA officers Amber Jiang and Thao Tan, co-chairs of the election committee, are promoting the open positions and election process to the students of South by tabling around campus, Facebook, flyers, and class visits. Applications to run for office are now available online. To achieve our goal of increased participation in the election process, as well as conserving resources, this year's ballot will also be available online. In addition to the candidates for next year's USA officers, the ballot will include a student referendum to build a wellness center on campus.

Promoting the United Student Association and Sustainability

The USA purchased 300 aluminum water bottles with our logo printed on them to promote South's student government to students around campus. The re-usable water bottles were chosen as the USA's new marketing item because they help promote sustainability, and could potentially save students money.

Annual Budget Request

USA Treasurer Puthearothsopor Tan submitted the 2015-2016 USA budget request on March 16. The main differences from last year's request were; adjustments to salaries to accommodate the minimum wage increase, additional funding for activities which were underfunded in 2014-2015, and a new line item to continue subsidizing student ORCA Cards until an affordable card is available for students. The USA will present our request to the Student and Activities Fee Board in an open meeting during the second week of spring quarter.

USA Votes to Support the Idea of Becoming a Smoke-Free Campus

After thoughtful discussions, including a campus-wide forum, and in response to concerns raised by students, the USA voted 5 to 1, with 1 abstention, to support measures aimed at creating a smoke free campus. After the vote, student leadership at each of the district's colleges expressed their desire to work together on advocating for a smoke-free policy for the Seattle Colleges.