



OUR PEOPLE MAKE THE DIFFERENCE

Washington State Convention & Trade Center

Fiscal 2007 Annual Report

July 1, 2006 – June 30, 2007

Governor's Message



The positive effect of the Washington State Convention & Trade Center (the Center) on our state's economy continues to grow. With spending by convention delegates nearing \$300 million and net cash flow to the state at \$28 million in fiscal 2007, the financial impact for each and every community in Washington is significant.

In April I signed a major tourism bill that established the Washington Tourism Commission within the Department of Community, Trade and Economic Development. This new law enables the Center to expand its role as an economic engine for the state by providing \$4.5 million in marketing funds annually to our tourism industry. This additional investment will be returned with increased tourism business throughout Washington.

Lastly, in keeping with my ongoing "Buy Washington" initiatives, I am pleased to report that the Center was presented with the 2007 Innovation Award from the International Association of Congress Centres (AIPC) at the organization's annual meeting in Austria. Competing against meeting facilities in 16 countries, the Center received this prestigious award for marketing its excellent catering and extensive use of local food and beverage products in a highly successful sales and outreach program.

On behalf of the citizens of Washington, I am pleased to express my appreciation to the Center's board of directors and staff at the close of another successful year.

Sincerely,

A handwritten signature in black ink that reads "Christine O. Gregoire". The signature is written in a cursive, flowing style.

Christine O. Gregoire
Governor

The State of the Convention Center



Fiscal 2007 was another exceptionally strong year for the Washington State Convention & Trade Center, with record-breaking operating revenues (\$25.7 million) and the highest-ever net cash flow to the state (\$28 million). For the first time, the Center hosted over 600 events, attaining over \$287 million in total delegate spending.

The Center has worked diligently to share the story of these successes with our stakeholders and elected officials from around the state. The value of that outreach became apparent this year through the approval by the Legislature for the Center to acquire property formerly owned by the Museum of History & Industry at 800 Pike Street. The Center is now scheduled to complete the retrofit of this additional 138,610 square feet of new meeting and exhibit space in 2010. This purchase effectively consumes all of the available space for Convention Center expansion at our current site. Our staff is utilizing the existing facility to its fullest, which is critical in the highly competitive environment in which the Center operates. Understanding the size limitations of the Center, the board of directors will begin a process of evaluating and planning for the future and potential need for growth.

In this year's session, the Center also forged an agreement with the Legislature that will establish reserves to insure the Center's long-term capital maintenance and enhancement needs are met before funds are

drawn for other uses by the state. In return the Center will provide \$4.5 million in additional funding annually for state tourism. This arrangement will establish the Washington Tourism Commission and provide additional financial resources to promote leisure travel to our state.

Previous annual reports prominently featured Washington's many agricultural products. Our decision to change the focus of this report by no means signals a departure from our commitment to use and promote local food and beverage products. The success of this program is clearly reflected in our catering sales figures (over \$7.5 million in net revenues) and being honored by our peers with the 2007 AIPC Innovation Award.

We remain positive about what lies ahead for the Center and the importance of the hospitality industry in the economic future of our state. We will continue to do our part by assuring that there simply isn't a better place to convene a meeting than right here in Washington.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank K. Finneran".

Frank K. Finneran
Chairman and Chief Executive Officer

A handwritten signature in black ink, appearing to read "John Christison".

John Christison
President and Chief Operating Officer

Financial Highlights

FISCAL YEAR	2007	2006
Operating Revenues	\$ 25,664,629	\$ 24,232,145
Expenditures	\$ (20,994,249)	\$ (19,847,158)
Gain	\$ 4,670,380	\$ 4,384,987
NUMBER OF EVENTS		
National/International	42	46
Local/Regional	559	520
Total	601	566
EVENT ATTENDANCE		
National/International	182,406	176,904
Local/Regional	216,149	320,549
Total	398,555	497,453
Total Delegate Spending	\$ 287,398,816	\$ 256,941,890
Net Cash Flow to State	\$ 28,041,000	\$ 22,872,000
Impact to Local Institutions	\$ 11,710,098	\$ 10,622,399

FACTS

Spending by out-of-state delegates attending events at the Center increased to a record

\$287,398,816,
an increase of \$30.5 million over fiscal 2006.

This spending by out-of-state delegates added an average of

\$787,394
per day to Washington's economy.



Dan Riley and Frank Minaglia • Transportation Attendants



"Eddie Carlson, the late chairman of United Air Lines, often said 'people make the difference.' Anyone visiting our Convention Center will find this to be especially true. Our staff's attention to detail, hard work and exceptional dedication set a standard that is unmatched in our industry."

Frank K. Finneran
Chairman and CEO



Ivy Milam and JR Maileoi • Security Officers



ABOVE:
Kathy Gapsin
Set-Up Attendant

Edith DeeBach
Facility Maintenance Person

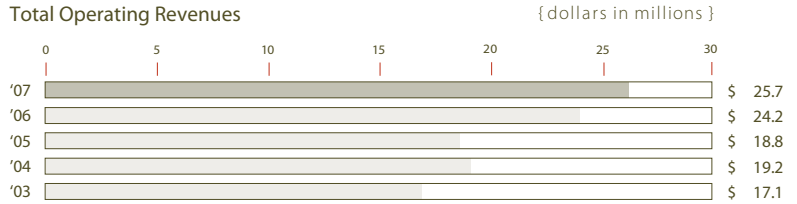
Darrell Harrison
Set-Up Attendant

FAR RIGHT:
Henry Smith and Lois Johnson
Admission Attendants

RIGHT:
Aregawi Abiraha and Sally Leyva
Parking Cashiers



Convention Center Operations



Total operating revenues for fiscal 2007 finished at \$25,664,629, an all-time high. With food service again leading the way, all five of our revenue centers neared or exceeded the record levels established in fiscal 2006.

BUILDING RENT For the first time ever, the Center exceeded 600 confirmed events, drawing a total of 398,555 attendees and providing \$4,069,688 in gross building rent revenues. A total of 42 “citywide” events brought such diverse clients as the American Association of Justice, Acura, the National Recreation and Park Association and the American Library Association. The Center continues to be a popular destination for meetings and maintains an exceptional return client rate. A good example of this is the American Library Association, which has contracted to bring its national convention back to Seattle in 2013 and 2019. Microsoft continued to provide significant impact on out-of-state delegate spending by returning to the Center for 11 major events in fiscal 2007. Local favorites include the Northwest Flower & Garden Show—returning to the Center for its 18th consecutive year—and the twice-yearly Seattle Gift Show. The successful OneStop program continued to grow again in 2007. OneStop supports small and short-lead local meetings that allow the Center to maximize occupancy during and between large national events.

RETAIL RENT A wide variety of services are provided by the Center's 22 retailers to convention attendees, area businesses and residents. Occupancy remains steady, with net retail rent revenues reaching \$950,857. Tully's Coffee, a long-time favorite of Seattle's many coffee connoisseurs, opened a new store on Level 4 of the Galleria in July.

PARKING Parking revenues from the two garages continued to increase in fiscal 2007, with gross revenues reaching a record \$3,724,083. This is an increase of \$626,521 over the previous year. The Center's main garage maintains a year's waiting list for new monthly parking applicants. To fill parking spaces around large events, a popular new debit card program allows customers to park in either the main or Freeway Park garage, whenever space is available, for \$10 per day.

FACILITY SERVICES Three independently contracted vendors provide in-house technical services for the Center's meeting and trade show clients. These services include audio visual (Audio Visual Factory); telecommunications, connectivity and Internet (Convention Communication Provisioners, Inc.) and electrical services (Edlen Electrical Exhibition Services). Net revenues from facility services reached a record \$1,750,230 in fiscal 2007.

FOOD SERVICE Net food service revenues remained strong in 2007 at \$7,539,829, just shy of the all-time record of \$7,612,059 set the previous year. The Center continues to generate more revenue from food and beverage, both per square foot and per delegate, than any other meeting facility in the country. These results have been achieved and maintained by creating customized menus that exceed the expectations of clients and by focusing on serving fresh, seasonal food from local growers paired with an impressive range of Washington wines. This year, the Center's unique sales, marketing and outreach program received the Washington Society of Association Executives' 2007 Community Service Award and the 2007 Innovation Award from the International Association of Congress Centres.

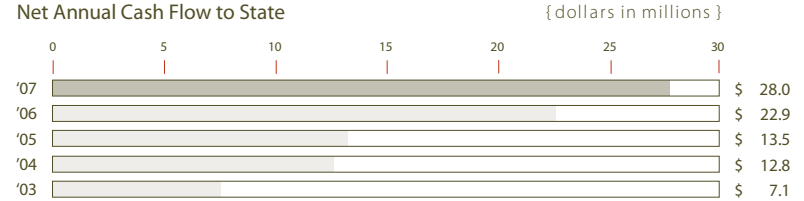
The first-of-its-kind Tasting Room offers clients an accurate picture of the Center's exceptional service capabilities by providing a distinctive environment in which to showcase the wide selection of menu items, wines and a whole range of china, linens and accessories. The Tasting Room may also be reserved for a "Culinary Adventure," an exclusive, six-course gourmet dining experience created by Executive Chef José Chavez for up to 12 guests.



Economic Benefits

After 19 years of operation, the total cost of the Center to the taxpayers remains \$0. The Center continues to pay dividends for residents in all areas of Washington by annually contributing a significant amount of revenue to the state's general fund and through other economic and civic benefits. In fiscal 2007, over \$11.7 million was provided to the city of Seattle, King County and a number of other regional tax-based agencies and projects from Convention Center-related tax receipts.

The Center continues to be a major contributor to the economic well-being of the state. The significant spending by thousands of delegates who come to Washington to attend meetings and conventions provides hundreds of millions of dollars in direct economic impact. Hundreds of people are employed by the Center and its in-house contractors, and thousands more work in the hotels, restaurants, retail stores and travel-related businesses that serve the convention and visitor industries. Additional jobs are also created for people who supply these businesses. Several new first-class hotels have expanded the inventory of rooms in the Seattle area, in response to the lodging needs of an ever-increasing number of out-of-town guests attracted to the area and the Center.



Giving Back to Our Stakeholders

Adding economic vitality to the state is not the only role of the Center. The Legislature has directed that the Center provide civic benefits for the people of Washington. This important mandate is fulfilled in many ways, but primarily through extending opportunities in the hiring of employees and suppliers, as well as offering numerous outreach activities for convention guests and our stakeholders.

Another area where the Center has had a leadership role is in energy conservation and recycling. Resources have been invested into making the facility more "green" by replacing outdated lighting equipment with new and more efficient fixtures. New touchless faucets and self-flushing toilets are being installed to reduce water consumption. The Center has long been a leader in the recycling of paper, wood, metal and plastic products. New ways to compost food and packaging waste is currently being explored with the city of Seattle.

The Convention Center Community Concert Series offered at least four musical performances, free of charge, each month in fiscal 2007. A collection of over 100 works of art is on public display daily throughout the facility and several rotating art shows are also presented annually in partnership with area arts organizations. From December 2006 to September 2007, the Center presented *Apples to Zinfandel–Aberdeen to Zillah*, a juried exhibition of fine art photography that celebrated the



Bruce Gyger • Event Manager

Steve Cheung, CMP • OneStop Manager

Krista Daniel, CMP • Director of Event Services

creativity of Washington artists and the diversity and splendor of Washington agriculture. Other temporary exhibitions included works from the Women Painters of Washington, Contemporary Quilt Art Association and the Ukrainian American Club of Washington.



Helen Asplund • Prep Cook

Mayra Melka-Baldwin • Chef de Cuisine

Kelly Kuciemba • Cook

Mairaj Qazi • Lead Steward



James R. and Mary Lou Ellis Plaza

← Convention Place

On June 13, 2007, Center Chairman Frank K. Finneran officially dedicated the James R. and Mary Lou Ellis Plaza to the enduring work of the former Chairman and his late wife.



"At its annual meeting in Austria, the International Association of Congress Centres presented the Center with its 2007 Innovation Award (inset, left). It gives me a great deal of pleasure to see the Center receive worldwide recognition for our highly successful sales, marketing and outreach programs."

Frank K. Finneran
Chairman and CEO

Board of Directors



FROM LEFT TO RIGHT:

Susana Gonzalez-Murillo

Deryl Brown-Archie
Vice Chair

Kathy Coffey

Jerome L. Hillis

Frank K. Finneran
Chairman and CEO

J. Terry McLaughlin

Karen Wong

Robert J. Flowers
Treasurer

Rick S. Bender

Executive Staff



FROM LEFT TO RIGHT:

Ron Yorita
Director of Operations

Michael McQuade
Director of Sales
and Marketing

Chip Firth
Director of Finance
and Administration and
Chief Financial Officer

John Christison
President and
Chief Operating Officer

Ed Barnes
Director of Event Services

Linda Willanger
Director of
Corporate Development

Vic Hawley
Vice President and
Deputy Operating Officer

A comprehensive set of financial statements for the 2007 annual report is available at the Washington State Convention & Trade Center's website at www.wsctc.com. These supporting documents are provided in Adobe PDF format and are readable on both Apple Macintosh and Microsoft Windows operating systems. A free version of Adobe Reader is available at www.adobe.com. If you do not have access to a computer, please contact Convention Center Community Relations at 206.694.5000 to obtain a printed copy of the financial statements.

CREDITS

All photography by Jules Frazier, except as noted. Inside front cover: Office of the Governor; page 11: Brian Baum

Report Coordination and Layout: Brian Baum
Printing: Trojan Litho

ON THE FRONT COVER

From left to right:
Eyasu Meresa, Parking Cashier
Marilyn Stiles, Admission Attendant
Meraf Zerom, Custodian
Brian Baxter, Carpenter
Gigi St. John, HR Benefits Coordinator

Printed on FSC Certified paper made with 50% recycled content, including 25% post-consumer waste. Elemental chlorine free. Printed with 100% recyclable vegetable-based inks.





Negasi Fesaha and Girmai Welderufael • Custodians

Washington State
Convention & Trade Center
800 Convention Place
Seattle, Washington 98101-2350
Tel 206.694.5000
www.wsctc.com

