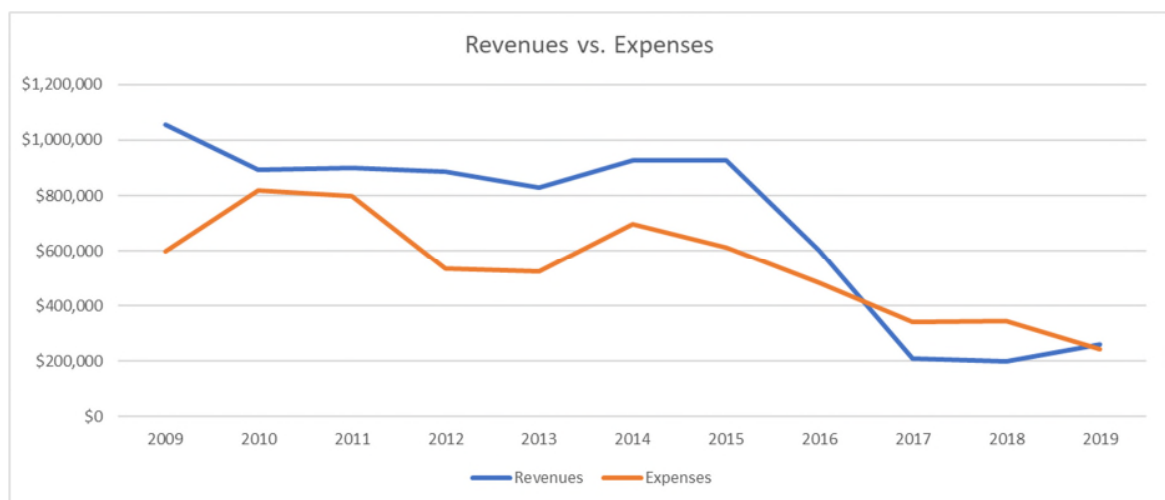


### **Explanation of the Lincoln Center property finances**

Revenues cover operating expenses: The financial performance of the property, on the whole, has been positive. Over the past ten years, total lease revenue has exceeded total expenses, and those surpluses created reserves. Over time, the reserves have served additional purposes:

1. Offset a portion of the cost of purchasing the property.
2. A combination of funding through creative partnership provided for certain life-safety and building code improvements needed by Congregations for the Homeless. Nearly \$600K of work was completed without taxpayer sources thanks to a partnership with the Building Owners and Managers Association (BOMA) that organized donated time and materials, staff and reserve funds from Parks and Community Services, and lease reserves of Lincoln Center.
3. Setting aside a reserve for unanticipated repairs on the Property.

The graph below depicts the total revenues and expenses for the property of the course of the City's ownership:



A significant shift occurred in 2016-2017, when Sound Transit's EastLink project required the demolition of the north building and Impact Hub chose not to continue operating in Bellevue. As a result, expenses exceeded revenues in 2017 and 2018 while the City has been working to lease out newly vacated space. Reserves sustained the difference.

Since then, leases have been added or renewed and Lincoln Center's financial forecast indicates that, while modest, revenues going forward will continue to support operating expenses with no need for subsidy from the General Fund. Recently, a new commercial lease was executed. One renewal and another new lease is near completion.