

WSCC Addition Committee Meeting
May 23, 2017, 10:30 a.m.
WSCC Room 208

WSCC Board Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Bob Flowers, WSCC Board Addition Committee
Jerry Hillis, WSCC Board Addition Committee
Craig Schafer, WSCC Board Addition Committee

WSCC Staff / Consultants in Attendance:

Jeff Blosser, WSCC President / CEO
Linda Willanger, WSCC VP Administration
Chip Firth, WSCC Chief Financial Officer
Ed Barnes, WSCC VP Operations
Daniel Johnson, WSCC Administrative Services Manager
Michael McQuade, WSCC Director of Sales
Michael Murphy, WSCC Project Coordinator
Matt Hendricks, General Counsel
Becky Bogard, Bogard & Johnson
Fred Eoff, Public Financial Management (by phone)
Arnetta Libby, Pine Street Group
Matt Griffin, Pine Street Group
Jane Lewis, Pine Street Group
Erika Johnson, Pine Street Group
Gary Smith, Clark-Lewis
Chris Raftery, Raftery CRE (by phone)

Guests:

Stefan Moritz, UniteHERE Local 8
Abby Lawlor, UniteHERE Local 8
Christine Pihl, RBC Capital Markets
Sherilyn Anderson, Wells Fargo
Brian Olin, Goldman Sachs

Finneran called the meeting to order at 10:30 a.m. and conducted a roll call of the Board members and meeting participants present. Guests were requested to identify themselves. After the Committee unanimously approved the consent agenda, Finneran asked Griffin to lead a review of the project.

Griffin explained that the critical path to start of construction is still the entitlements and vacations process. The next step in the vacations is to gain approval from the Seattle Design Commission (SDC) on public benefits followed by the next step with the Seattle City Council. At the SDC meeting on 5/18/17, the commissioners discussed the need for more public benefits on the site. All of this needs to go smoothly for the project to start construction in November, but this is getting harder to achieve.

The next major step with King County is approval of the purchase and sale agreement for its property by the KC Council. We expect the measure to be voted out of the KC Budget Committee on 5/24/17 and then move to the full council on 6/5/17. Eoff will issue a Request for Proposals for Bond Underwriting Services in the next 30 days.

Libby and Griffin explained the Sources and Uses financing plan provided in advance of the meeting, which was very similar to the plan from the prior month. The first tab – Base Case -- showed that without removing the room tax exemption for properties of 60 units or less, the project is short about \$210 million in sources. The second tab – Added Tax – which includes room tax for properties of 60 units or less, shows the project is adequately funded. The tax exemption is being discussed with the state legislature.

The financing plan was reviewed with the Finance Committee on 4/27/17 and will be reviewed again on 5/23/17. Provided it has the Finance Committee's concurrence, the Committee voted unanimously to recommend that the Board adopt it as the current "Financing Plan."

Libby reported that the team has sent the State Treasurer and Department of Commerce (DOC) an earlier version and would update them with this version, provided it was approved by the Board.

While the current design has been estimated within the \$920 million construction budget, the team continues to be wary of the volatility in the construction market. Lewis reviewed the continued work on outreach, as an integral part of the contracting.

The Committee reviewed the draft MACC contract with Clark/Lewis for Fire Protection. The Committee recommended it be approved by the Board in substantially the form presented in and amount not to exceed \$6.5 million.

Blosser reviewed proposed changes to the WSCC procurement policy to provide for timely approvals of contracts. The Committee unanimously approved the revised WSCC Procurement Policy (20-04.2) and Resolution #2017-10, for further review by the Finance Committee and recommendation for approval by the Board.

There was no other WSCC Addition business. The meeting was adjourned at 11:05 a.m.