

WSCC Addition Committee Meeting
Minutes
April 25, 2017, 11:00 a.m.
WSCC Room 208

WSCC Board Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee (by phone)
Deryl Brown-Archie, 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:

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
Matt Hendricks, General Counsel
Becky Bogard, Bogard & Johnson
Fred Eoff, Public Financial Management
Armeta Libby, Pine Street Group
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Stacy Shewell, Pine Street Group
Gary Smith, Clark-Lewis
Chris Raftery, Raftery CRE
Margery Aronson, Addition Project Art Advisor

Guests:

Anna Boiko-Weyrauch, KUOW 94.9 FM
Stephen Field, Citi
Brian Olin, Goldman Sachs
Stefan Moritz, Unite HERE Local 8
Sherilyn Anderson, Wells Fargo
Christine Pihl, RBCCM

Finneran called the meeting to order at 11:00 a.m., and conducted a roll call of the Board members present to ensure a quorum. The Committee unanimously approved the consent agenda. With Finneran and Blosser out of town, Finneran asked Griffin to lead a briefer review of the project than normal. Griffin explained that the critical path to start of construction is still expected to be the entitlements constrained by the vacation process.

The next step in the vacation process is to gain approval from the Seattle Design Commission on public benefits, with the next meeting scheduled for 5/18/17, followed by the process with the

Seattle City Council. If granted a smooth process, the project would start construction in November. The next major step with King County (KC) is approval of the purchase and sale agreement for its property by the KC Council, which is scheduled for 5/22/17. 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. 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. While this change is being discussed with the legislature, the financing plans will be reviewed with the Finance Committee on 4/27/17 with the expectation to bring them back to the Addition Committee and full Board for approval next month. The team has sent the State Treasurer and Department of Commerce (DOC) versions of these plans with DOC receiving more detail on the budget.

Rosauer reviewed the status of the drawings and construction budget. 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. He also explained that the Project Labor Agreement had been signed and the building trades are enthusiastic to help move this project forward. The contractor continues its outreach into the community.

There was no other WSCC Addition business. The meeting was adjourned at 11:25 a.m.