

WSCC Addition Committee Meeting
April 24, 2018
10:30 a.m.
WSCC Room 208

WSCC Board Attendance:

Frank Finneran, Chair - WSCC Board Addition Committee
Deryl Brown-Archie, WSCC Board Addition Committee
Bob Flowers, WSCC Board Addition Committee
Jerry Hillis, WSCC Board Addition Committee

WSCC Board Absent:

Craig Schafer, WSCC Board Addition Committee
Nicole Grant, 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
Michael McQuade, WSCC Director of Sales
Daniel Johnson, WSCC Administrative Services Manager
Michael Murphy, WSCC Project Coordinator
Matt Hendricks, General Counsel
Fred Eoff, Public Financial Management
Becky Bogard, Bogard & Johnson
Matt Griffin, Pine Street Group
Matt Rosauer, Pine Street Group
Jane Lewis, Pine Street Group
Armeta Libby, Pine Street Group
Lester Brown, Pine Street Group
Katie Twomey, Clark | Lewis
Chris Raftery, Raftery CRE (by phone)
Brian Olin, Goldman Sachs
Margery Aronson, WSCC Addition Art Advisor
Gary Fluhrer, Foster Pepper

Finneran called the meeting to order 10:30 a.m. After the consent agenda was unanimously approved, Finneran turned the meeting over to the PSG team to review the project. Lewis stated that NEPA FEIS has been completed, Record of Decision issued, and the date for the start of the statute of limitations was 4/20/18.

Griffin stated that the critical path continues to be through entitlements and required vacations. The City Council Transportation Committee is scheduled to vote on 5/1/18. Certain City Council members are discussing a compromise making more of the housing funding upfront.

Griffin said WSDOT has started to focus on the lease, which will include an update of the appraisal, but PSG is optimistic that WSDOT is engaged. On CPS, Lewis is working with King County's lawyers to complete the agreement with 4Culture and the artists for deaccession of the existing art.

Libby and Griffin explained that there were changes in the costs this past month, bringing the contingency to about \$37 MM. They also explained that they had briefed the Finance Committee that morning on the status of the financing, which seemed in reasonable shape despite the run up in rates since the start of the year. At the May meeting, PSG will present revised sources and uses for approval by the Finance Committee, Addition Committee and the Board. Similarly, the underwriters will join all three meetings for a joint recommendation from them, Eoff, and PSG on the financing plan.

Libby briefed the Committee on the status of the Department of Commerce report. WSCC staff is reviewing the HVS draft report, which will then be reviewed by her and the final sent to the DOC. Blosser will ask DOC if the final report could be presented to the WSCC Addition Committee before a public release.

Gary Fluhrer joined the meeting for the last half to discuss the creation of one condo association for the residential project and WSCC and a second one for the office project and WSCC. The Committee agreed, and Matt Hendricks will provide the appropriate resolution for future action.

Libby explained that the OCIP insurance program had been reviewed with the Finance Committee. She will have the insurance broker compile a one-page summary of the key provisions for final approval next month, which will be approved by the Finance Committee, Addition Committee, and then the full Board.

Rosauer explained the status of the drawings and the desire to answer as many questions as possible before contracts are bid. At this time, he estimates that we'll have about 70% of the costs tied down at the start of construction, with mostly low volatility items remaining. Based on the Outreach Committee meeting last week, PSG is proposing to the City Council the following: 1) We increase the WMBE goal to \$80 MM subject to approval by the WSCC Board, and 2) We adopt the Priority Hire program similar to the City's with a goal of 19% and an aspirational goal of 27%, subject to approval of the Unions and the WSCC Board.

Other than the WSDOT lease mentioned above, PSG explained that the contracts were in good shape. Griffin reminded the Committee that we will be in the news more as we become more public in the City Council process.

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