

WSCC Addition Committee Meeting
Minutes
November 24, 2015, 10:30 a.m.
WSCC – Room 208

WSCC Board Attendance:

Frank Finneran, Chair – WSCC Board Addition Committee
Deryl Brown-Archie, WSCC Board Addition Committee (by phone)
Jerry Hillis, WSCC Board Addition Committee (by phone)
Craig Schafer, WSCC Board Addition Committee
Bob Flowers, WSCC Finance Committee Chair

WSCC Staff / Consultants in Attendance:

Jeffrey A. Blosser, WSCC President / CEO
Linda Willanger, WSCC VP Administration
Ed Barnes, WSCC VP Operations
Chip Firth, WSCC CFO
Daniel Johnson, WSCC Administrative Services Manager
Michael Murphy, WSCC Project Coordinator
Matt Hendricks, General Counsel, Hendricks & Bennett
Becky Bogard, Bogard & Johnson, LLC
Fred Eoff, Public Financial Management, Inc.
Matt Rosauer, Pine Street Group
Arnetta Libby, Pine Street Group
Matt Griffin, Pine Street Group

Visitors:

Tom Burgess, LMN Architects
Lacey Ahlf, Skanska-Hunt
Ed Hartwell, Skanska-Hunt
Stefan Moritz, UNITE HERE, Local 8
Abby Lawlor, UNITE HERE, Local 8

Finneran called the meeting to order at 10:30 a.m.

From the consent agenda, the Committee unanimously voted for the following:

1. Approval of the minutes from the 10/22/15 Addition Committee meeting.
2. From the contract log for this month, the contracts were approved and forwarded to the full board for approval.
3. Approval of the Draw Funding Request #12 dated 11/12/2015 for \$3,482,389 and the estimated Draw Funding Request #13 for \$9,444,300 (\$2,765,300 excluding Sound Transit).

Griffin started the review of the project with a review of the land.

1. CPS. As noted at the press conference last week, WSCC and King County have reached agreement on the basic terms for acquisition of the CPS site from the County, subject to a Purchase & Sale Agreement being approved by the WSCC Board and King County Council. That Agreement should be ready for approval at the end of the first quarter of 2016.
2. Kollias. Through mediation WSCC has reached an agreement on the final payment, and the Committee unanimously recommended that the Board approve a resolution to facilitate the completion of the transaction.
3. Sound Transit. The basic business terms are settled and the Committee unanimously recommended that the Board approve Resolution 2015-21.
4. WSDOT. The appraisal for the lease should be completed in the couple weeks, but WSDOT will not be able to execute the lease until SEPA and NEPA have been satisfied, which is expected in the summer of 2016.

Griffin explained that the draft EIS (DEIS) would require additional studies before publication, which will push the release to the first of February. The MUP applications and the alley vacations will be submitted on or before 12/18/15. He also explained the need to watch all three of these for the effect on the critical path to starting construction. The team is discussing with the City an opportunity to have more of the public benefit funds and vacation costs go to subsidized housing. Finneran noted that WSCC had a history of helping with subsidized housing and had created about 1333 units to date.

On budget and finance, PSG noted that the updated Sources and Uses (S&U) would be coming in early January, which will include the contractor's pricing of the Schematic Design (SD) drawings, the updated PKF tax projections, about \$2 million for negative cash flow in the early years as shown in the draft HVS report, and the current interest rates. PSG again stressed that there is continued stress on the budget and the importance of making cost effective choices.

Phase I of the Department of Commerce report has been completed. Blosser and Libby will decide when to commence Phase 2, reaching balance between final information and the need for the report earlier.

For 2016 cash flow, the Committee unanimously approved the recommendation to the Finance Committee as contained in Resolution 2015-17.

For quality LMN completed the SD drawings 11/20/15. Finneran explained that all future work would be built on this base and stressed the importance of staff and development team reviewing them in detail by the approval date of 12/18/15. The outreach goals were approved at the last Outreach Committee and will go the Board for approval.

PSG noted that contract log was up to date. For the amendment to the PSG contract, the Committee unanimously approved the recommendation to the board contained in Resolution 2015-16. Rosauer explained the status of the Skanska-Hunt contract and the Project Labor Agreement. The latter would be good for the project if it contains reasonable terms but not essential if the terms are unreasonable.

The meeting was adjourned at 11:35 a.m.

