

WASHINGTON STATE PUBLIC STADIUM AUTHORITY

June 6, 2017

SPECIAL BOARD MEETING

CenturyLink Field
Public Stadium Authority
800 Occidental Ave. S.
Seattle, WA 98134

MINUTES

I. Call to Order

Board Chair Lorraine Hine called the meeting to order at 1:30 p.m. Other Board members present were: Vice Chair Fred Mendoza, Joel Ing, Jud Marquardt, Bill Lotto and Jake Jundt. Randy Loomans was excused. Staff members in attendance included Executive Director Ann Kawasaki Romero, Business Manager Jodi Todd, and Project Manager Steve Woo.

II. Public Participation

There was no public participation.

III. Administrative Briefings

1. Naming Rights Agreement

Ann Kawasaki Romero, PSA Executive Director, introduced the presenters and provided a brief overview of the meeting agenda. She then stated that Gerry Johnson, PSA General Counsel, would begin the briefing by reviewing the Board's approval authority for Naming Rights per the Statute and the Master Lease Agreement.

Gerry Johnson explained that the agreement before the Board is both a sponsorship and a naming rights agreement. The Board's authority is limited to reviewing and approving the naming rights portion of the agreement. The focus of the Board's review has to do with the relative appropriateness of the value of the overall naming rights. Within this scope, the Board needs to be mindful of the allocation the Master Tenant has proposed with respect to how the total package is split between naming rights and sponsorship.

Chuck Arnold, Chief Operating Officer, Seattle Seahawks/First & Goal, Inc. (FGI), summarized their relationship with CenturyLink and highlighted their past partnership success with the company. He stated the Seahawks/FGI are excited to extend the working relationship with CenturyLink. Ed Goines, General Counsel & VP of Government Affairs, Seattle Seahawks/FGI, stated that the new agreement starts August 16, 2019 and expires at the end of the 2033 football season. He summarized the exclusivity details of the agreement.

Dan Barrett, PSA Consultant, reviewed his analysis of the proposed naming rights agreement. He provided several case studies of other naming rights deals throughout the NFL and reviewed financial information regarding CenturyLink, Inc.

Mr. Barrett provided a slideshow of the current naming rights agreement and then highlighted components of the proposed deal.

Some of the highlights are:

- The term of the agreement is 15 years.
- It expires February 2034 (end of the 2033 football season).
- It includes an annual escalation of 2.8%.
- CenturyLink, Inc., will pay an additional fee for each playoff game held at CenturyLink Field.
- Seahawks are responsible for removal of signage upon expiration of the deal.
- CenturyLink, Inc. has exclusive right of first negotiation at a new stadium.
- Overall, the deal value compares favorably to other NFL naming rights deals in terms of reported average annual payment.
- The proposed deal would improve ranking to fourth among publicly reported deals (current agreement ranks 17th).
- The PSA would receive the third highest contractually obligated funding source for a public sector landlord in the NFL (second and possibly first) highest for major maintenance and modernization improvements.

IV. New Business

There were no items for review under this section.

V. Executive Session

With no further business to come before the Board, Chair Hine announced that there would be a five-minute recess followed by an Executive Session of the Board to meet with legal counsel to discuss potential litigation involving legal risks from a proposed action or current practice where public discussion of the legal risks would likely result in adverse legal or financial consequences to the PSA. The meeting was expected to last thirty minutes. No action by the Board was anticipated as a result of the Executive Session.

The meeting recessed to Executive Session at 2:57 p.m. and Vice Chair Mendoza and Member Lotto left the meeting.

The meeting reconvened at 3:05 p.m. and immediately went into Executive Session.

Executive Session ended at 3:25 pm.

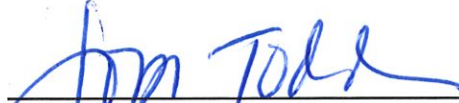
IX. Adjournment

The regular meeting of the Public Stadium Authority Board adjourned at 3:25 p.m.

Approved this 20th day of July 2017.



Lorraine Hine, Chair



Jodi Todd, Clerk of the Board