

SEATTLE PARTNERS

June 4, 2017

The Honorable Edward B. Murray
Mayor of Seattle
600 4th Avenue, 7th Floor
PO Box 94749
Seattle, WA 98104

Seattle City Council
600 4th Avenue, 2nd Floor
PO Box 34025
Seattle, WA 98104

Dear Mayor Murray and Seattle City Council:

We are writing to inform you that Seattle Partners must regretfully withdraw our bid to redesign and renovate KeyArena.

We remain firm in the belief that our proposal best serves the people of Seattle, but, unfortunately, significant factors through the bidding process have eroded our confidence in the ultimate execution of this project, no matter which group is selected. We fear the City is driving toward an unrealistic financing structure, and we believe the City has failed to conduct a sufficiently thorough, objective and transparent process to properly evaluate the respective strengths and weaknesses of the two proposals and, most significantly, to identify the proposal best positioned to deliver a project consistent with the community's interests.

The people of Seattle deserve a world-class sports and entertainment venue capable of bringing back NBA and NHL teams. We have engaged earnestly in a process that we had hoped would be relentless in its pursuit of that objective, and we put forward a proposal we believed most certain to deliver a successful completed project that would attract professional basketball and hockey teams.

Notwithstanding our confidence in the merits of our proposal, over the past two months, Seattle Partners has actively sought feedback from community leaders, City staff and members of the City's Community Advisory Council, and, in response, we have explored improvements to our proposal. However, consistent with a general lack of active engagement through this evaluation process, the City declined to seek improved terms, refusing requests from us and others to call for a "best and final" offer from both bidders. We have seen little indication of the collaborative and iterative process we were told to expect and is typical of such requests for proposals.

In addition, the City's decision to withhold critical financial portions of Oak View Group's proposal from the public, while releasing the financial details of our proposal with our full support, raises serious questions about the integrity of the decision-making process and the ability of the public to make a fair and equitable comparison.

Despite the lack of transparency, we are generally familiar with Oak View Group's proposal, including changes to it that have been conveyed via media accounts and otherwise. Based on

our experience, we have strong reservations about whether that proposal can be successfully achieved consistent with the City's best interests. If the City elects to proceed with that remaining proposal, to protect the public interests of Seattle, it is imperative that you closely and diligently monitor the process to ensure that Oak View Group is held accountable for all elements of what it has very publicly promised to the citizens of Seattle.

Seattle Partners remains deeply committed to this great city, and we thank the countless civic leaders who offered helpful input and partnership on our proposal. We wish the City the best of luck in its pursuit of an arena project that can provide what the region's passionate sports fans deserve – to see the Sonics and professional hockey return to the Emerald City.

Sincerely,

Bob Newman
President, AEG Facilities

Alex Vouvalides
Chief Investment Officer, Hudson Pacific Properties