



QUINTON D. LUCAS
City Council
Third District At-Large

MEMORANDUM

Date: May 18, 2017

Re: Council-Led Retention of Outside Legal Counsel to Evaluate Airport Plan

The City Council welcomes with great interest the proposal by Burns and McDonnell to facilitate financing and construction of a new terminal for Kansas City International Airport (KCI). It is exciting to see a Kansas City, Missouri-based firm with an international reputation leading the initiative to build the future KCI for our region. I thank them for their work on this project, ensuring key progress in the discussion concerning the needed modernization of KCI.

Since learning of the project and of the City Manager's accelerated four-week recommended timetable for our review, a Council majority has thought it essential that we conduct a thorough analysis of the proposed term sheet and memorandum of understanding (MOU) and project arrangement so that we could achieve, among other items, a few key goals:

1. Act as responsible stewards of the interests of the flying public in our region, including the business community, today and in the future;
2. Craft a structure that will address concerns and interests of our airline partners and their customers for years to come;
3. Obtain adequate workforce representation from all groups, including local workers, individuals from historically underrepresented groups, and companies that are minority and women-owned, and related community benefit agreements;
4. Ensure payment of prevailing wage to workers on the project;
5. Evaluate the financing structure of the proposed arrangement;

6. Assess potential risks and costs to which the City and area flying public may be exposed in the event of material changes to the financing group, the special entity created to act as developer, or insolvency of any subject parties;
7. Spell out responsibilities of the City as sub-lessee during the three-decade lease term.

Recognizing the special and innovative nature of the project proposal, the swift four week City Manager-recommended timetable for final Council approval of the MOU (by June 15), and the \$1 billion price-tag on the project, a majority of councilmembers has determined that retention of uniquely qualified outside legal counsel is essential to building public confidence in our understanding and review of the MOU and the project proposal, and is key to ultimate public support at the ballot. To facilitate accelerated review and to avoid even a day's further delay of Council's role to conduct its due diligence during the City Manager's four-week recommended timetable, a majority of councilmembers has determined that exceptional, qualified outside counsel should be named immediately.

A Council majority strongly prefers an open, competitive, and non-rushed process for interviewing outside counsel that would typically take weeks or months. The majority of Council also understands, however, that we must retain experienced and uniquely capable advisors immediately given the City Manager's recommendation that we review in less than one month his proposal that binds the City and the flying public for over three decades, has a ten-figure cost, and for which the City did not conduct a competitive bidding process, despite prevailing industry practice.

Accordingly and after reasoned review of local and national law firms, a City Council majority recommends the City name as legal counsel Charles Renner of Kansas City-based national law firm Husch Blackwell, LLP and Tom Strickland and Andrew Spielman of the Washington, DC and Denver offices of WilmerHale, LLP, an international law firm with significant presences in Washington, New York, Boston, Los Angeles, and many other markets.

Mr. Renner and his Husch Blackwell colleagues have extensive experience negotiating agreements to construct public infrastructure with private party funding sources, working with public finance, and in local and national public affairs. Mr. Renner also brings expertise in transactional and real estate negotiations on significant projects in the Kansas City region and throughout the country.

WilmerHale is recognized widely as one of the preeminent firms in the nation. Mr. Strickland, a former official in the U.S. Department of Interior, Mr. Spielman, and their colleagues bring expertise in public infrastructure negotiation for and with local, state, and federal governments, experience with past infrastructure improvements at the Denver International Airport and the

Council Led Retention of Outside Counsel

Washington Metropolitan Airports Authority, extensive regulatory and government affairs capacity, and experience negotiating large infrastructure projects in which Burns & McDonnell has served a key role. Of particular relevance to the KCI representation, Mr. Spielman understands an airport's role as a regional economic engine, working with Denver's mayor and airport CEO to attract new carriers and international routes to Denver International Airport. Debo Adegbile in the firm's New York office counsels numerous municipalities and public institutions on practices to remediate past discrimination.

With retention of referenced legal counsel, the public can be assured that the City has exceptional, independent, local and national qualified advisors and negotiators to craft an agreement in the best interest of the flying public, the business community, and the City today and for years to come. As Mayor James directed on Tuesday, the Council majority has found a group with the "experience, expertise, and time" to help us craft the best agreement for a new KCI.

Because time is of the essence given the Manager's recommended swift four-week timetable and proposed legal counsel must begin immediately the work necessary to advise and negotiate the agreement, a majority of councilmembers will introduce today for immediate adoption an ordinance directing the retention of the referenced counsel. A council majority feels qualified advisors are essential to provide effective review and, in the event of delay in legal counsel appointment, may feel that delaying review of the MOU is warranted.

I provide contact information for our proposed legal counsel below and welcome discussion on the ordinance at your convenience and ultimately at today's business session at 1:00 and legislative session at 3:00.

Regards,



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/Enclosures