



## Meeting of the PHPDA Governing Council

Tuesday, October 11, 2022 5:30 - 7:00 PM

**Physical Location:** Quarters 2 Building, Pacific Tower, 1200 12th Ave S., Seattle, WA 98144

**Virtual Location:** <https://zoom.us> | Meeting ID: 894 5398 8410

<https://us02web.zoom.us/j/89453988410?pwd=bkY4NWhPL3ozVDYyODFKSGw0WE5VUT09>

**Phone Option:** +1 253 215 8782

**Password:** INDIGENOUS (Numeric Password for Phone: 1255637360)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Doris Koo	Bob Cook (arrived 5:58pm)	Gloria Burton	John Kim	Christina Bernard
Paul Feldman	Sue Taoka	AyeNay Abye	Mallory Fitzgerald	Gene Yoon
Doug Jackson	Nancy Sugg		Whitney Regan	Denise Stiffarm
Virgil Wade			Michael Finch	Diane Pietrowski (until 6:08pm)
			Kara Zollner (arrived 5:37pm until 6:41pm)	

Doris Koo called the meeting to order at 5:33 PM. A quorum was present. The Council Chair welcomed Diane Pietrowski and Kara Zollner and they introduced themselves to the Governing Council.

### Consent Calendar Minutes

The Governing Council approved the minutes for the September 13, 2022 Governing Council meeting. (Moved/2<sup>nd</sup>ed by Paul Feldman/Nancy Sugg, 6 of 6 in favor)

The Governing Council accepted as information:

- The Program Committee minutes from September 7, 2022
- The Finance & Audit Committee minutes from September 7, 2022

### Staff Report

The Executive Director updated the Governing Council on the Staff Report.

- He highlighted PHPDA’s technical assistance work so far this year. The work is a great opportunity for PHPDA to show up for grantees as more than a funder.
- The Associate Director reported on the technical assistance/capacity building work PHPDA planned this year:
  - First session was at the end of September. It was an educational lunch-n-learn focused around aviation impacts to health in Beacon Hill, South Seattle, and South King County. We discussed an increase in flights from SeaTac Airport and how those cause air and noise pollution in the surrounding communities. The session was recorded and we shared it with the public through our website and social media.
  - Second session is October 26 and focuses on how to build and use Theory of Change/Logic Models. There will be an introduction to Theory of Change and why organizations create them. Attendees will bring their own Theory of Change document to work on and break out into small groups with a facilitator. We limited the capacity to twenty-four (24) so we can keep the breakout groups small.
- PHPDA decided to focus one session on Theory of Change after meeting with grantees. Program planning and evaluation are topics they are interested in learning more about.
- Staff will follow up with grantees to learn other potential topics. There are grantees interested in assisting with the sessions.



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### Grantmaking

#### *Nimble Grant 2023 Cycle 1 Review Panel*

The Grants Manager reviewed the Nimble Grant 2023 Cycle 1 Review Panel

- The panel includes two PHPDA staff members, Mallory Fitzgerald and Christina Bernard; two Governing Council members, Nancy Sugg and Sue Taoka; and one Strategic Advisor, Martine Pierre-Louis.
- The Grants Manager requested additional volunteers for the other 2023 grant review panels.

The Governing Council voted to approve the Nimble Grant 2023 Cycle 1 Review Panel. (Moved/2<sup>nd</sup>ed by Doris Koo/Virgil Wade, 6 of 6 in favor)

### Professional Services

#### *Renewal of Professional Services Relationship with Century Pacific, LLLP (Res. 12-2022)*

The Associate Director discussed renewal of the professional services relationship with Century Pacific, LLLP (Res. 12-2022). The Finance Committee reviewed the resolution and forwarded it to Governing Council.

- Century Pacific has been PHPDA's Real Estate Consultant and brokerage advisor for several years.
- The resolution will allow PHPDA to administer annual consultant contracts with Century Pacific for 2023- 2025. PHPDA included in the resolution in the event Michael Finch departs from Century Pacific, the PHPDA has the right to terminate the Century Pacific contract in order to retain services exclusively from Michael Finch.
- PHPDA and Century Pacific contract separately for brokerage fees, as noted in the resolution. The Finance Committee reviewed brokerage contracts from 2017 and 2018, both of which are still in force, as information. Estimates for brokerage fees are included in budget and reserve-related documents.
- PHPDA sent an amendment to the North Lot brokerage contract to the Council prior to this meeting. It includes updated North Lot brokerage fees and addresses that the potential long-term North Lot ground leases evolved into an actual sale of the entire North Lot.
- The amendment does not specify the base of the North Lot commission. The Executive Director and Michael Finch have discussed the base of the commission and the commission will be paid out when the North Lot closes.

The Governing Council voted to approve Resolution 12-2022 Renewal of Professional Services Relationship with Century Pacific, LLLP, authorizing the Executive Director to enter into annual contracts with Century Pacific, LLLP from 2023 through 2025. The level of the annual contracts will be consistent with the annual PHPDA operating budget, with brokerage fees for real estate transactions negotiated specific to each transaction. (Moved/2<sup>nd</sup>ed by Doris Koo/Doug Jackson, 7 of 7 in favor)



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### Governance

#### *Strategic Advisors to Finance Committee*

The Associate Director and Governing Council Treasurer/Finance Committee Chair discussed potential Strategic Advisors to Finance Committee.

- The Associate Director and Finance Chair met with two possible Strategic Advisor candidates.
  - One candidate is a new Finance Officer with growing experience. They work at a local non-profit that focuses on BIPOC youth. The organization aligns with PHPDA's mission and goals.
  - The second candidate is a retired Finance Officer with a lot of experience in housing management.
- Finance Committee recommended both Strategic Advisor candidates to Governing Council.
- Ellie Menzies has decided to step back as an advisor and officially resign from the Finance Committee which leaves no Strategic Advisors to Finance.

The Governing Council approved Diane Pietrowski and Kara Zollner as Strategic Advisors to the Finance Committee. (Moved/2<sup>nd</sup>ed by Bob Cook/Paul Feldman, 7 of 7 in favor)

#### *Governing Council Appointments & Reappointments (Res. 13-2022)*

The Council Chair discussed upcoming Governing Council appointments and reappointments.

- Nancy Sugg will term out at the end of the year. The Council thanked her for nine-years of service on the Governing Council.

The Governing Council approved Resolution 13-2022, confirming the re-appointment of AyeNay Abye and appointment of Martine Pierre-Louis to serve three-year terms beginning January 2023 as members of the PHPDA Governing Council. (Moved/2<sup>nd</sup>ed by Doris Koo/Nancy Sugg, 7 of 7 in favor)

### Property and Real Estate

#### *North Lot Update*

The Executive Director and Legal Counsel Denise Stiffarm updated the Governing Council on the North Lot.

- SCIDpda anticipates to close on October 19.
- PHPDA Legal Counsel reminded the Governing Council they reviewed a series of amendments in July regarding the updated North Lot transaction and bringing in Lot on the Hill LLLC as a SCIDpda partner in the sale. Additionally, in September PHPDA adopted a resolution allowing SCIDpda to utilize the promissory note included in the 2019 Purchase and Sale Agreement (PSA). The promissory note is for roughly \$500,000.
- PHPDA sent a document to the Governing Council prior to this meeting regarding a second amendment to the PSA.
  - The amendment acknowledges the specificity of the promissory note and Deed of Trust.



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- It includes added language around the Historic South Downtown PDA (HSDPDA) grant obligations due to AiPACE dropping out. HSDPDA requested PHPDA add the additional language, but it is not significantly different from the original 2019 PSA. It is a notice of the programming alternative to AiPACE, which is a program that serves elderly and/or other community members in Pioneer Square/International District neighborhoods.
- SCIDpda has appointed their new Co-Executive Directors. The new directors have both worked at SCIDpda for quite some time.
- Sue Taoka, a Governing Council member, acknowledged she is on the CIDpda board. CIDpda was established to support SCIDpda and their projects. Our Legal Counsel plans to follow up with her, but does not have concerns related to potential conflicts of interest.

### *Update on Quarters Buildings*

The Real Estate Consultant Michael Finch provided an update on the Quarters Buildings.

- PHPDA and Department of Commerce adopted the Quarters 3-10 Access Agreement for the period of September 1, 2022- June 30, 2023. Commerce has paid the invoice and can access the Quarters to complete their feasibility study.
- PHPDA and our Real Estate Consultant plan to continue discussing a possible long-term Quarters lease with Commerce due to the alignment with the current leasing relationship and the type of potential programming.
- The current program option being considered for the space is a potentially unique program that could bring together several services for the target population. It is also one with which the Department of Commerce is familiar.
- PHPDA plans to continue an active role in the program planning. Those involved in the planning, such as SHKS Architects, Maker's, and Commerce do have a solid understanding of the Pacific Tower Campus.
- The Executive Director and Real Estate Consultant are attending meetings to discuss Quarters programming. SHKS Architects continues to work on potential programming costs.
- PHPDA plans to write a narrative about how special this potential programming is and why it is a good fit for the specific space in the Quarters buildings.
- Quarters 10 could possibly be set up for mix use and include support services and community services.
- PHPDA is keeping in mind that the buildings need to be updated for ADA access, which will require a lot of capital.
- The Council also discussed other possible scenarios if Commerce or another agency does not agree to a long-term Quarters lease.

### *Tower Lease Tax Credit Expiration & NDA*

The Executive Director and Legal Counsel discussed the expiration of the Tower lease tax credits and Non-Disturbance Agreement (NDA).

- In 2015, there were new market tax credits undertaken by Seattle Colleges, Commerce, and several LLLC's created by Commerce. The tax credits helped make the Commerce Tower lease possible because it allowed Commerce to do improvements within the Tower.



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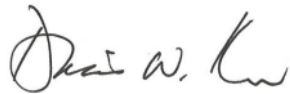
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- Commerce put together several LLLCs to assist with the transaction. All the LLLCs have dissolved and PHPDA will have a more direct relationship with Commerce going forward.
- The tax credits were for a term of seven years and the NDA was for eight years because they expected it would take longer to pull the tax credits together.
- The NDA was included with the tax credits in the event Commerce defaulted on the lease. PHPDA could not terminate the lease if Commerce defaulted.
- The tax credits are now expired, but the NDA was still in effect. Once PHPDA was aware the credits expired and before the LLLC's officially dissolved, our Legal Counsel reached out to Commerce, Seattle Colleges, and the LLLC's regarding the termination of the NDA. All parties agreed to the termination.

### Adjournment

The meeting was adjourned at 6:44 PM.

Minutes approved: 

11/9/2022  
(Date)

**From:** [Doris Koo](#)  
**To:** [Whitney Regan](#)  
**Subject:** Re: PHPDA GC Chair Signature Requested  
**Date:** Wednesday, November 9, 2022 1:45:29 PM

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**CAUTION:** This email originated outside the organization. Please don't click links, open attachments, or reply with confidential details unless you are certain you know the sender and are expecting the content. **NEVER PROVIDE CREDENTIALS** via email!

Yes please do. Thank you Whitney.

On Nov 9, 2022, at 12:33 PM, Whitney Regan <[w.regan@phpda.org](mailto:w.regan@phpda.org)> wrote:

Good Afternoon Doris,

Please see attached for the Governing Council's 10/11 minutes and Resolutions 14-2022, 15-2022, and 16-2022 which were approved at the 11/8 meeting.

With your permission, I can add your digital signature to the documents.

Thank you!

<image001.png>  
[NEW.phpda.org](http://NEW.phpda.org)

**Whitney Regan** (she/her) | **Office Coordinator**  
206.432.3027 | [w.regan@phpda.org](mailto:w.regan@phpda.org) | [2021 Annual Report](#)

Pacific Hospital Preservation & Development Authority  
[1200 12th Ave S](#) Quarters 2 Seattle, WA 98144  
<image002.png> <image003.png>

*For grant related matters, please email [grants@phpda.org](mailto:grants@phpda.org).  
[Join our email list](#) for newsletters, grant announcements, and reports.*

<A1. Governing Council Minutes 10.11.2022.docx>

<F. Resolution 14-2022 Retaining Tan Mats.docx>

<I. Resolution 15-2022 Election of PHPDA Officers.docx>

<J. Resolution 16-2022 Finance Committee & Program Committee Members.docx>