



Special Meeting of the Finance Committee
 Wednesday, February 1, 2023, 10:30 – 12:00 PM

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

Virtual Location: <https://zoom.us> | **Meeting ID:** 894 0910 8265
<https://us02web.zoom.us/j/89409108265?pwd=c3lzSzc2Y05UYzRBRTcyNFp1RmRHQT09>

Phone Option: +1 253 215 8782

Password: RABBIT (Numeric Password for Phone: 041594)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Bob Cook	Doris Koo (until 10:43am (returned 10:53am)	Kara Zollner	John Kim	Christina Bernard
Sue Taoka	Gloria Burton		Whitney Regan	Gene Yoon
AyeNay Abye	Diane Pietrowski		Michael Finch	Denise Stiffarm

Bob Cook called the meeting to order at 10:34 a.m. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Finance Committee voted to approve the amended minutes from January 4, 2023. (Moved/2nded by Doris Koo/Gloria Burton, 6 of 6 in favor)

Update on Program Committee & Grantmaking

The Executive Director updated the Finance Committee on Program Committee and grant activities.

- Program Committee members and two PHPDA Staff members reviewed fifty-five (55) Letters of Intent. PHPDA received fifty-six (56) applications, but one applicant withdrew because they are not a 501(3)C and did not have a fiscal sponsor.
 - A variety of focus areas and populations were considered. Twelve (12) will be invited to submit full 2023 New Major Grant applications in March.
 - In addition to the pre-proposal webinar, PHPDA grants staff will be meeting with each selected organization to answer questions and provide guidance for the application process.
- Later this year, Program Committee plans to discuss possibly changing the LOI review process.
- The Associate Director reminded the Committee about the upcoming 2023 Nimble Grant Cycle 2.

Financial Stewardship

Investment Update

The Associate Director reviewed LGIP investments. The rate is up to about 4.4%.

Risk Management

The Committee Chair and Associate Director led a discussion on updating PHPDA’s Risk Management Plan.

- The Chair plans to share a document with the Committee that describes the methodology around creating a risk management plan.
- The first step in updating the risk management plan is to review the list provided in the February meeting packet. The list includes risks from the last plan as well as potential risks the Committee discussed at the January meeting.



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- The Committee Chair reviewed each section of the list:
 - Personnel Risks
 - Keep in mind succession risks, staffing levels, and potential applicants' skills and background
 - As a small staff, hiring outside experts for certain matters is appropriate for PHPDA
 - A Committee member asked how PHPDA handles internal HR related issues. The staff member can first reach out to the Executive Director or if the issue pertains to the Executive Director the staff member can reach out to the Governing Council Chair.
 - Deed and Charter Restrictions
 - The federal deed restrictions have expired and will be removed from this section
 - These are less of a risk due to the expiration of the deed restrictions. The Council will be discussing the Charter later this year so the risks may change.
 - Property Management Turnover
 - Discussed possible turnover last year. PHPDA received reassurance if the current property manager leaves, PHPDA can follow them to their new company.
 - Public Entity Requirements
 - Add trust and relationships as a new category
 - Finance Committee asked about City of Seattle's oversight. The city may ask PHPDA to do something specific and we can determine if the ask is appropriate or not.
 - Continue to maintain good relationships with PHPDA's public partners
 - Potentially speak to campus neighbors and understand whether PHPDA is being a good neighbor
 - Consider the possibility of someone or a group of people overstepping their rights to stop PHPDA from doing something
 - North Lot
 - Removed quite a few potential risks under North Lot because they related to possible development
 - Added new risks discussed at the January meeting, including risks associated with switching from an all commercial/office campus to a mix of commercial and residential
- The Committee suggested PHPDA create a new category that combines North Lot with other related property risks because there will be new risks as the property use changes.
- There could be potential risk if PHPDA moves away from the current Strategic Framework.
- The Chair reminded Committee members they can email Staff about additional risks and/or changes.
- Next Steps: After the list of risks is finalized, staff will review current mitigation then Committee members will get a chance to score risks.

Committee Governance

2023 Finance Committee Workplan



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The Committee Chair facilitated a discussion of the 2023 Finance Committee workplan.

- Following last month's meeting, Staff reached out to representatives at Makers and they plan to attend the February Governing Council meeting. Makers will be providing an overview of the Master Plan and decision-making tool.

The Finance Committee voted to approve the 2023 Finance Committee workplan. (Moved/2nded by Sue Taoka/Doris Koo, 6 of 6 in favor)

Real Estate

North Lot Update

The Executive Director updated the Committee on the North Lot.

- SCIDpda hosted the North Lot groundbreaking ceremony on January 20th. The Communications Manager shared photos from the ceremony on PHPDA's website and social media.

Ratification of North Lot Luffing Crane Agreement

The Executive Director and PHPDA Legal Counsel discussed the ratification of the North Lot Luffing Crane Agreement.

- The luffing crane has already been built. The licensing agreement addresses the crane moving over PHPDA's new property line.
- SCIDpda requested the agreement be back dated to November 1, 2022 because that is when construction began.
- The agreement initially did not need Governing Council approval. Due to the agreement being back dated and other changes, PHPDA is requesting the Council ratify the agreement.
- Additionally, PHPDA wanted to make sure the insurance coverage was also back dated to November 1, 2022. SCIDpda confirmed PHPDA is on the insurance policy as of November 1.
 - PHPDA initially asked the umbrella insurance amount be set at \$50 million, but SCIDpda set it at \$30 million.
 - Since the insurance coverage is being back dated, a committee member asked if PHPDA could request SCIDpda to change the umbrella insurance coverage to \$50 million, which is standard for crane easement. PHPDA did request the insurance revision.
- SCIDpda signed the license agreement that requires the \$50 million insurance coverage, but the Certificate of Liability Insurance SCIDpda provided is for \$30 million.

The Finance Committee voted to accept and forward the ratified North Lot Luffing Crane Agreement to the Governing Council. (Moved/2nded by Doris Koo/Gloria Burton, 6 of 6 in favor)

Update on Quarters Buildings

The Real Estate Consultant, Michael Finch, and Executive Director provided an update on the Quarters Buildings.



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- The Executive Director has met with a State Representative to discuss possible talking points they could share with the Washington State legislature regarding potential Quarters programming and capital costs.
 - Proposing Department of Commerce or another Washington State agency master lease all the Quarters buildings.
- A third feasibility study report is currently being developed and it brings together the program and capital reports. The report will help connect the different concepts and allow electeds to read only one report.
- PHPDA reached out to Commerce about their budget for additional community outreach and their partnership with Makers. PHPDA has not seen the full budget, but Makers said everything they have planned will be funded by Commerce. We plan to work with Makers and Commerce to develop the full community engagement plan.
 - PHPDA plans to conduct community outreach as soon as possible. As of right now, it will likely begin in early March.
 - We plan to reach out to campus neighbors and stakeholders with help from Makers. Keeping in mind PHPDA has connections with leaders within the Beacon Hill community and it might be best to reach out to them first to ask them to be a part of the engagement plan
 - PHPDA should try to manage the outreach process when possible and present a holistic approach that addresses Commerce's mandates and allows PHPDA to fully participant
 - PHPDA could offer some of our own resources, such as meeting rooms, alongside resources Commerce already has budgeted.
- Our Real Estate Consultant continues to market the Quarters.
- Next Steps: PHPDA Executive Director plans to reach out to the community advisory group that assisted with the Makers Master Plan so we can continue that relationship.
 - Beacon Hill Council offered PHPDA time at an upcoming Council meeting. We could possibly include Beacon Hill Business Alliance and host the meeting at Pacific Tower
- Once legislative session ends, PHPDA plans to continue community outreach because there are many parts to consider has the potential Quarters programming is being developed.
- The Committee discussed a possible option B for the Quarters that a committee member suggested.

Adjournment

The meeting adjourned at 11:58 a.m.

Minutes approved:

Robert D. Cook

3/1/23
(Date)