



## Meeting of the PHPDA Governing Council

Tuesday, August 8, 2023 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: 811 0892 4475

<https://us02web.zoom.us/j/81108924475?pwd=d3VJT3FWaGI4Mnl2ZHJGUVRveFhsZz09>

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

**Password:** EQUITY (Numeric Password for Phone: 540303)

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Doris Koo	Bob Cook	Gloria Burton	Virgil Wade	Christina Bernard
Douglass Jackson	Sue Taoka	Paul Feldman	Mallory Fitzgerald	Gene Yoon
Martine Pierre-Louis (arrived 5:35pm)	AyeNay Abye		Whitney Regan	Denise Stiffarm

Doris Koo called the meeting to order at 5:31 PM. A quorum was present. There was no public comment.

### Consent Calendar Minutes

The Governing Council voted to approve the minutes for the July 11, 2023 meeting. (Moved/2<sup>nd</sup>ed by Douglass Jackson/Sue Taoka, 6 of 6 in favor)

The Governing Council accepted as information:

- The Amended Program Committee minutes from July 5, 2023
- The Finance Committee minutes from July 5, 2023

### Staff Report

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

- PHPDA has received quite a few inquiries about 2023 Nimble Grant Cycle 3. Grants Staff are meeting with organizations to answer questions and provide feedback before applications are due this Friday, August 11.
  - The Communications Manager sent out a public announcement about the decrease in Nimble Grant cycles from three to two starting annually in 2024. He also included a reminder for the Nimble Grant Cycle 3 deadline.

### Financial Stewardship

#### *Q2 2023 Financial Statements*

The Associate Director reported on the Q2 2023 Financial Statements. The Finance Committee accepted the Q2 financial statements and forwarded them to the Governing Council for approval.

- There are still some older outstanding grant unexpended funds in receivables. Grants Staff met with PHPDA Legal Counsel to discuss the late return of unexpended funds. The grantee has remained in communication with Grants Staff and is working on a repayment plan.
  - Staff will continue to monitor the return of funds and anticipate the grantee will have additional unexpended funds from their 2022 grant.
- Adjusted the accrued PTO when the former PHPDA Executive Director left. Usually, PHPDA only makes adjustments at the end of the year.
- The cost for Staff benefits increased in June and will remain over budget for the year because the new PHPDA Executive Director is enrolled in more benefits than the previous Executive Director.



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- For Tower operating, on both the income and expense side, there will be a lot of fluctuation due to the elevator project. It appears we are under budget, but it will increase significantly once PHPDA receives invoices for the costs.
  - PHPDA will receive reimbursements from tenants as the expenses are accrued and invoices are paid.

The Governing Council voted to accept the Q2 2023 Financial Statements. (Moved/2<sup>nd</sup>ed by Doris Koo/Bob Cook, 6 of 6 in favor)

### Professional Services

#### *Renewal of Audit Professional Services (Resolution 06-2023)*

The Associate Director discussed renewing audit consulting services and recommended the PHPDA to continue working with Clark Nuber. The Finance Committee voted to accept and forward Resolution 06-2023 Renewal of Audit Professional Services to Governing Council for approval.

- While some recommend regularly changing auditors to get new perspectives, it is no longer considered a requirement or even best practice to change frequently. Clark Nuber assigns different staff to PHPDA's field work year-to-year, fulfilling this recommendation without having to start from the beginning with a new firm.
- A Finance Committee member suggested PHPDA release a new Request for Proposals (RFP) before the 2026 independent audit because PHPDA has not gone through the process in a while. Staff plan to add an RFP for audit services to the Finance Committee's 2026 workplan. Governing Council agreed with the suggestion.

The Governing Council voted to accept Resolution 06-2023 on Renewal of Audit Professional Services, retaining Clark Nuber as PHPDA's independent auditor for the next three annual external audits. (Moved/2<sup>nd</sup>ed by Bob Cook/Douglass Jackson, 6 of 6 in favor)

### Risk Management

#### *Final Risk Management Plan*

The Associate Director and Council Treasurer led a discussion on finalizing the PHPDA Risk Management Plan.

- The Associate Director incorporated Council members and Strategic Advisors suggested additional mitigation prior to this meeting. She reviewed the suggestions with the Council.
- A Council member suggested including alignment of actions with words under additional mitigation. PHPDA would like our words, decisions, and actions to align and when they are out of alignment, increase accountability to align actions with words.
  - This additional mitigation can apply to several risks, including succession risks, grantee relationships, and internal relationships.
  - Possibly add it to the bottom of the plan as an overview or through line on how PHPDA approaches our work and make it a guiding principle across all areas of risk.



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- PHPDA does a full review of the Risk Management Plan every three years with check-ins every six months to one-year. During the check-ins, Council reviews the mitigation and makes sure PHPDA is accountable.
  - PHPDA may review the plan again in less than three years due to ongoing real estate changes on campus.

The Governing Council voted to adopt the Final Risk Management Plan as revised per discussion. (Moved/2<sup>nd</sup>ed by Sue Taoka/AyeNay Abye, 6 of 6 in favor)

### Property & Real Estate

#### *North Lot Update*

The Executive Director and PHPDA Legal Counsel updated the Council on North Lot activities.

- The Executive Director met with SCIDpda last month and they said construction is on schedule and on budget.
  - Marpac Construction sent an update to PHPDA and campus stakeholders last week. Roofing will likely begin later this month and they are currently installing utility parts.
  - Marpac is aware SDOT is doing work near the campus, such as adding speed bumps on 14<sup>th</sup> Avenue.
- The Pacific Tower water pumps and filtration system upgrades are on schedule and likely to be completed later this month.
- PHPDA Legal Counsel provided an update on the AiPACE Purchase and Sale Agreement for a condominium in Building A.
  - AiPACE asked to meet with PHPDA to discuss a provision in the North Lot Continuing Property Conditions Agreement. The provision states PHPDA has the right of first offer and right of first refusal if SCIDpda decides to sell the North Lot.
  - PHPDA Legal Counsel and Real Estate Consultant provided a history of the Pacific Tower property and explained why the provision is in place and why it cannot be removed from the agreement. The conditions protect the usage and ownership of the campus and allow PHPDA to remain owner of the property if they choose to be.
  - AiPACE plans to share the information with their Legal Counsel.
  - PHPDA Legal Counsel will work on possible next steps if AiPACE asks to make changes to the Continuing Property Conditions Agreement or continues to have concerns.
- A Council member asked if SCIDpda has the right of first offer and right of first refusal if AiPACE decides to sale the condominium. The right would likely go to PHPDA first, but PHPDA Legal Counsel plans to discuss this with SCIDpda's Legal Counsel.
  - Because SCIDpda is a public entity and in the interest of continuity of public funds, SCIDpda would be next line to purchase the condominium. If they were not a public entity, PHPDA would approach it differently.
    - If SCIDpda does get the right of first offer and right of first refusal, Council will likely take action to amend the initial Continuing Property Conditions Agreement and PHPDA will notify AiPACE about the change.



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- The Communications Manager met with SCIDpda to discuss the naming of the North Lot buildings. SCIDpda wants to get a head of signage and graphics and would like to include PHPDA in the process. At the meeting they discussed possible names as well as words not to include. They would like to acknowledge the multi-generational services that will be provided on campus and include words that incorporate Chinatown-International District.
- SCIDpda invited PHPDA's Communications Manager to join the North Lot art committee. The committee will discuss adding art to the North Lot and the process to get it made.

### *Update on Quarters Buildings*

The Executive Director and Communications Manager provided updates on the Quarters Buildings.

- Staff continue to meet with organizations that work with homeless youth and young adults to get feedback and input on the potential Quarters programming.
  - The feedback PHPDA has received so far as provided great insight into possible challenges and what services would be helpful to include.
  - PHPDA Communications Manager plans to summarize notes from those meetings and capture major themes to share with Commerce to help with the Request for Proposals (RFP) process.
- PHPDA would like to identify an age group for the Quarters programming. We would like to be mindful about mixing different age groups.
- The Executive Director met with several people at the Department of Commerce in the last few weeks to discuss the Quarters, including the access agreement and possible RFP.
- The Executive Director, Acting Council Chair, and PHPDA Real Estate Consultant met with Commerce and a Washington State legislator last week to discuss the Quarters. The Commerce Housing Division is now involved in the Quarters work and a representative from that office attended the meeting. The Commerce Housing Division has questions about the Quarters before they move forward with any work and plan to send those to PHPDA to review. PHPDA plans to meet with the Housing Division to review the questions and answer additional questions if needed.
  - The Housing Division will likely have questions about the Quarters Access Agreement, capital funding from Washington State legislature, and the possible RFP process.
  - PHPDA would like to get a head of any questions and/or concerns the Commerce Housing Division may have. Possibly think about alternatives if plans shift following the review of the questions.
  - PHPDA could possibly meet with the Director of Commerce to discuss the funding from the Washington State legislature and understand how the funds will be allocated and used.
- The RFP process for a Quarters operator or provider is on pause until the Quarters Access Agreement extension is finalized and the amount of funding for the RFP process is confirmed. Commerce is ready to begin the process when the time comes. There is a chance it may change to a Request for Interest (RFI). Also, whoever manages the RFP process, may hire a consultant to assist.
  - PHPDA would likely be a reviewer for the RFP or RFI and have a say in the final selection.



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- The Acting Council Chair suggested PHPDA form a Quarters Strategy Team to discuss possible next steps and think about potential strategies for Quarters programming. Council members agreed a strategy team would be helpful.
  - The team will consist of Staff, Council members, and PHPDA Consultants.
  - The team will report back to the Finance Committee and Governing Council after they meet

### *Department of Commerce Quarters Access Agreement Extension*

The Executive Director discussed the Department of Commerce Quarters Access Agreement extension.

- The extension is similar to the first agreement, except the term is longer (2 years instead of 1 year) and the annual fee has increased. The fee for both years will be paid upfront.
- The license states Commerce has the right for first negotiation for a Quarters lease. That right terminates in February 2025. If negotiations happen, PHPDA and Commerce may first discuss amending the current Tower lease to include a Quarters lease. Additionally, if a Quarters lease is entered into for at least twenty-five years or the Tower lease is extended for ten years to include the Quarters, Commerce may receive a credit toward future base rent payments.
- Council will need to approve the agreement again if substantial changes are made following meetings with Commerce.

The Governing Council voted to approve and authorize the Executive Director to execute the Temporary Use License between the PHPDA and the Department of Commerce for the term July 1, 2023 to June 30, 2025, substantially in the form as emailed to the Governing Council on August 7, 2023. (Moved/2<sup>nd</sup>ed by Sue Taoka/Douglass Jackson, 6 of 6 in favor)

### **Adjournment**

The meeting was adjourned at 6:58 PM.

Minutes approved: 

9/13/2023  
(Date)

**From:** [Whitney Regan](#)  
**To:** [Doris Koo](#)  
**Subject:** RE: PHPDA: GC Acting Chair Signature Requested  
**Date:** Wednesday, September 13, 2023 12:06:00 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)

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Thank you, Doris! I will add your digital signature to the minutes and resolution.

You read my mind about the GC self-assessment matrix I just sent you all an updated version that shows names, seat specifics, and demographics. I also cleaned up the average scores so those easier to read.



**Whitney Regan** (she/her) | **Office Coordinator**  
206.432.3027 | [w.regan@phpda.org](mailto:w.regan@phpda.org) | [2022 Annual Report](#)

Pacific Hospital Preservation & Development Authority  
[1200 12th Ave S](#), Quarters 2, Seattle, WA 98144



*For grant related matters, email [grants@phpda.org](mailto:grants@phpda.org).  
Join our [email list](#) for news and funding announcements.  
View PHPDA's [Privacy Policy](#) and public records requirements.*

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**From:** Doris Koo <doris.w.koo@gmail.com>  
**Sent:** Wednesday, September 13, 2023 9:10 AM  
**To:** Whitney Regan <w.regan@phpda.org>  
**Subject:** Re: PHPDA: GC Acting Chair Signature Requested

**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 use my electronic signature for the documents. Thanks Whitney. Also can you please send the full

GC self assessment matrix with the names, terms, etc to me, Bob and Paul for our (to be scheduled) executive committee meeting? Thanks much.

Doris

Sent from my iPhone

On Sep 13, 2023, at 8:34 AM, Whitney Regan <[w.regan@phpda.org](mailto:w.regan@phpda.org)> wrote:

Good Morning Doris,

Please see attached for the Governing Council's 8/8 meeting minutes and Resolution 07-

2023, which were approved at the 9/12 Council meeting.

With your permission, I will add your digital signature to the minutes and resolution.

Thank you!

<image005.png>

[phpda.org](http://phpda.org)

**Whitney Regan** (she/her) | **Office Coordinator**  
206.432.3027 | [w.regan@phpda.org](mailto:w.regan@phpda.org) | [2022 Annual Report](#)

Pacific Hospital Preservation & Development Authority  
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<image003.png>

<image004.png>

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<A1. Governing Council Minutes 8.8.2023.docx>

<TO BE EMAILED - Resolution 07-2023 Nimble Grant 2023 Cycle 3 Awards.pdf>