



Meeting of the PHPDA Governing Council
August 13, 2013 5:30-7:00 p.m.
 Quarters 2 Building, Beacon Hill
 1200 12th Ave South Seattle, WA 98144

MEMBERS PRESENT			ALSO PRESENT	
Marite Butners	Nate Dreon	Marc Provence (from 6:02)	Rosemary Aragon	Steve Wood (until 6:34)
Mike Heinisch	Theresa Rambosek	Dan Lessler (phone from 6:02)	Christina Bernard	Michael Finch (until 6:34)
Judy Tobin	Kevin Fox	Diane Narasaki	Denise Stiffarm	Lynn Claudon (until 6:34)
			Tom Dixon (until 6:34)	Jeff Natter

Theresa Rambosek called the meeting to order at 5:30 p.m. A quorum was present.

The Governing Council approved the July 22, 2013 Special Governing Council minutes, the July 25, 2013 minutes from two Special Governing Council meetings on that date, and the July 30, 2013 Special Governing Council minutes (Moved/2nded by Butners/Fox. 7 of 7 in favor).

The Governing Council accepted as information the Finance & Audit Committee minutes from June 11, 2013.

Executive Session- *to discuss real estate matters pursuant to RCW 42.30.110(c)*

The Governing Council entered Executive Session at 5:31 to discuss real estate matters pursuant to RCW 42.30.110(c). Executive Session ended at 6:02.

Public Comment

At 6:02, the following members of the public entered the meeting and remained until 6:34:

- Tom Byers – Founding Partner, Cedar River Group
- Orlando Cano – Policy Staff, Washington State House Democratic Caucus
- Angela Castaneda – Co-director, Beacon Hill Merchants Association
- Susan Crane – Beacon Hill Resident & Executive Director, Skillup WA c/o The Seattle Foundation
- Susan Davis – Executive Director, Rainier Chamber of Commerce
- David Loud – Community Liaison, Congressman Jim McDermott’s Office
- Lance Matteson – Executive Director, Southeast Effective Development, Inc. (SEED)
- Dan McConnon – Deputy Director, Washington State Department of Commerce
- Jim McDermott – Congressman, House of Representatives
- Kenny Pittman – City of Seattle PDA Coordinator
- Mark Secord – CEO, Neighborcare Health
- Ken Thompson – Beacon Hill Resident
- Jackie Wolfe – Pacific Hospital PDA Finance Committee member (remained until end of meeting)

The Governing Council voted to move discussion of the Marx Okubo report to the September meeting in order to allow additional time for public comment (Moved/2nded by Fox/Butners. 9 of 9 in favor).



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Representative Jim McDermott, Lance Matteson (SEED), , Susan Crane (Skillup), and Ken Thompson (Beacon Hill resident) spoke during the public comment period.

Tower Lease

Letter of Intent with State of Washington-Department of Commerce (Res 13-2013)

Steve Wood, the Pacific Hospital PDA real estate broker, discussed a Letter of Intent (LOI with the Washington Department of Commerce. Attached to the LOI is a fully negotiated lease. The LOI allows for a 90 day due diligence period, after which the Department of Commerce must decide whether to go forward with the lease. There will be no further negotiations from either party at that time. Mr. Wood stated that the lease meets the PDA criteria of a long-term lease for the entire building, with triple net responsibility. Additionally, while the lease will remain subject to non-appropriations, there are several significant safeguards that would make it more difficult for the State not to appropriate funds for lease and operating payments. Mr. Wood stated that the lease is one he can recommend to the Governing Council. Additionally, the LOI contains a provision that the PDA will receive a grant for \$250,000 to put toward mission related spending over the next several months.

PDA legal counsel Denise Stiffarm summarized the terms of Resolution 13-2013, which authorizes the Executive Director to enter into the LOI with the Department of Commerce, and also authorized the Executive Director to sign the attached lease if the Department of Commerce determines that they will move forward with renting the Pacific Tower at the end of the due diligence period.

Diane Narasaki moved to approve Resolution 13-2013 (2nd Butners).

Governing Council members then asked several questions, which were addressed by Steve Wood, Rosemary Aragon, and Tom Dixon. This included clarification that the PDA had provided all Tower-related financial records in their possession and that the Department of Commerce had been in touch with Wright Runstad to obtain further records and confirmation that the LOI authorizes the PDA to continue to market the building during the due diligence period and enter into a back-up offer.

Before voting, the Council was reminded that both Marc Provence and Dan Lessler, as employees of the State, had recused themselves of all discussions and action regarding the lease.

Chair Theresa Rambosek summarized the resolution, noting particularly that the authorization extends specifically to the LOI and the attached lease.

The Council approved Resolution 13-2013 (7 of 9 in favor, 2 abstentions).

At this time Dan McConnon of the Department of Commerce thanked the Governing Council as well as the PDA's lease negotiating team for their extensive work.

Summary of Marx Okubo report on Tower conditions

This discussion was previously deferred to the September meeting.



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Financial Stewardship

Q2 2013 Financials

The Council reviewed and accepted the Quarter 2 2013 Financial Summary (Moved/2nded by Butners/Tobin. 9 of 9 in favor). The Council also discussed the future of the Interpreter Services Medicaid Administrative Match contract with the HCA, now that PMC has chosen not to renew their subcontract with the Pacific Hospital PDA.

Resolution 14-2013 CD Investments

Finance Chair Marite Butners presented Resolution 14-2013, renewing the annual authorization for CD investments. As in previous years, the resolution authorizes the Finance Committee to approve investment and re-investment of funds in CDs and authorizes the Treasurer to designate the institutions with which funds will be invested. The previous resolution, approved in September 2012, provides authority through September 2013. This proposed resolution provides authority for October 2013 through September 2014. The Council adopted Resolution 14-2013 (Moved/2nded by Fox/Provence. 9 of 9 in favor).

Surplus a 1994 Astro van vehicle(Res 15-2013)

Ms. Butners then discussed a process to surplus a 1994 Astro van owned by the PDA. The van costs approximately \$1,300 per year, primarily in insurance, has a value of under \$900, and requires over \$600 in repairs. The Resolution lays out a process to declare it surplus and go through bidding in order to sell it. Incoming Executive Director Jeff Natter will be responsible for the process. The Council approved Resolution 15-2013 (Moved/2nded by Tobin/Fox. 9 of 9 in favor).

Board Governance

Appoint Nominating Committee

Chair Theresa Rambosek noted that both she and Marite Butners would be leaving the Governing Council at the end of 2013. The Council appoints a nominating committee to fill the vacancies and recommend new officers. The Executive Director noted that staff had been doing research on potential candidates, particularly focusing on expertise in finance, legal matters, and grantmaking. It was also noted that the nominating committee could recommend additional strategic advisors. The Council voted to appoint a committee of Marc Provence, Marite Butners, and Kevin Fox to serve as the Nominating Committee with Executive Director Jeff Natter (Moved/2nded by Narasaki/Heinisch. 9 of 9 in favor).

Adjournment

The meeting was adjourned at 7:01 p.m. (Moved/2nded by Narasaki/Butners. 9 of 9 in favor).

Minutes approved _____ (Date)