Tony McLean called the meeting to order at 5:33 PM. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Governing Council approved the minutes for the September 25, 2019 Special Governing Council meeting and the September 10, 2019 meeting (Moved/2nded by Nancy Sugg/Sue Taoka, 8 of 8 in favor)

The Governing Council accepted as information:
- Finance & Audit Committee minutes from September 10, 2019,
- Real Estate Committee minutes from September 4, 2019, and
- Program Committee minutes from September 4, 2019.

Executive Director and Staff Report

The Associate Director reviewed the Executive Director and Staff Report.
- The Council discussed the Executive Director search process, PHPDA operating budget, and grantmaking activities

Property Management

Renewal of JLL Contract (Resolution 15-2019)

The Associate Director reviewed Resolution 15-2019 regarding the contract renewal with JLL, PHPDA’s property management firm.
- This resolution is essentially the same as Resolution 12-2019, passed at the September Governing Council meeting. Resolution 15-2019 will replace Resolution 12-2019 to correct a typo found in the previous resolution.

The Governing Council voted to approve Resolution 15-2019 Renewal of JLL Contract, authorizing the Executive Director to enter into annual contracts with JLL for three years beginning October 2019. (Moved/2nded by Bob Cook/Mike Heinisch, 8 of 8 in favor)

Professional Services

Renewal of Century Pacific as Real Estate Consultant (Resolution 16-2019)

The Associate Director discussed Resolution 16-2019 on the renewal of Century Pacific as PHPDA’s real estate consultant.
Meeting of the PHPDA Governing Council
Tuesday, October 8, 2019 5:30-7:00 PM
Quarters 2, Beacon Hill Campus
1200 12th Ave South, Seattle, WA 98144

- Per PHPDA policy, the Governing Council reviews all professional service contracts every three years.
- The Finance & Audit Committee reviewed this resolution at their October meeting and forwarded it to the Governing Council.
- The Committee and staff both wish to continue the relationship with Century Pacific, particularly with primary consultant Michael Finch, due to their expertise, previous performance, and knowledge of the property.

The Governing Council voted to approve Resolution 16-2019 Renewal of Century Pacific, authorizing the Executive Director to enter into annual contracts with Century Pacific for 2020 through 2022. (Moved/2nded by Mike Heinisch/Susan Crane, 8 of 8 in favor)

Real Estate and North Lot Project

Authorization of North Lot PSA – SCIDpda (Resolution 17-2019)

Legal Counsel Denise Stiffarm provided a presentation summarizing the proposed purchase and sale agreement of the North Lot of the Pacific Tower campus, transferring ownership from the PHPDA to SCIDpda (Seattle Chinatown International District Preservation & Development Authority).
- She reviewed the project background, service programs in coordination with development, responsibilities of the PHPDA and SCIDpda, and the North Lot sale’s financial terms.
- Real Estate Consultant Michael Finch added that $1.525 million nonrefundable not only covers PHPDA predevelopment expenses, but is also there to recognize extending SCIDpda’s closing period.
- The Council discussed the terms of the Right of Refusal, Market Notice, and strategies in the event of foreclosure.
- Any future changes to the purchase and sale agreement will require additional Governing Council review and vote.
- The resolution was amended to correct a typo between mailing of meeting materials and presentation at this meeting.

The Governing Council voted to approve the amended Resolution 17-2019 authorizing the Executive Director or the Chair of the PHPDA Governing Council to execute on behalf of the PHPDA the North Lot Purchase and Sale Agreement to take actions necessary to implement the closing and sale of the North Lot consistent with that North Lot Purchase and Sale Agreement (Moved/2nded by Doris Koo/Sue Taoka, 8 in 8 favor)

Update on PacMed Lease renewal

Real Estate Consultant Michael Finch discussed the PacMed Lease renewal with the Council.
- PacMed’s lease will expire in November 2021. Currently, PacMed has not expressed interest in extending their lease in the Quarters Buildings, but has expressed an interest to continue leasing the Tower space.
- Michael Finch is preparing a proposal to be further discussed by the Finance & Audit Committee in November and then presented to PacMed. This will likely be a proposal for a blended lease
extension, meaning it may begin before the current lease expiration and include transition period. The Council discussed negotiations and terms, including:
  o Rental rate in comparison with current rate and current market in this geographic area.
  o Deferred maintenance items, particularly in the Quarters buildings.
  o Allocation of parking.
  o Expected to finalize negotiations in about two to three months.

Executive Director Succession

Update on Search process

The ad-hoc Search Committee Chair Bob Cook updated the Council on the Executive Director search.

- 42 applications have been received by PHPDA Search Firm, Third Sector Company. They sorted sixteen well qualified, qualified, and partially qualified candidates to the Search Committee. The Search Committee then chose seven to be interviewed. Currently, the Search Committee unanimously agreed on the final three candidates.
- Finalist interviews will be held on Monday, October 28th. Depending on the format of this meeting, it may become a public Special Governing Council meeting.
- The Governing Council discussed the interview process. The Chair requested a summary of qualifications of the top candidates so that the Governing Council can align their support and endorse finalists' qualifications.
- Legal Counsel provided the Governing Council advice on the process and public meeting requirements, including possible executive session time, depending on the structure and participation in meetings over the next few weeks.

Governance

Governing Council Succession Planning

Governing Council Chair Tony McLean opened up the discussion on Council Governance.

- He requested that the Governing Council members proactively plan Governing Council membership and that if there's any member who are planning to discontinue membership, that the Council is notified as soon as possible. He suggested a six month advanced notice.
- Governing Council Chair Tony McLean will be moving off of the Governing Council after the December meeting when his second term expires. In addition to filling his seat on the council (Governing Council appointment, the Governing Council will also need a replacement for the Chair position in 2020.
- City and County appointments: Vice-Chair Mike Heinisch advised recommending some potential candidates to the City and County for upcoming reappointments.
  o Assuming reappointment, Sue Taoka would begin her second term as Mayoral appointment at the start of 2020.
  o Assuming reappointment, Nancy Sugg would begin her third term as Governing Council appointment at the start of 2020.
- For the November Governing Council meeting, the Council Chair requested the Council to begin considering potential members for recommendation. The Council will continue discussions at
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their November meeting.

Adjournment
The meeting was adjourned at 7:07 PM.

Minutes approved \[\text{Signature}\] \[\text{Date}\]