Mike Heinisch called the meeting to order at 5:30 p.m. A quorum was present. There was no public comment.

The Governing Council approved the December 13 Governing Council minutes (Moved/2nded by Teresa Mosqueda/Nancy Sugg, 8 of 8 in favor).

The Governing Council accepted as information the Finance & Audit Committee minutes from December 13 and the Program Committee minutes from December 7.

**Executive Director and Staff Report**

The Executive Director introduced the newest Governing Council member, Sue Taoka. Sue was appointed to the Governing Council by Mayor Ed Murray for the 2017 – 2019 term. Sue has extensive experience with Public Development Authorities and Real Estate.

The Executive Director summarized the Executive Director and Staff Report. The Finance & Grants Manager and Grants Coordinator have been busy meeting with agencies who were interested in the upcoming Major Grant LOI to discuss proof of concepts and potential program funding. The Executive Director plans to meet with each member of the Governing Council to discuss the expectations and future direction of the PHPDA. The Program Committee continues to discuss the potential to hire a cultural competency consultant, and define how the PHPDA can apply cultural competency in grantmaking. The Executive Director and Finance & Grants Manager attended the annual Washington State of Reform conference.

**Professional Services**

*Real Estate Consultant Services (Resolution 01-2017)*

The Executive Director advised that the Finance Committee forwarded their recommendation to renew the contract with Century Pacific. It was recommended that the contract be revised to include the condition that in the event that Michael Finch departs from Century Pacific, the PHPDA has the right to terminate the contract in order to retain the services exclusively from Michael Finch.

The Governing Council voted to approve Resolution 01-2017 authorizing the Executive Director to enter into annual contracts with Century Pacific L.P from 2017-2019 (Moved/2nded by Judy Tobin/Ellie Menzies, 8 of 8 in favor).
Meeting of the PHPDA Governing Council
January 10, 2017 5:30-7:30 p.m.
Quarters 2 Building, Beacon Hill
1200 12th Ave South  Seattle, WA 98144

Graphic Design and Website Support (Resolution 02-2017)

The Executive Director forwarded the recommendation from the Finance Committee to renew the contract with the PHPDA Graphic Design and Website Support consultant. The Executive Director advised that the services are minimal and used only when needed. It was therefore recommended that similar contracts for nominal amounts will not be required to get the approval from the Governing Council.

The Governing Council voted to approve Resolution 02-2017 authorizing the Executive Director to enter into annual contracts with Desktop Creations to provide continued professional graphic design and website services from 2017-2019 (Moved/2nded by Judy Tobin/Sue Taoka, 8 of 8 in favor).

Real Estate
North Lot Development (Resolution 03-2017 Entitlement of North Lot)

The Executive Director advised that with the purchase of the North Lot lease, the PHPDA inherited the parking contract with Republic Parking from Wright Runstad. The Executive Director and Finance & Grants Manager met with Republic Parking to review the parking contract and discuss potential income. Republic Parking inquired whether the PHPDA would consider modifying the lease to increase the termination time from thirty days' notice to ninety days' notice. An amended contract will be presented at the February Governing Council meeting.

The Executive Director stated that the PHPDA met all the necessary deadlines to move forward with the Entitlement process on the North Lot. The contract with Barrientos LLC was extended until the end of February. Several stakeholders have expressed initial potential interest in either siting or developing programs on the North Lot, including PacMed, Seattle College, El Centro, Capitol Hill Housing, Interim and Plymouth Housing.

The Governing Council reviewed the project schedule provided by Maria Barrientos. Maria Barrientos explained the potential roles of the PHPDA to develop the North Lot. The discussion involved the financial risks and benefits, PHPDA staffing requirements, possible investors and other funding sources, and a commitment from the PHPDA to prioritize social equity in housing.

PHPDA Legal Counsel Denise Stiffarm reminded the Governing Council that the contract for Barrientos LLC is only valid until the end of February, or until the Governing Council makes a decision about which form the PHPDA will take in the development of the North Lot (master developer/lessor or joint partnership). Members of the Governing Council suggested that in order to reach an informed decision about the development role of the PHPDA, it is necessary to consult with and retain the services of Maria Barrientos. Denise Stiffarm advised that Maria Barrientos may be able to be maintained as the ongoing consultant without an RFQ, as long as her work does not duplicate the tasks or the "not to exceed amount" clause in the current contract. Members of the Council expressed a preference that Maria Barrientos be maintained as a consultant without having to issue a new RFQ. Denise Stiffarm advised that if the PHPDA were to take this action, any architects, engineers, landscapers, etc. would need to be hired through a procurement process under separate contracts. The Finance & Grants
Manager stated that in order to be compliant with an audit, the PHPDA would have to justify very clearly why we chose to forgo a new RFQ Process for a development consultant. These reasons might include citing the work and research already done by Maria Barrientos, her expertise and knowledge, and the need for efficiency. The Executive Director reiterated the importance of being compliant and avoiding any audit findings or public grievances.

The Executive Director forwarded the recommendation from the Finance Committee that Resolution 03-2017 be modified to state that the $2,000,000 in funds for the entitlement process is based on a pre-approved budget. The entitlement of the proposed site plan will enhance the value of the subsequent leases, generate ongoing revenue and increase the rate of return for the PHPDA.

The Governing Council voted to approve Resolution 03-2017 authorizing the Executive Director, working with the Real Estate Committee, to proceed with requests for qualification for consultants to assist the PHPDA with the Entitlement Process. (Moved/2nded by Judy Tobin/Doris Koo, 8 of 8 in favor).

Adjournment
The meeting was adjourned at 6:58 p.m.

Minutes approved

\[\text{Signatures} \quad \text{(Date)}\]