



**Meeting of the PHPDA Governing Council**  
**July 25, 2013 5:30-7:30 p.m.**  
**Ground West conference room in the Pacific Medical Centers** (PacMed) Beacon Hill Clinic, located on the ground floor of the Tower at 1200 12<sup>th</sup> Avenue S, Quarters 2, Seattle, WA 98144

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT
Marite Butners	Nate Dreon	Diane Narasaki	Rosemary Aragon
Mike Heinisch	Theresa Rambosek		Christina Bernard
Judy Tobin	Kevin Fox		Denise Stiffarm
Dan Lessler (until 5:47)	Marc Provence (until 5:47)		

Theresa Rambosek called the meeting to order at 5:40 p.m. A quorum was present. There was no public comment on matters unrelated to the Tower Lease.

**Grant Stewardship**

*2012-13 Final Report-Project Access Northwest (PANW) Dental Grant*

Planning Committee Chair Marc Provence presented the report for the second year grant to Project Access Northwest for their dental program. He reported the grant was for just over \$68,000 and covered case management costs. He stated that Project Access had exceeded most of their goals for the year, including seeing over 1,000 patients (the goal was 700). Goals for number of extractions and number of clinic days were also exceeded. The Governing Council has already approved a continuing grant for 14 months covering May 2013 through June 2014.

Dan Lessler moved to accept the 2012-2013 Final Report from the Project Access NW Dental Grant (2<sup>nd</sup>ed by Butners). Council member Kevin Fox then asked Mr. Provence to explain the role that Project Access plays. Mr. Provence described the Project Access model for medical and dental case management, in which they recruit volunteer doctors to see uninsured and underinsured patients and provide case management services to ensure that doctors have all information required and that patients get to their appointments to receive necessary care. The Council voted to accept the report (8 of 8 in favor).

**Pacific Tower Lease**

Pacific Hospital PDA legal counsel Denise Stiffarm of K&L Gates discussed the recusal of two Governing Council members, Dan Lessler and Marc Provence, both employees of the State of Washington, from all deliberations and actions related to the leasing of the Pacific Tower. Per RCW 42.52.030 section 2, which establishes Ethics in Public Service for State employees, no State officer or employee may participate in transactions involving the State in his or her official capacity with a person of which the officer or employee is an officer, agent, employee, or member. While case law and Attorney General opinions are not clear on how these limitations would apply to the Pacific Hospital PDA's lease considerations, in the abundance of caution, Ms. Stiffarm advised Mr. Lessler and Mr. Provence to recuse themselves from involvement in all matters related to leasing of the Tower. Mr. Lessler and Mr. Provence formally recused themselves on May 8, 2013 in a public meeting. Since that time, they have not participated in discussions regarding leasing and have received no materials or communications on the subject. At this time both Mr. Lessler and Mr. Provence left the meeting.

*Brief remarks regarding the Executive Director's Tower Lease recommendation*

Pacific Hospital PDA Executive Director Rosemary Aragon discussed her recommendation of a lease with the Washington State Department of Commerce (DOC). She stated that the vision of the building



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as an education and innovation center is exciting. She went on to clarify that the Tower lease a business transaction that must meet the PDA's financial stewardship obligations. She described the Governing Council's criteria for leasing the Pacific Tower:

- A long-term lease (at least 30 years);
- Leasing of the entire building;
- The tenant to have triple net responsibilities (i.e., responsibility for operating, maintenance and capital expenses for the Pacific Tower and west-side garage);  
*and*
- In consideration of the unique nature of state funding and state leases, that the lease include safeguards against the potential of non-appropriation of funds by the state legislature.

She reported that the Pacific Hospital PDA and state Department of Commerce have reached agreement on many lease terms and that the lease meets most of the key criteria. However, there were still key provisions that were not in the best interests of the PDA. The Pacific Hospital PDA negotiating team, therefore, prepared a lease with terms that met the PDA's interests and corresponded to terms in the LOI received from the State in April. She recommended that the Governing Council transmit this lease to the DOC to sign by Monday July 29 at 5p.m.

Chair Theresa Rambosek thanked the PDA's negotiating team for their work in crafting a document that allows the PDA to meet their fiduciary responsibility and their responsibility to the mission.

*Public Hearing*

The Governing Council chair explained that, although the Pacific Hospital PDA is not legally required to hold a formal public hearing prior to its final review and approval of a Tower lease, the Council wished to hear from persons interested in the lease and in the PDA's mission. She further thanked all the individuals and organizations that had communicated in writing previously, noting that Governing Council members received copies of all these communications.

Ms. Rambosek then explained the process for the public hearing time period. Each speaker would be limited to two minutes. The hearing began at 6:03 p.m. and ended at 6:48 p.m. The following people spoke:

Dr. Warren Brown – Executive Vice President for Instruction and Student Services, Seattle Central Community College (*supporting Education & Innovation Center lease*)

Frank Chopp – Speaker of the House, WA State Legislature (*supporting Education & Innovation Center lease*)

Susan Crane – Executive Director, StillUp Washington (*supporting Education & Innovation Center lease*)

Bob Crittenden – Representative from Governor Inslee's office (*supporting Education & Innovation Center lease*)

Judith Edwards – Chair, North Beacon Hill Council (*supporting Education & Innovation Center lease*)

Ralph Forquera – Speaking for Congressman Jim McDermott's office (*supporting Education &*



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*Innovation Center lease)*

Larry Gossett – Councilmember, King County Council (*supporting Education & Innovation Center lease*)

Robert Hinrix – Co-director, Beacon Hill Merchants Association (*supporting Education & Innovation Center lease*)

Heath Hollingsbee – Puget Sound Resident (*supporting Market Rate Housing lease*)

Steve Johnson – Director, City of Seattle Office of Economic Development (*supporting Education & Innovation Center lease*)

Paul Killpatrick – President, Seattle Central Community College (*supporting Education & Innovation Center lease*)

Tony Lee – Advocacy Director, Solid Ground (*supporting Education & Innovation Center lease*)

Lance Matteson – Executive Director, SEED (*supporting Education & Innovation Center lease*)

Dr. David McLanahan – Former PacMed Doctor (*supporting Education & Innovation Center lease*)

Ellie Menzies – Legislative Director, SEIU Healthcare (*supporting Education & Innovation Center lease*)

Steve Orser – Lennar (*supporting Market Rate Housing lease*)

John Quick – Puget Sound Resident (*supporting Market Rate Housing lease*)

Ethan Raup – Director of Policy and Operations, City of Seattle Office of the Mayor (*supporting Education & Innovation Center lease*)

Laura Rowley – Deputy Director, Seattle Jobs Initiative (*supporting Education & Innovation Center lease*)

Cassie Sauer – Senior Vice President of Advocacy & Government Affairs, WA State Hospital Association (*supporting Education & Innovation Center lease*)

Mark Secord – CEO, NeighborCare Health (*supporting Education & Innovation Center lease*)

Ira SenGupta – Executive Director, Cross Cultural Health Care program (*supporting Education & Innovation Center lease*)

*Discussion and Decision on lease*

Judy Tobin moved approval of Resolution 12-2013 (2<sup>nd</sup> by Fox). Chair Theresa Rambosek then read aloud the RESOLVED clauses of the resolution, which states that the Executive Director is authorized to enter into a lease agreement with the DOC substantially in the form finalized earlier in the day and submitted to the State, contingent upon a grant in consideration of the State's due diligence period. The authorization will expire at 5:00 p.m. on Monday July 29, 2013. If the State is unable to meet the deadline, the Governing Council will consider its other lease alternatives.

Each member of the Governing Council present at the meeting then provided a short statement, primarily focused on their commitment to the organization and the mission and the responsibility they feel in making this decision. It was clarified that the resolution provided that the Governing Council



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would be scheduling time to review other options if the State declines to sign the lease. Chair Theresa Rambosek then stated that many present were in favor of the vision for the building, but that is different from the lease document. The Governing Council must consider both the purpose of the building and the terms of the lease in making a decision. The PDA has worked hard to come to a deal with the State and hopes that they will be motivated to execute the lease that will provide for the vision, as well long-term stable income to serve the PDA mission. The Council voted to adopt Resolution 12-2013 (6 of 6 in favor).

**Executive Session-** to discuss real estate matters pursuant to RCW 42.30.110(c)  
The Council determined that Executive Session would not be necessary.

**Adjournment**

The meeting was adjourned at 7:03 p.m. (Moved/2<sup>nd</sup>ed by Tobin/Fox. 6 of 6 in favor).

Minutes approved \_\_\_\_\_ (Date)