Doris Koo called the meeting to order at 9:04 AM. A quorum was present. There was no public comment.

Consent Calendar Minutes

The Real Estate Committee voted to approve the August 7, 2019 meeting minutes (Moved/Second by Paul Feldman/Sue Taoka, 4 of 4 in favor)

Debrief of Special Meeting of Governing Council

The Executive Director debriefed the Real Estate Committee on the special meeting of the Governing Council on August 28th.

- The public hearing was well-received. The Executive Director provided a presentation highlighting the main points on the purchase and sale agreement with SCIDpda.
- There were eight members of the public present. Three community members spoke, all of whom expressed approval of the proposed sale of the North Lot of the Pacific Tower campus.

Update on North Lot Activities

The Executive Director/Legal Counsel Denise Stiffarm updated the Real Estate Committee on North Lot activities:

- Purchase and sale agreement: Legal Counsel Denise Stiffarm discussed SCIDpda’s responses.
  - The Real Estate Committee provided direction on SCIDpda’s payment of $1.5 mil nonrefundable by the end of 2019. SCIDpda will defer payment of a total of $2 mil of the purchase price to a time beyond closing with a promissory note to the PHPDA. SCIDpda requested reducing the interest rate on the promissory note to 0%.
  - The Committee agreed to some flexibility on the interest rate.
  - SCIDpda asked to add language to defer feasibility up until the point of closing due to concerns of property conditions that could affect their ability to perform. Denise Stiffarm and Michael Finch reminded the Committee of SCIDpda’s access to the property and all property documents over the last year and the reasons for eliminating a standard feasibility period in the agreement. The Committee directed not to accept this requested change.
  - SCIDpda commented that they cannot commit to below 60% AMI but proposed to develop all units for 80% AMI. They can’t commit to the PHPDA’s specific provisions in regards to common area and community space amenities.
Meeting of the Real Estate Committee
Wednesday, September 4, 2019, 9:00 AM - 10:30 AM
Quarters 2, Beacon Hill Campus
1200 12th Ave South, Seattle, WA

- A previous resolution has been approved by the Governing Council specifying 60% AMI, so the Governing Council may need to approve a new resolution if the project commitments depart from this structure.
- The Committee believes that the PHPDA can strongly encourage rather than require larger family size units, certain amenities, and common area spaces.
  - The Committee prefers that the agreement include strong encouragement language that expresses the PHPDA’s vision and values, to possibly include a PHPDA value statement.
- Rather than discussing design standards and requirements in the documents, PHPDA and SCIDpda can work together to maintain consistency and compatibility with the rest of the Tower Campus, including the surrounding fences and trees.
- Pacific Tower Drive: The tenants of the Tower currently uses this road for loading purposes and secondary access. SCIDpda has asked to split the construction design and maintenance of the drive costs 50/50 with PHPDA.
  - The Committee agreed to continue negotiations with SCIDpda on payment responsibility for construction and maintenance of the drive.
- Right of First Refusal and the PHPDA’s ability to repurchase the property if no development occurs within five years: the Committee wishes to have this protection in place to ensure that the property stays in public hands and to maximize profit and efficiency of the property.

Pac Med lease update

The Executive Director/Real Estate Consultant Michael Finch updated the Committee on Pac Med’s leasing activities:
- Discussions continue as to the PacMed lease negotiations. PacMed expressed an interest in re-leasing the clinic and the Tower basement spaces.
- Real Estate Consultant Michael Finch created a draft proposal for their unique space requests.
- The Real Estate Committee requested a walkthrough or tour of the Quarters buildings. The Office Coordinator will reach out to JLL and PacMed to schedule a brief walkthrough at a regularly scheduled Real Estate meeting.

Update on ADA compliance issue

The Executive Director provided an update on the ADA compliance review with ADA consultant ADII Center:
- ADII will conduct an on-site accessibility survey related to the Quarters buildings (including PHPDA Office).
- ADII Center’s contract work will be under $10 k so it will not require Governing Council approval for contracting.

Executive Session – Real Estate Matters (RCW 42.30.110(1)(c))

The Real Estate Committee entered into Executive Session from 10:12 AM to 10:19 AM.
Adjournment

The meeting adjourned at 10:25 AM.

Minutes approved: [Signature] 10/2/19 (Date)