



**Special Meeting of the Real Estate Committee**  
 Wednesday, June 19, 2019, 9:00 AM - 10:30 AM  
 Quarters 2, Beacon Hill Campus  
 1200 12<sup>th</sup> Ave South, Seattle, WA

MEMBERS PRESENT		NOT PRESENT	ALSO PRESENT	
Bob Cook	Paul Feldman		Jeff Natter	Ellie Menzies
Doris Koo	Sue Taoka		Denise Stiffarm	Michael Finch
Gloria Burton			Gene Yoon	

Doris Koo called the meeting to order at 9:10 AM. A quorum was present. There was no public comment.

**Continued review of North Lot development matters**

Real Estate Consultant Michael Finch led discussions on SCIDpda's response to PHPDA's most recent proposed sale terms:

- SCIDpda has agreed to a purchase price of \$6.5 mil. SCIDpda proposed depositing \$325 k as earnest money at the signing of the purchase agreement, applicable to the total purchase price and refundable. Adding another \$1.2 mil by the end of October 2019, also refundable. Upon waiving of financing contingency, SCIDpda will be able to close as early as 8/31/2020 with another \$3 mil payment. The balance of the payment will be provided to PHPDA when Building A receives its Certificate of Occupancy, projected at or around Dec 2024.
  - The Committee discussed the latest proposal, noting that SCIDpda has moved away from the Seller Note concept. The payment schedule seemed to be driven by timing of public funding needed to build out the program for the North Lot.
    - If the PHPDA were to agree to SCIDpda's terms, legal counsel Denise Stiffarm recommends documenting reasons for the agreement and to have a conversation with State Auditors.
    - The Real Estate Committee agrees that the two PDAs will need to align their interests. The Committee suggested that we ask SCIDpda to join us to discuss with the County and HSDPDA to ask for definitive extension of time to fulfill the obligation due to the public funding landscape, and/or transfer the loan as a grant and extend the performance period.
- The PHPDA will propose the following terms to SCIDpda: \$1.5 mil nonrefundable applicable to the purchase price, by the end of this year; \$3 mil at closing, with property ownership transferring; \$2 mil upon completion of the first building. There will be two extension options, each requiring additional payment of \$50k, nonrefundable and non-applicable.
  - Entire deal contingent upon restructuring the loan/performance timelines.
  - This still retains siting of AiPACE on property.
  - Michael Finch will redraft term sheet.

**Next Steps:**

- Create a clean term sheet, removing the redlined version.
- The Executive Director will request detailed predevelopment invoices from Barrientos for SCIDpda reimbursement purposes.
- Real Estate Consultant Michael Finch highlights rationale in a cover letter with Legal Counsel Denise's review. The Executive Director writes a cover email letter to SCIDpda.
  - Request a response deadline of June 28<sup>th</sup>.



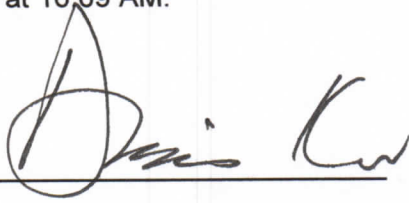
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- After agreements are certain, present to the County the PHPDA/SCIDpda's alignments and discuss extension possibilities with the County Executive's Office.

The next Real Estate Committee meeting was moved to July 2<sup>nd</sup> at 8:30 AM due to schedule conflicts on July 3<sup>rd</sup>.

**Adjournment**

The meeting adjourned at 10:09 AM.

Minutes approved:  7/2/2019  
(Date)