



## **BOARD MEETING AGENDA**

Tuesday, October 16, 2018

5:30 – 7:00 p.m.

Legacy House

803 S Lane St

Seattle, WA 98104

5:30	<i>Action</i>	1. Call to Order – Jared Jonson
5:35	<i>Action/ Approval (10 min.)</i>	2. Consent Agenda <ul style="list-style-type: none"> <li>• Approve September 2018 Meeting Minutes</li> <li>• Accept October Concurrence Request</li> <li>• Accept October Staff Reports</li> </ul>
5:45	<i>Presentations/Dis cussions</i>	3. International Special Review Board – Rebecca Frestedt, City of Seattle 4. New Development Project –Edge Developers & Hewitt Architecture
6:20	<i>Discussion</i>	<ul style="list-style-type: none"> <li>• Staff Briefings</li> <li>• Property Management – Vern Wood <ul style="list-style-type: none"> <li>• Resolution – Bush Hotel Lease with</li> </ul> </li> <li>• Fundraiser – Joseph and Jamie</li> <li>• Real Estate – Maiko &amp; Mike</li> </ul>
6:40	<i>Discussion/Action (20 min)</i>	5. Board Business <ul style="list-style-type: none"> <li>• Ad hoc Personnel Handbook Committee - Michael Itti <ul style="list-style-type: none"> <li>• Resolution – Affirm Personnel Policies</li> </ul> </li> <li>• Other Business <ul style="list-style-type: none"> <li>• Board officers and new members</li> <li>• King County Tax Assessor – Phillip Sit</li> </ul> </li> </ul>
	<i>Adjourn</i>	Adjourn – Jared Jonson

### Upcoming Meetings and Events:

**October 19<sup>th</sup> – 2018 SCIDpda Fall Fundraiser**, Joseph lead

Nov 7 – Executive Committee, Maiko lead

Nov 16 – Finance Committee, Vern lead

Nov 20 - Board Meeting, Maiko lead

Dec 7 – Finance Committee BUDGET PRESENTATION, Vern lead



## **SCIDpda Board Meeting Minutes**

September 18, 2018

803 South Lane Street

Seattle, WA 98104

**Board Present:** Jared Jonson, Michael Itti, Miye Moriguchi, Mindy Au, Casey Huang, David Della, Lanzi Li, Kevin Huynh, Phillip Sit, Scott Yasui, Jerilyn Young, Nelson Yong

**Staff Present:** Maiko Winkler-Chin, Jamie Lee, Michael Omura, Jody Fuentes, Janet Smith, Rachtha Danh, Joseph Guanlao

**Staff Present:** Laura Michalek, Steven Judd, Rae Estelle

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### **1. Call to Order**

The meeting was called to order by Jared Jonson, Board Chair, at 5:37 p.m.

### **2. Presentation/Discussion**

#### **2018 SCIDpda Fundraiser – Auctioneer Laura Michalek**

Laura Michalek gave a presentation on expectations for board member involvement at the 2018 SCIDpda Annual Fundraiser. She asked board members to attend, invite people who have the capacity to give, and invite a couple new people because people show up when they are asked; board members can help their guests understand what SCIDpda does, and send them a one-pager on SCIDpda's work as well as the auction catalogue in advance; board members can be there early to receive their guests, and give them small party favors; utilize the social time before hand to make people feel welcome; board members can ask their guests in advance to participate during Raise the Paddle and ask their people to give as we are aiming for 100% participation in the room; board members should stay until the end of the event.

#### **2017 Audit – Steven Judd, Finney Neill & Company P.S.**

Maiko introduced the auditor from Finney Neill & Company P.S., Steven Judd, as well as the state auditor, Rae Estelle.

Steven presented on the procedure, findings, and importance of the annual audit performed on SCIDpda for 2017. The audit involves testing account balances and transactions throughout the year, including revenues, and they select a sample of tenants across different properties. Based on Finney Neill's audit procedure, their report presented an unmodified opinion of SCIDpda. Steven noted that in 2017 SCIDpda was able to re-finance existing debt, which reduces cash-flow burden on the PDA in the future; pay-off of the liability settlement with Kiewit, which results in significant savings; PDA was able to lease all of commercial space; no items were identified as "material weakness" or having "significant deficiency;" re-design of reporting flow within PDA resolved a previous compliance issue; PDA has gone thru a process of simplifying entities to reduce accounting burden. Steven explained that decisions were made in 2018 that will put PDA in stronger financial position in the future.



The board went into an executive session for 15 minutes to review the performance of our public employees. Executive session ended at 5:27 PM.

### **2018 SCIDpda Annual Fundraiser**

Joseph and Jamie discussed auction items with the board in order to gather more ideas amongst their networks, personal skill sets, and assets. Staff encouraged the board to help promote the event and obtain their own tickets early.

### **Board Action and Approval**

### **3. Consent Agenda**

**Resolution 18-09-18\_01:** We, the Board of the Seattle Chinatown International District Preservation and Development Authority, via consent agenda:

- Approve August 2018 Meeting Minutes
- Accept September 2018 Concurrence Request
- Accept September 2018 Staff Reports

**Moved:** David Della

**Seconded:** Kevin Huynh

Board approved unanimously

### **4. Staff Briefings**

### **2018 SCIDpda Annual Fundraiser**

Joseph and Jamie presented on the progress of planning for the 2018 SCIDpda Annual Fundraiser. They asked that the board continue to procure and contribute items for the auction, buy tickets, and invite people to the auction.

### **Real Estate Development**

Mike explained that SCIDpda's application with Capitol Housing for the King County Records had been submitted for a project with 159 units; an MOU had been signed with CHH.

Mike explained that a combined funders application for the North Lot project had been submitted; the North Lot project includes 262 units of affordable housing for families.

Jamie discussed with the board a potential commercial tenant for the commercial space on the plaza level of the Bush Hotel, a difficult space to rent that was previously inhabited by the Ethnic Business Coalition and IDEA Space before that: Fair Market Cannabis, an online broker of marijuana. Jamie noted that personnel from Fair Market Cannabis are supportive tenants of Hing Hay Coworks and one of the owners assisted Hing Hay Coworks staff in stabilizing a stabbing victim from Hing Hay Park earlier in the year.

### **5. Board Business**



## **Ad Hoc Community Personnel Handbook Committee**

Michael Itti explained the committee's discussions the personnel handbook. A motion was affirmed to approve, at the next meeting, a resolution approving the personnel handbook.

### **6. Adjourn**

The meeting was adjourned by Jared Jonson, Board Chair, at 7:04 p.m.



Concurrence Requests:

*Staff are required to seek concurrence for items that:*

- *the consideration exchanged or received by the SCIDpda exceeds \$10,000, or*
- *the performance by the SCIDpda extends over a one year period.*

## **October 2018 Items**

### **Contracts**

*Emi Mizuki staff lead*

**City of Seattle** - \$29,997, for additional congregate meals for 4<sup>th</sup> Quarter 2018.

*Jamie Lee staff lead*

**Washington State Department of Commerce – Integrated Planning grant** - \$200K for two years

Property specific environmental assessments and remediation planning for two properties in the neighborhood for the purpose of doing affordable housing and commercial space development

\$20,000 for admin support to SCIDpda

\$180,000 for enviro contractors

### **4Culture – Louisa Murals \$30,000**

Stabilization of Louisa Jazz Murals. SCIDpda is serving as the fiscal agent, will get 2% of grant

### **JP Morgan Chase – ProNeighborhoods Planning Grant** - \$100K for one year

Explore financing options for rehabilitation of URM buildings in the neighborhood. Through this grant, we will work directly with property owners on updating the construction costs to their buildings. Additionally, we will work with a group of CDFI partners to explore financing options for our properties.

Public Meetings + Outreach (SCIDpda)	\$8,000
Interpretation & Translation services	\$5,000
Capital Plan for URM Upgrade financing, writing, production and distribution	\$12,000
Consultant Team	\$25,000
CDFI staff time, meeting participation & analysis creation of MOU for CDFI collaborative	\$25,000



# SCIDPDA MONTHLY MANAGEMENT REPORT

## October 2018

### Property Management

#### Commercial Vacancy as of 9/30/2018

Property	Total Sq. Ft.	Vacant Sq. Ft.	Percent Vacant	Notice To Vacate	Month to Month
IDVS 1	86,039	0	0.00%	0	0
IDVS II	5,899	0	0.00%	0	0
New Central	21,288	0	0.00%	0	1
Bush Hotel	28,178	962	3.41%	0	0
Jackson	4,918	0	0.00%	0	0
<b>Portfolio Total</b>	<b>146,322</b>	<b>962</b>	<b>0.65%</b>	<b>0</b>	<b>1</b>

#### Leasing Activity and Property Notes:

At the end of August, Ethnic Business Coalition moved out of unit P7 next to our office at the plaza level of the Bush Hotel. The long-term HHC tenant who'd originally expressed interest in leasing the space backed out and we've found a short-term tenant through the end of December. Freehold Theater needed space while theirs was undergoing rehabilitation.

#### Residential Vacancy as of 9/30/2018

	Sep 2018	YTD	2018 Budget
<b>PDA-Owned Properties</b>			
Bush Residential	2.00%	1.59%	2.00%
Domingo Viernes Apartments	0.43%	0.36%	2.00%
New Central Apartments	0.00%	0.50%	2.00%
<b>PDA-Managed Properties</b>			
Eastern Hotel	0.00%	1.24%	2.00%
Nihonmachi Terrace	0.00%	0.79%	4.00%
NP Hotel	0.77%	1.65%	2.00%
Jackson Apartments	0.00%	0.30%	1.50%

We had another good month with little turnover. Bush Hotel had the highest vacancy loss primarily due to two unit transfers - one of which is in need of a complete remodel down to the studs. The prior tenants had lived in the unit for over 15 years with heavy use. We are using outside vendors to turn the unit faster as we are ready to house the next applicant.

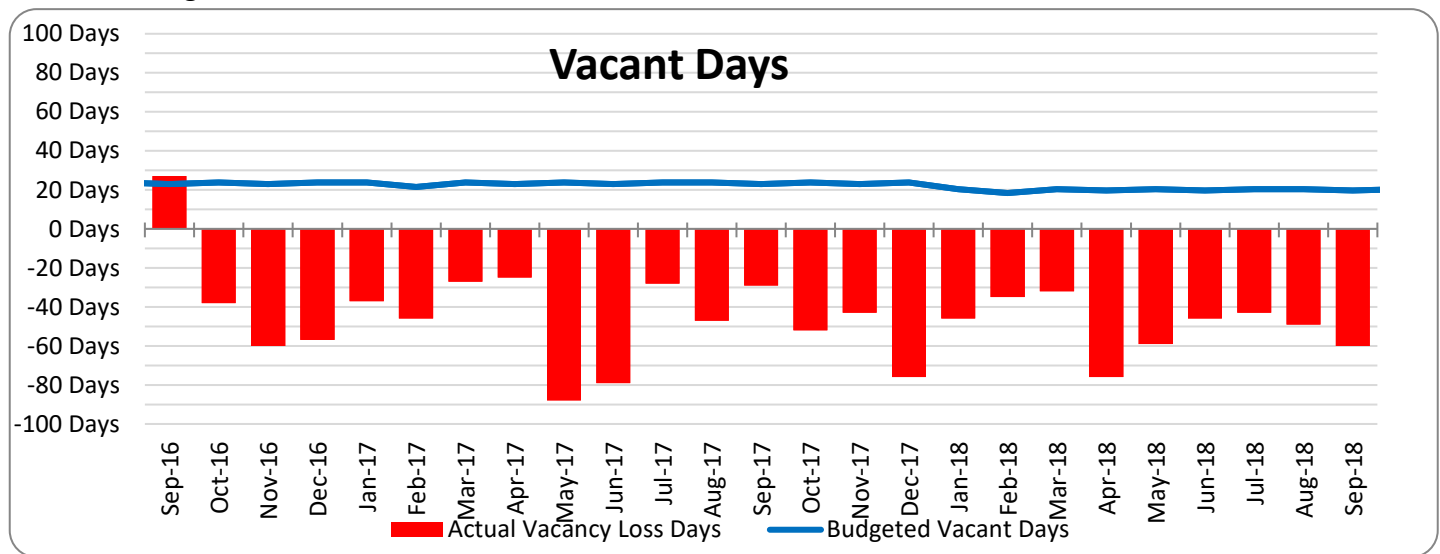


## Senior Services

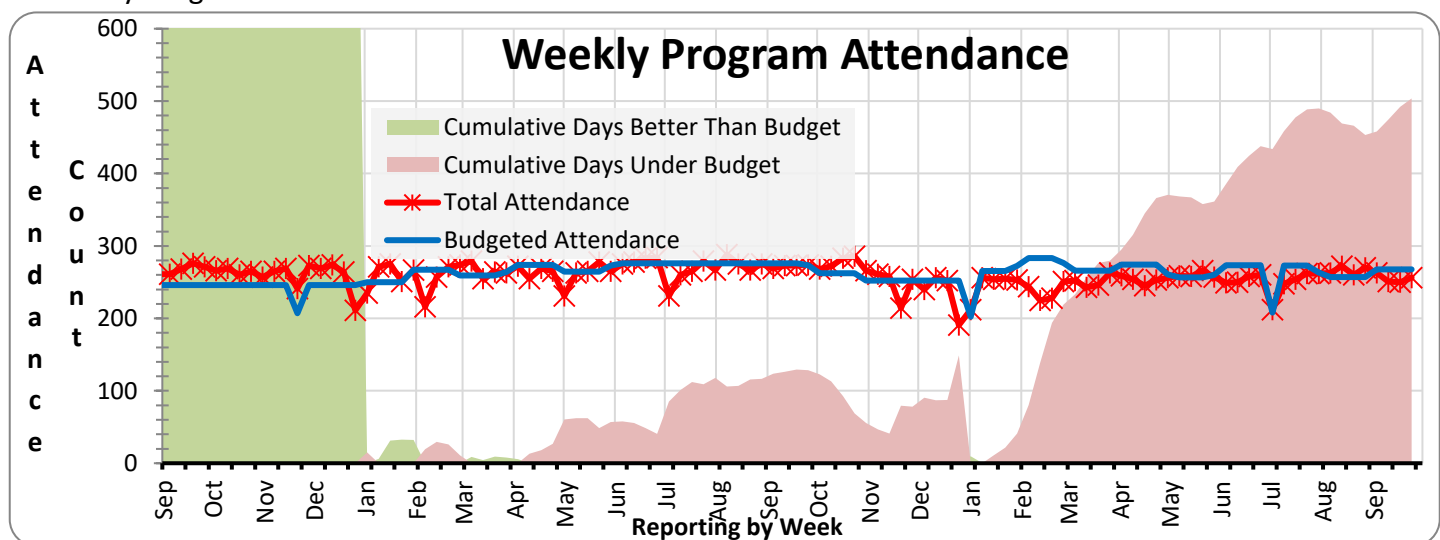
The positive variance for Assisted Living continues in September. Vacancy loss through September was budgeted at 179 days, with an actual vacancy loss of <446> days, making the net vacancy number less than budget through September by 625 days. The vacancy loss continues to be a net negative because of quick turn over time to bring on new residents and higher than budgeted double-occupancy. Assisted Living has consistently had 3 rooms occupied by couples this year, occasionally 4, while only one was budgeted for. Additionally, the State Legislature approved bridge funding for assisted living facilities that have a large percentage of Medicaid residents. This funding began in July and is estimated to be approximately \$58K for 2018. As a result, Assisted Living revenue was greater than budget through September by approximately \$60K.

Adult Day Services attendance is below budget through September by 504 days. Attendance continues to lag behind budget expectations. It has been affected by Assisted Living vacancies and resources being focused to fill those vacancies, DSHS not allowing some Assisted Living residents to continue in the Adult Day Services program, and the flu season that hit particularly hard early in the year. As a result, Adult Day Services revenue was below budget through September by approximately \$53K. Staff remains focused on bringing in new clients.

### Assisted Living



### Adult Day Program

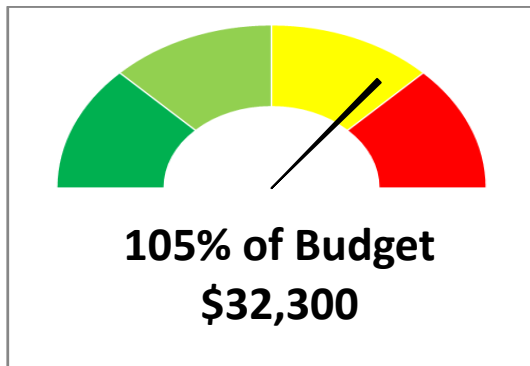




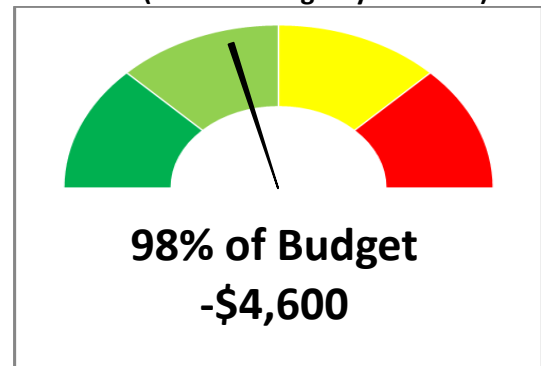
## Payroll

Payroll and Benefits Expense actual to budget through September total \$80K over budget. This excludes the \$220K incentive compensation that was paid to all employees on August 9<sup>th</sup> and that was not included in the 2018 Budget. Admin's negative variance is largely due to PTO accruals and the hiring of an additional person in Real Estate Development. Senior Services' negative variance is due to large amounts of overtime while covering for staff that is on PTO and FMLA.

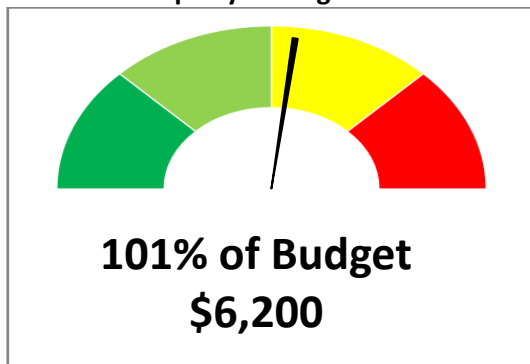
Admin



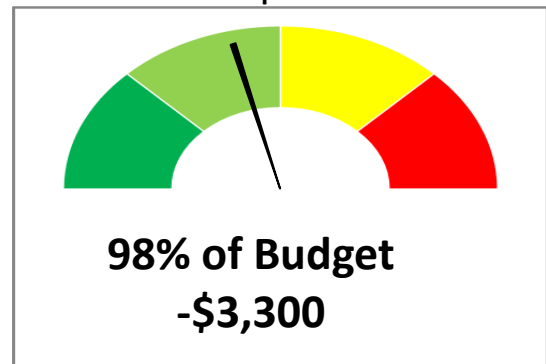
IDEA (Includes Hing Hay Coworks)



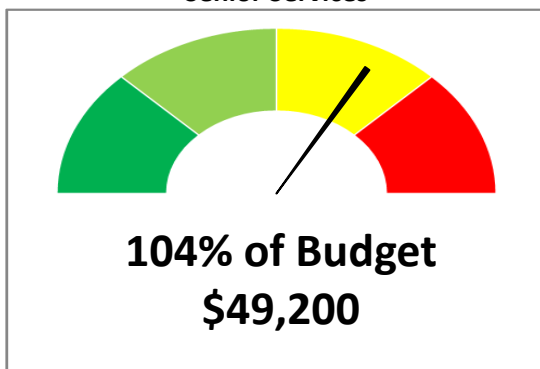
Property Management



Properties



Senior Services





## SCIDpda Staff Reports – October 2018

*As of 10/12/2018*

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### Senior Service

Emiko Mizuki

### Assisted Living

- Full census – no vacancy or turnovers in September
- 7 annual assessments were completed
- 92% of assisted living residents have received their flu shots
- RN on FLMA – scheduled temporary relief for PTO from Promed Staffing

### Adult Day Services

- 5 new ADH clients have been enrolled
- No discharges for the month of September
- 8 clients remain inactive and need to be reassessed before returning
- The OT needs of new clients and higher acuity levels has triggered an increase in OT/RN skilled services

### Congregate Meal Program (CMP)

- Numbers have been increasing and we requested additional 4<sup>th</sup> quarter funding. CMP has been approved for \$29,997 to be used by 12/31/2018

### Additional Information

- Meetings and discussions continue between Legacy House and ICHS.
- Construction of the Nursing area has been rescheduled to October 2018.
- The PACE/State readiness site review is scheduled for November 6, 2018.

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### Real Estate Development

Michael Omura

### SCIDpda Direct Involvement

#### Pacific Medical North Lot

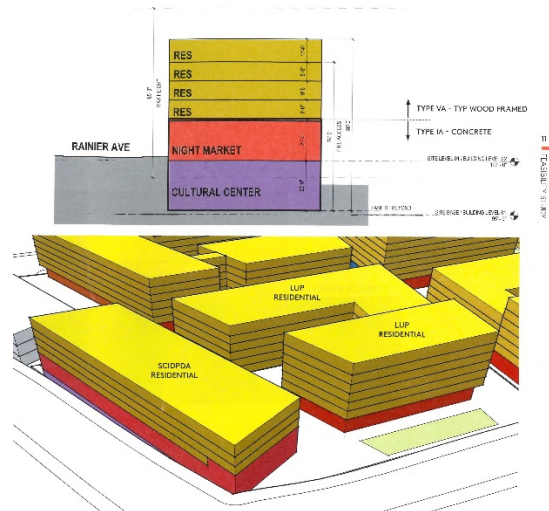
The current design contemplates a building(s) that are comprised of AiPACE (23,000 sq. ft.), 264 affordable family units, 41 senior units and 9,500 sq. ft. of childcare. Currently it is planned that we will develop and own the building and then condominiumize the AiPACE portion of the building. The Speaker is directing PHPDA to have the entire project be owned & developed by SCIDpda. **The CFA to City, County and State were all submitted by the end of September, the total number of units was reduced to 262 including the 41 senior units and Building B has been simplified.\*\***





### Goodwill Site

The SCIDpda has entered into a MOU with Goodwill, Lake Union Partners, and Capitol Hill Housing to create a feasibility analysis of the nearly 8 acre site. The program for the site will include a new flagship store for Goodwill and relocation of the warehousing and fleet parking, SCIDpda and CHH will develop affordable housing and community facilities. Early scenarios contemplate about 400 affordable housing units that SCIDpda would split with CHH. The feasibility of the affordable housing depends on whether the City would be willing to land swap the Charles Street site for the affordable units. **The revised feasibility study has been submitted to Goodwill and their Real Estate Committee is reviewing for a recommendation for the December Board meeting. SCIDpda's portion of the project has been revised to the Cultural Center and Public Market along with 92 affordable family units\*\***



### SHA King County Records Site

An RFP was issued to non-profit developers by SHA for the KC Records site located just east of the intersection at 12<sup>th</sup> & Yesler. The RFP is due at the end of August and we are teaming with Capitol Hill Housing in this pursuit. **Response to the RFP has been submitted and we are to be interviewed for the project on October 15<sup>th</sup>.\*\***





#### Renovation of the Louisa Hotel

Construction began in December with the removal of hazardous materials. It is anticipated that the project will be completed by mid-2019.

#### Intracorp Development – Acme Poultry Site

Project is under construction and anticipated to be complete in May of 2019. SCIDpda has started discussions with Intracorp about potential for master lease of the retail space.



#### Inland Development – 10<sup>th</sup> & Jackson

Construction is well underway and vertical support structures of the 1<sup>st</sup> floor are now being formed and poured. Construction is slated to be complete by mid-2019. The developer is planning to develop and interest list for the units in February. SCIDpda is encouraging the developer and the City to consider neighborhood/community preference in filling these units.

#### JCCCW Phase 1 Breezeway

The Nikkei Heritage Association of Washington (NHAW) that owns and operates the buildings located between Rainier and 16<sup>th</sup> on Weller St has engaged the SCIDpda to act as owners representatives and project manager for a small renovation of the connection between the two main buildings.

#### **Future Projects/Opportunities**



### SCIDpda Direct Involvement

#### Bing Kung

We have met with the Bing Kung leaders and they would like the PDA to move forward with initial studies. We are working on pulling together a MOU for to assist them for the next few months. The seismic repair work has begun and is on going.

#### URM/Historic Core Renovation

The investor that has been brought on board for the Louisa Hotel is interested in raising funds to renovate existing underutilized and vacant upper levels of many of our historic buildings in the core of the CID. SCIDpda has begun to strategize with the investor on reaching out to the owners of the buildings, the City and community leaders. **A group led by Peter Nitze has been meeting to identify issues surrounding displacement, permit processing, technical solutions, and funding sources for URM's. We have been participating along with folks from the City\*\***

### Other Projects in the Neighborhood

#### Four Seas

Interim and Edge Development has submitted to Office of Housing for plans to develop the ¼ block site of the Four Seas Restaurant for a mixed use development with affordable housing and commercial. **OH has directed development team to add an additional story to the project.**

#### Interim Site on King

Interim has purchased a 12,000 SF parcel on King Street between 10<sup>th</sup> and 12<sup>th</sup> (Acme Poultry parking site) and plans to develop affordable housing.

#### Linc's Tackle Site

Plymouth Housing will be developing a mixed use project on this site with 105 studio units. One concern expressed by some community members is that the majority of the commercial space will be for Plymouth Housing Maintenance. Anticipated construction by fall 2018 and completion by 2020

#### Jackson Steps (formerly Asian Plaza)

The project has been approved with conditions by the Director of SDCI since the Board was split on this. The entire project is now on the market for sale to potential developers. No sale of the project/property to date.

#### Hotel on 8<sup>th</sup> Ave. S

**The developers and architects presented a briefing to the ISRD on September 11<sup>th</sup> with a proposal that added two stories to the previous proposal and retail spaces along 8<sup>th</sup> Ave. The ISRD took no action but recommended the applicant obtain written direction from SDOT for their preference for vehicular access off Lane Street.\*\***

#### DA-LI Development

The developers and their design team will presented the project at the fifth briefing for ISRD on 4/24/18. The ISRD generally agreed with the massing concept however there were concerns raised about the retail space on the corner of 5<sup>th</sup> & Main. **The developers received Preliminary C of A for the project at the 10/9 ISRD Board Meeting.**



#### Site on Main and Maynard

Hotel Concepts has purchase the site on the SE corner of Maynard and Main and plans to develop a residential high rise. They are the same developers as the 8<sup>th</sup> & Lane hotel across from Legacy House that had caused controversy in the CID

#### Site on 5<sup>th</sup> and Washington

Toyoko Inn has purchased the ¼ block site directly north of the Da-Li development. The purchase price quoted in the DJC was over \$10M.

#### Bush Garden Site

Staff has met with Vibrant Cities the owner of the Bush Garden building and the parcel south of that building to discuss issues related to the development of that site not only as a CDC in the neighborhood but as the owners of the building adjacent to the site. The project was presented to ISRD at the 7/24 meeting and in general was well received. There were concerns raised by some members of the public about saving a culturally significant landmark and of the affordability goals of the project.

#### 5<sup>th</sup> & Jackson

Tomio Moriguchi and his design team presented the to the ISRD a briefing of the potential development of the existing parking lot at the corner of 5<sup>th</sup> & Jackson, a 24 story, 200 unit apartment with a 150 unit hotel and below grade parking. At the ISRD briefing on 5/8 there were many concerns raised about the street frontage of the project as well as the internal courtyard and the retail space that is below grade.

### **Development Activity on the Periphery of CID**

“S” Project – A 990,000 SF office development on 6<sup>th</sup> Ave. S and Airport Way just south of Dearborn. The project has had 2 Early Design Guidance reviews through the South East Review District. One building of the complex is located in the ISRD and will go through the ISRD process.

Westcoast Printing site – A 200 unit six story residential development is proposed for the old West Coast Printing site and was presented at the SE DRB on 9/27. No minutes of the EDG meeting is available at this time.

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### **Community Initiatives**

Jamie Lee

### **Hing Hay Coworks/Business Resources**

This are chugging along at HHC. We had 40 members in the month of September (plus dogs!). As we continue to grow, we have made more flex and permanent desk available by moving our staff around and we are also managing booking our small meeting rooms better. We are beginning to plan our winter **Arts & Crafts Fair** – it will be on November 24, aka small business Saturday. Hope you can join. On our business side, we conducted a leasing workshop in partnership with Wayfind that was successful, with 17 businesses in attendance.



### **Public Space**

We are deep in conducting **Post-Occupancy Evaluations (POEs) for Hing Hay Park and Donnie Chin International Children's Park**. Our interns are managing a team of volunteers that will be surveying folks at different times of the day in both parks. We will be doing in depth interviews with individuals that were heavily involved in the re-development/expansion of both parks.

SCIDpda and the Friends of Little Saigon (FLS) are supporting the outreach and engagement for the **Little Saigon Park**. We are currently doing outreach and design. The Friends of Little Saigon also approached with City with concerns by concerns about parking and are waiting for a response.

The **Jackson St. Hub** project, which is a partnership between the Alliance for Pioneer Square and SCIDpda to study the areas around Jackson St. between King St. Station is in the final stages of working on 30% design. They are presenting to both historic boards in Pioneer Square and the CID and will have final recs by the end of the year.

We recently received a DON grant to do **visioning for Maynard Alley**. We are working in partnership with Professor Jeff Hou and his studio in the Landscape Architecture program. We hosted our first open house on October 12 at the Massive Monkees studio.

### **Preservation/Planning**

We recently got into contract for an **Integrated Planning Grant with the State Department of Ecology** to do property specific environmental assessments and remediation planning for two properties in the neighborhood for the purpose of doing affordable housing and commercial space development. This funding is for two years – 10% is for our management of the grant and the rest is to hire environmental contractors.

We also just received an award (for \$100K) from **JP Morgan Chase's ProNeighborhoods Program** to explore financing options for rehabilitation of URM buildings in the neighborhood. Through this grant, we will work directly with property owners on updating the construction costs to their buildings. Additionally, we will work with a group of CDFI partners to explore financing options for our properties. We were one of 14 communities across the nation to receive this grant and were asked to keep quiet about it (found out in June) until they formally announced just last week.

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### **Development & Communications**

Joseph Guanlao

***Oral update during meeting***