



BOARD MEETING AGENDA

Monday, December 11, 2017

5:30 – 7:15 p.m.

Legacy House

803 S Lane St

Seattle, WA 98104

5:30	Action	1. Call to Order – Scott Yasui
5:35	Action/ Approval	2. Consent Agenda <ul style="list-style-type: none"> • Approve November 2017 Meeting Minutes • Accept November KPI Report
5:45	Presentation / Action (40 min)	3. 2018 SCIDpda Budget – Wayne Lau <ul style="list-style-type: none"> • Resolution – Approve 2018 Budget • Resolution – Approve Kiewit Settlement Payoff
6:25	Discussion (30 min)	4. Staff Briefings <ul style="list-style-type: none"> • ICHS Assumption Agreement – Vern Wood
6:55	Discussion / Action	5. Board Business <ul style="list-style-type: none"> • Election of 2017 Board Officers- • Board Retreat discussion • Other Business
7:15	Adjourn	6. Adjourn – Scott Yasui

Upcoming Meetings and Events:

December 14 - SCIDpda Holiday Party (board welcome!)

January 16 – SCIDpda January Board Meeting

October 19th – 2018 SCIDpda Fall Fundraiser (confirmed date)

****Executive sessions may be held:**

- to consider site selection or real estate acquisition by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;
- to consider the minimum price at which real estate will be offered for sale or lease public knowledge regarding such consideration would cause a likelihood of decreased price;
- to review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased price;
- to receive and evaluate complaints/charges brought against a public officer or employee;
- to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee;
- to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency is likely to become a party.

The mission of the Seattle Chinatown International District Preservation and Development Authority (SCIDpda) is *to preserve, promote, and develop the Seattle Chinatown International District as a vibrant community and unique ethnic neighborhood.*

Resolution 17-12-21-01

RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

We, the Board of the Seattle Chinatown International District Preservation and Development Authority, via consent agenda:

- Approve November 2017 Meeting Minutes
- Accept November KPI Report

Board Chair

Date

Board Secretary

Date

SCIDpda Board Meeting Minutes

November 21, 2017

803 S Lane St

Seattle, WA 98104

Members Present: Jerilyn Young, Jen Reyes, Michael Itti, Scott Yasui, Lanzi Li, Casey Huang, Wayne Lau (via phone: David Della, Jared Jonson)

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

Guests: Tom Neill, Steven Judd, Riku Kogo, Ruth Ann Kurose (via phone)

1. Call to Order

The meeting was called to order by Scott Yasui, Board Chair, at 5:40 p.m.

2. Board Action & Approval

Maiko explained the concurrence requests for November: there are two grants SCIDpda is receiving: one is from the Local Initiative Support Corporation (LISC) for the Little Saigon Landmark Project; another from Enterprise Community Partners for the North Lot of Pacific Hospital; most of the funds will pay for staff time, part of the Enterprise grant will pay for legal consultants; part of the LISC funds will go to Friends of Little Saigon (FLS). Scott asked if the grants were on the concurrence report because they are more than \$10,000. Maiko confirmed that the grants are each over \$10,000.

Resolution 17-11-21_01: We, the Board of the Seattle Chinatown International District Preservation and Development Authority, via consent agenda:

- Approve the October 2017 Meeting Minutes
- Approve the October 2017 Expenditure Report
- Approve November Concurrence Requests
- Accept November Staff Reports

Moved: Michael Itti (approved as amended)

Seconded: Lanzi Li

Board accepted unanimously

3. Staff Briefings

i. Financial Discussions

Vern explained the resolution regarding the renew of line of credit; SCIDpda has a line of credit with Commerce Bank that has been extended thru the end of 2017; the resolution is for the board to approve the Executive Director or the Deputy Director to sign the documents to extend the \$500,000 credit line at 3.5%.

Scott asked if SCIDpda currently has a balance on the line of credit. Vern explained that at the end of the year there will be balance of \$25,000, which will be fully paid off in January. Michael asked if any interest rate bumps are foreseen. Vern explained staff has not budgeted to draw from the credit line, and staff does not expect to use the line of credit, except for emergencies. Maiko read the resolution to the board.

Resolution 17-11-21_02: We, the Governing body of the Seattle Chinatown International District Preservation and Development Authority ("SCIDpda"), authorize and approve the renewal of the line of credit between The Commerce Bank of Washington and SCIDpda in an amount up to \$500,000. The purpose of the credit line is to provide financing to bridge the timing gap between grants and contract payments received by borrower.

Further, we authorize the Executive Director and/or the Deputy Director to sign loan documents with respect to the above on behalf of the agency.

Moved: Michael Itti
Seconded: Jen Reyes
Board accepted unanimously

Vern explained that there were two resolutions up for approval related to the restructure and refinancing of the loans related to Bush Commercial New Market Tax Credit; a resolution last year was approved for CIDPDA to be the majority holder of the QALICB, Bush Hotel; the PDA has a stake in the loans and the PDA also has loans with Commerce Bank; both resolutions are getting loans from SCIDpda, re-financing them, and getting them down to QALICB; Vern explained the QALICB is the landholder of the Bush Hotel and the QALICB owns the commercial and residential spaces; there is also a HUD 108 loan on the property which is with the city, and that loan is getting funneled thru SCIDpda to the QALICB, resulting in just a loan with the QALICB and the city, and the QALICB with Commerce Bank; there were notes set up as collateral that bridged the gap between the entities; instead of the collateral being an investment in the note, it will become an investment in the property. Vern explained this is all a consolidation effort to simply the accounting structure, get the loans to properties they belong to; and eliminate notes between different SCIDpda entities, which are notes the organization only has with itself. Vern explained that the resolution is for the board to support the transaction; get rid of the intermediary notes and have a direct collateral on the property; and that Vern and Maiko, each individually or together, be able to sign the loan documents.

David asked what the amount of the loan was. Vern explained there are two loans: one loan is \$1,000,000 at 3.5% thru 2021; the second loan is a HUD 108 loan with the city of Seattle and has 1.2 million left on principal; where currently the HUD 108 loan is in first position and the Commerce Bank loan is in second position; the restructuring would swap the positions of the two loans; the city has agreed to that. Maiko read the resolution to the board.

Scott asked if there was anyone on the board who would like to move to pass the two resolutions together.

Motion A: Resolution 17-11-21_03: Regarding Restructure of Bush Hotel Financing

Motion B: Resolution 17-11-21_04: Resolution of SCIDpda to Guaranty Loan

Moved: Casey Huang
Seconded: Jen Reyes
Board approved unanimously to Motion A and Motion B

ii. **ICHS Lease Agreement**

The board went into Executive Session for 14 minutes at 6:00 PM to consider the minimum price in which real estate would be offered for lease, as public knowledge regarding such consideration would cause the likelihood of decreased price.

4. **Presentation of 2016 SCIDpda Audit from Finney Neill**

Tom Neill and Steven Judd, the auditors from Finney Neill, presented a brief summary of the financial statement audited financial statement; they have an unmodified opinion on the financial statements, and assert that the accounting of the PDA is presented with general accorded accounting principles; the financial statements between 2015 and 2016 were consistent; he characterized 2016 as a year affected by three major transactions, but otherwise a time of stabilization, re-focusing, and solidifying the systems; he noted there were positive changes in how transactions were processed; the major transactions he spoke of were related to the complexity of two New Market Tax Credits which are challenging to account for even under the best of circumstances; SCIDpda's accounting and finance team faced with challenge of accounting for transactions that needed to be modified and re-negotiated as the transactions were completed; PDA had a net increase in their equity of 5 million dollars from bringing on the assets of other entities that had been separately reported, namely the buildings and capital accounts of these separate entities; a major change in the financial statements was the ownership transfer of Bush Hotel Manager Inc. to the 501c3 CIDpda which created complications in accounting; the auditors went through an extensive set of testing based on a statistically based sample of items to test, looking at over 200 disbursements; they ran into no issues or problems in their testing; no items were identified as a material weakness or a significant deficiency as a result of that testing; the Auditors explained their Federal Uniform Guidance Report as noting a finding a non-compliance issue regarding a fund distribution that has since been identified and resolved; where the policies and procedures for HUD regulated entities were not as strong as they should have been, SCIDpda staff has since put in place policies and procedures to prevent that occurrence from happening again; the auditors made note of management's corrective action plan which resolved the issue.

5. Board Business

i. Administrative Transition

Maiko introduced Ruth Ann Kurose, who came into the meeting via phone, as another member of the mayor's transition team that David Della is also a part of. David explained Jennie Durkan pulled together 62 people to help in transition. David explained it is an unusual mayoral transition, due to the resignation of the previous mayor Ed Murray, the new mayor Jennie Durkan does not have the normal two month transition period before taking office on November 28, which crunches the transition period from 2 months to 3 weeks; there are co-chairs on the transition team, including Ron Sims, Shefali Ranganathan, and Paul Ambrose; which are 1) Affordability, Displacement, Housing, and Homelessness Committee, 2) Good Government Committee, to establish best practices for establishing an effective government, and David is on this committee; 3) Civil Rights and Criminal Justice Reform, to address youth violence, public safety, alternatives to detention/incarceration, and protect immigrant refugee rights, 4) Environment & Transportation Committee, to address congestion and transportation alternatives, 5) Neighborhoods Equity & Livable Communities, and 6) Education, Economic Opportunity & Jobs Innovations Committee.

Maiko asked what committee Ruth Ann has joined. David explained Ruth Ann is part of the Neighborhoods Equity & Livable Communities Committee.

Maiko asked about Durkan's promise at the candidate forum for the API community in the ID that within the first 100 days that she would call the Chief of Police to move the Donnie Chin case forward. Ruth Ann explained they would pose this issue.

Maiko explained staff is working on a document of items listing issues relevant to SCIDpda's work in the CID; ISRD is the first line of defense against gentrification; public transportation changes in the next 10-15 years, as buses come out of bus tunnel and go on street, and the traffic impact on the neighborhood and air quality; the historic story of the neighborhood and the work of the PDA. Michael Itti mentioned unreinforced masonry and public safety task force as relevant items for Maiko's document. Maiko explained there are other topics relevant to the CID neighborhood that might not be on the list of API issues outside of the neighborhood, including sanitation; business improvement areas; commercial affordability; property owners taking advantage of their lease tenants; homelessness.

6. Adjourn

The meeting was adjourned by Scott Yasui, Board Chair, at 6:52 PM.

SCIDPDA MONTHLY MANAGEMENT REPORT

December 2017

Property Management

Commercial Vacancy as of 11/30/2017

Property	Total Sq Ft	Vacant	Percent Vacant	Month to Month
IDVS 1	86,039	0	0.00%	0
IDVS II	5,899	0	0.00%	0
New Central	20,589	0	0.00%	0
Bush Hotel	28,178	0	0.00%	2094
Jackson	4,918	806	16.39%	0
Portfolio Total	145,623	806	16.39%	2094

Leasing Activity and Property Notes:

We elected not to renew a lease in the Jackson storefront. This is consistent with our strategy to work to bring on tenants that, in our view, help better promote the neighborhood. We have interested parties looking at the space and hope to have a new lease signed soon.

We had a tenant move out of a space on November 15th at IDVSII. A new tenant moved in November 16th so no break in revenue. We are focusing on the one vacancy at Jackson as well as looking forward to the lease renewals in 2018.

Residential Vacancy as of 11/30/2017

	Nov 2017	YTD	2017 Budget
PDA-Owned Properties			
Bush Residential	1.05%	1.18%	3.00%
Domingo Viernes Apartments	0.00%	0.10%	.50%
New Central Apartments	0.00%	1.43%	1.00%
PDA-Managed Properties			
Eastern Hotel	0.00%	1.28%	2.00%
Nihonmachi Terrace	2.04%	4.40%	3.00%
NP Hotel	1.67%	0.51%	3.00%
Jackson Apartments	0.00%	0.62%	1.00%

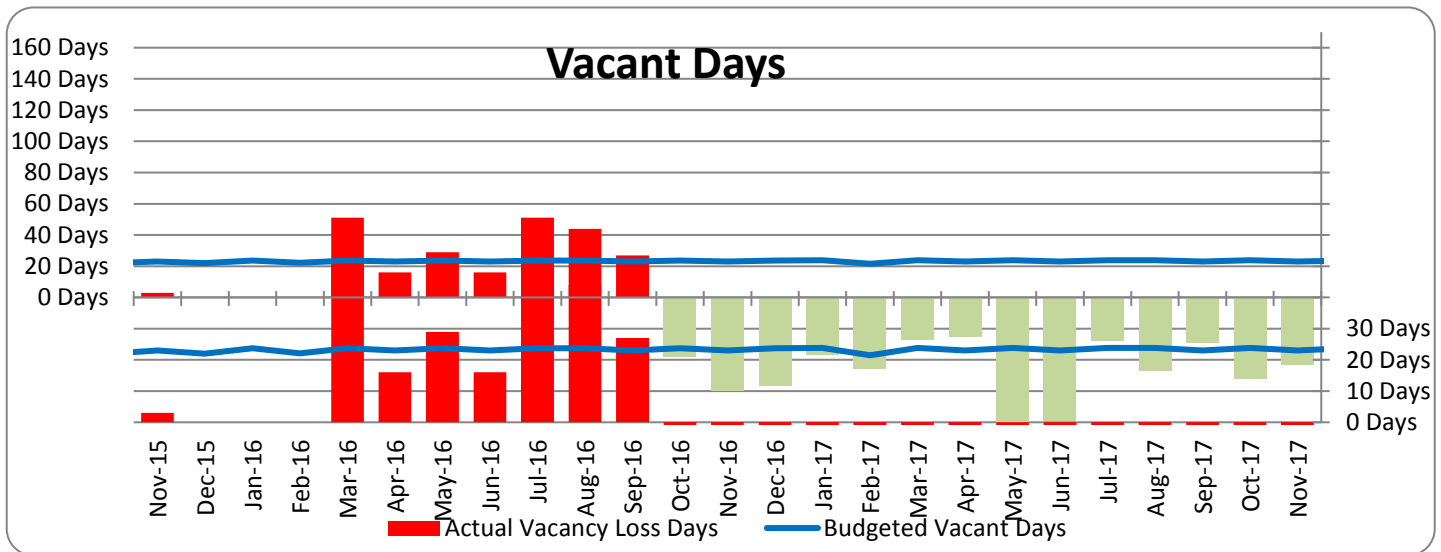
As previously reported, we have been selected to be the property manager for the Louisa Hotel rehab project. Construction started on December 4th and is expected to be ready for occupancy in 15 months.

Senior Services

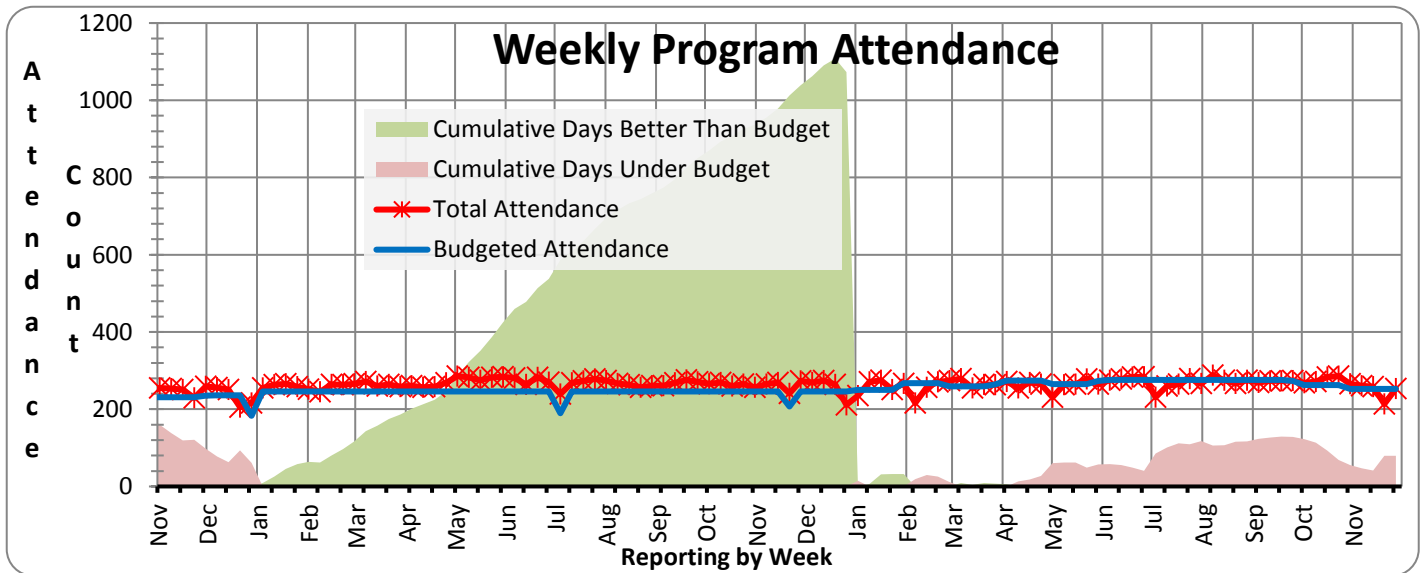
256 days were budgeted for Vacancy Loss through November 2017, with an actual vacancy loss of <501> days making the net vacancy number less than budget through November by 757 days. There have actually been 23 individuals move out of Legacy House through November, which is more than expected. The vacancy loss continues to be a net negative because of quick turn over time to bring on new residents and now 4 rooms occupied by couples.

ADS attendance numbers are not quite reaching budgeted expectations but revenue for ADS is better than budget through October. Earlier in the year, bad weather contributed to lower attendance. Attendance has also been affected by the number of people moving out of assisted living where staff has had to focus on the paperwork to move out/in residents and assessments required. This has taken focus away from getting new ADS clients. However, staff have worked to get clients into a higher acuity which results in higher revenue per client. As a result the budget attendance variance through November is a 79 days below budget but the actual revenue for ADS is positive.

Assisted Living



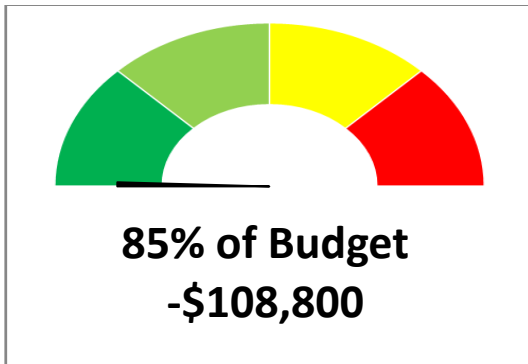
Adult Day Program



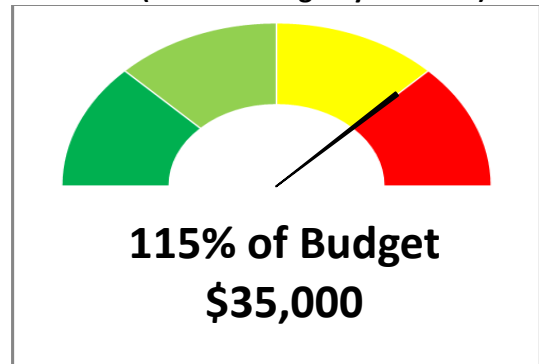
Payroll

Payroll and Benefits Expense actual to budget through November 2017 total \$82.5K under budget, including Properties. The amounts are below budget due to delayed hiring of open positions, budgeted salary increases which were allocated in August and employees opting out of benefits. In July, we received an L&I refund for \$22K that was budgeted at \$30K.

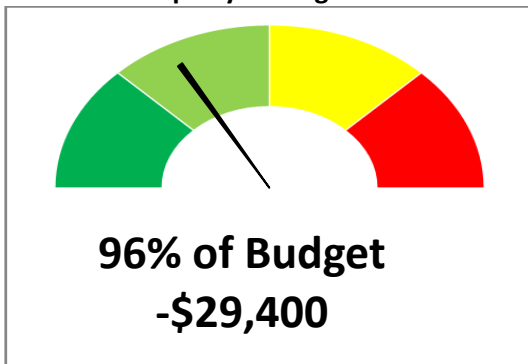
Admin



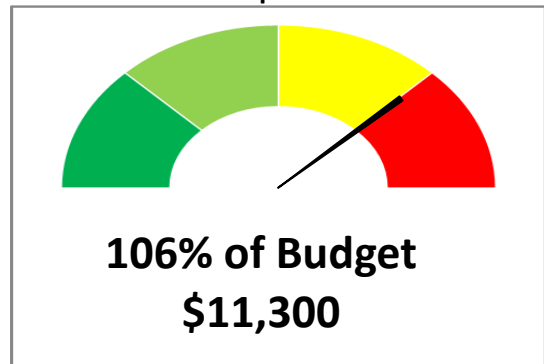
IDEA (Includes Hing Hay Coworks)



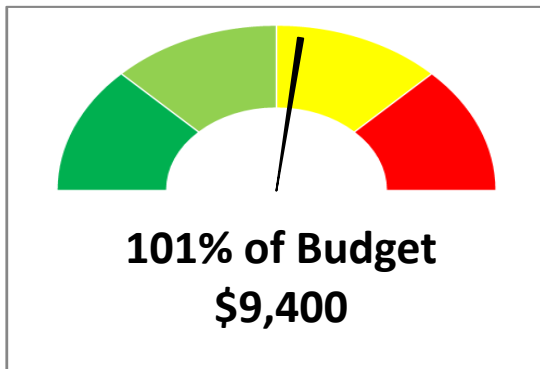
Property Management



Properties



Senior Services



Hing Hay CoWorks Dashboard November 2017

Next Month
Expectation

	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov			YTD Avg			Dec 2017
						Nov-17	Budget	Var	YTD Nov	Budget	Var	Budget
Count of Members (End of Month)	23	25	29	27	28	22	32	(10)	22	32	(10)	33
# at Each Membership Level *												
Day Pass - \$30	2	1	3	3	3	0	7	(7)	0	7	(7)	7
12 Flex-hours - \$55	1	1	1	0	0	0	6	(6)	0	6	(6)	7
24 Flex-hours - \$95	1	1	1	1	1	1	2	(1)	1	2	(1)	2
7 FlexDays \$125 -->> 10 FlexDays \$125	10	8	13	10	12	9	7	2	9	7	2	7
14 FlexDays \$235 -->> 15 FlexDays \$175	0	3	0	1	0	0	3	(3)	0	3	(3)	3
Full Wkday \$345 -->> Full In Flex \$300	1	1	1	1	1	1	1	0	1	1	0	1
Full In \$445 -->> Full-In Fixed \$350	5	7	7	8	8	8	3	5	8	3	5	3
Office Suite - \$600	3	3	3	3	3	3	3	0	3	3	0	3
* New Rates in Bold												
# of Events	3	1	0	0	0	1	N/A		10	N/A		N/A
Total # of Event Attendees	78	312	0	0	0	557	N/A		1051	N/A		N/A
Conversions	1	0	0	0	0	0	N/A		9	N/A		N/A
Revenues												
Membership Revenue	\$6,316	\$6,307	\$6,724	\$6,735	\$7,656	\$5,985	\$5,983	\$2	\$65,500	\$61,284	\$4,216	\$6,032
Other Income	\$1,375	\$599	\$352	(\$812)	\$316	\$2,120	\$125	\$1,995	\$4,720	\$1,375	\$3,345	\$125
Events	\$170	\$170	\$0	\$0	\$1	\$0	\$625	(\$625)	\$851	\$6,875	(\$6,024)	\$625
Sponsorships/Grants/Donations	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$7,500	\$2,500	\$0
Revenues	\$17,861	\$7,076	\$7,076	\$5,923	\$7,973	\$8,105	\$6,733	\$1,372	\$81,071	\$77,034	\$4,037	\$6,782
Avg Rev per Membership	\$812	\$295	\$262	\$212	\$290	\$324	\$224	\$100	\$421	\$311	\$110	\$209

Notes

November Recap

- * Arts& Crafts Fair Nov 25 (5 local events, 557 attendees)
- * Member recruitment activity: 3 Calls, 5 Walk-ins, 2 Emails, 1 Trial Day, 4 Booking
- * Nov memberships decline by 6 due to health and seasonal reasons, will resubscribe in early 2018
- * Received student intern from UW for Business Resource Assistance
- * Rented office for 1 month and is now available
- * Fire extinguisher checked and replaced

December Focus

- * Work on member wall
- * Intern Orientation
- * Work on brochure translation for neighborhood
- * Discuss GSBA membership (how we can help each other)
- * Researching potential partnerships with other business entities
- * Train Intern on tasks and roles
- * Full-in flex campaign for new year (20%off first 2 months)

Q4 Expectations

- * New Brochure
- * Update coworking sites with current information

Resolution 17-12-11-_____

RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

We, the Board of the Seattle Chinatown International District Preservation and Development Authority, approve the 2018 Budget.

Board Chair

Date

Board Secretary

Date

Resolution 17-12-11-__

**RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

We, the Governing body of the Seattle Chinatown International District Preservation and Development Authority ("SCIDpda"), authorize and approve the payoff of the outstanding balance owing on the Settlement Agreement and Release ("Agreement") between SCIDpda and Kiewit Construction Company.

The Agreement was entered into on March 6, 2000 (see attached Agreement). Section 3.2 of the Agreement describes the payment terms. Section 3.2.B stipulates SCIDpda must make an annual payment of \$38,877, interest only, each year through 2026, after which an amount of \$653,405 is due and payable. SCIDpda requested an early payoff of the Agreement. The parties have agreed that SCIDpda will pay \$778,100 which represents the \$653,405 principal balance and \$124,695 in interest. The interest amount is discounted significantly due to early payoff.

The Bond Revenue Account at IDVS1 Commercial has accumulated over \$800,000 in available funds that can be used for early payoff of the settlement. The early payoff amount of this loan will save SCIDpda \$225,203 over the remaining term of the Agreement.

Further, we authorize the Executive Director and/or the Deputy Director to approve the transfer of funds per the attached invoice.

Board Chair

Date

Board Secretary

Date

Resolution 17-12-11-_____

RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

We, the Board of the Seattle Chinatown International District Preservation and Development Authority, approve the slate of officers for 2018.

Board Chair _____

Vice Chair _____

Secretary _____

Treasurer _____

Board Chair

Date

Board Secretary

Date