

SCIDpda Board Meeting Minutes

December 11, 2017

803 S Lane St

Seattle, WA 98104

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

Staff Present: Maiko Winkler-Chin, Vern Wood, Michael Omura, Jamie Lee, Janet Smith, Julie Neilson, Joseph Guanlao, Rachtha Danh, Eliza Chan, Jody Fuentes

1. Call to Order

The meeting was called to order by Scott Yasui, Board Chair, at 5:41 p.m.

2. Board Action & Approval

- a. **Resolution 16-10-12-01:** 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

Moved: David Della
Seconded: Jared Jonson
Board approved unanimously

3. Staff Briefings

ICHS Assumption Agreement

Maiko gave an update of the transition of SCIDpda's Senior Services to ICHS. There is an assumption agreement drafted by an attorney representing ICHS that outlines general terms of requirements in order for ICHS to assume operations of Legacy House and Senior Services. Scott Yasui has stepped away from providing legal counsel for this transaction. The PDA has engaged an attorney who has experience working with assisted living facilities, and who will assist the PDA in drafting a forthcoming revision of Assumption Agreement with ICHS. A third party appraiser will appraise the assets at Legacy House and Senior Services involved in the transaction.

Maiko explained the following items will need board approval in the future: assets and use of premises; leases via concurrence request; bill of sale on the assets; assignment and assumption agreement documenting the specific contracts and agreements that SCIDpda is assigning and ICHS is assuming; a final contract that conveys everything between the parties involved.

Maiko asked if the Board would be interested in forming an Ad Hoc Committee to be involved in the transition of Senior Services to ICHS. Vern explained the committee would be a working committee aiding in the transition of Senior Services to ICHS; the committee would be involved in the process as a decision-making body to progress things forward between board meetings. Scott asked the board who amongst them would have an interest in joining the Ad Hoc Committee, and Jerilyn, Jared, Scott, and Lanzi volunteered themselves to join. Vern asked if the Ad Hoc Committee would have authority to act on the behalf of the board. Scott suggested the ad hoc committee be authorized to review and approve the Assumption Agreement in order for Maiko to sign it, and be able to make decisions on behalf of the SCIDpda board.

Maiko presented a resolution to approve the formation of an ad hoc committee for the transition of Senior Services to ICHS.

- b. **Resolution 16-10-12-02:** We, the Board of the Seattle Chinatown International District Preservation and Development Authority authorize the Ad Hoc Transition Committee of the Board of Directors to act on its behalf regarding the Assumption Agreement with International Community Health Services.

Moved: David Della

Seconded: Casey Huang
Board approved unanimously

3. Presentation & Action

Presentation of 2018 Budget

Wayne presented an overview of the 2017 and 2018 budgets presented at an earlier budget presentation in which Scott, Wayne, David, and Jared had attended. Wayne explained that the organization is on track with the goals in the Strategic Plan. Vern explained that the PDA has and will benefit from new and upcoming organizational activity, including more housing units and options; providing property management for the Louisa; the transition of Senior Services; development projects; high to 100% occupancy rates, rental increases; debt and bond re-financing; salary and wage increases; and positive business results from Hing Hay Coworks, Senior Services, Property Management, and grants and community development projects. Maiko provided copies of the strategic plan with notes of progress and plans from staff. Janet provided a two-page companion summary to budget presentation.

Wayne explained that net operating income is positive, operating expenses are under budget, and fewer employees are opting for benefits. Maiko added that Senior Services made some operational improvements.

Scott asserted that Hing Hay Coworks was a positive use of the previously unused space in the Bush Hotel.

Vern explained that growth in 2017 and 2018 allowed for the accumulation of reserve balances on commercial properties; adding full dental coverage; salaries and wage increases approaching market levels; operating and replacement reserves; and loan payments are down due to debt re-financing; net cash flow is positive 408K

Vern explained the PDA is making payments on its line of credit and not drawing from it. 2017's biggest project was office move which allowed us to rent out to Craft 3; 2018 will see property upgrades to the Bush Hotel's roof and hallway lighting; 2019 will see a property upgrade to a deck in IDVS1 and an upgrade to the PDA's financial systems.

Kiewit Settlement Payoff

Vern explained a previous settlement agreement between SCIDpda and Kiewit Construction Company. \$653,405K at end of 2026, from 2000 to 2026, where the PDA would pay \$38,877 a year. The PDA negotiated for an earlier settlement payment, and both parties agreed to split the interest at \$778,100 as payment on the remaining amount of the loan, equivalent to 6% in interest.

Funds are accumulating in a bond revenue account since a bond re-financing in 2017. Vern read the resolution to the board and opened it to discussion.

- a. **Resolution 16-10-12-03:** 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.

Moved: Jen Reyes
Seconded: David Della
Board approved unanimously

- b. Resolution 16-10-12-04:** We, the Board of the Seattle Chinatown International District Preservation and Development Authority, approve the 2018 Budget.

Moved: Jared Jonson
Seconded: David Della
Board approved unanimously

5. Board Business

a. Election of 2017 Board Officers

Resolution 16-10-12-05: We, the Board of the Seattle Chinatown International District Preservation and Development Authority, approve the slate of officers for 2018.

Board Chair: Jared Jonson
Vice Chair: Michael Itti
Secretary: Casey Huang
Treasurer: Wayne Lau

Moved: Lanzi Li
Seconded: Jennifer Reyes
Board approved unanimously

b. Board Retreat Discussion

Maiko asked the board if they want a board retreat. Jared suggested taking a Saturday. Maiko said sent an online poll, aiming for a date in early March.

6. Adjourn

The meeting was adjourned by Scott Yasui, Board Chair, at 6:55 p.m.