

BOARD MEETING AGENDA

Wednesday, August 17, 2022

12:00 – 12:55 pm



Virtual:
<https://us02web.zoom.us/j/88609861641?pwd=VThPbGMzb1lGaWhkYjVEWUo1VnptQT09>

WoiVnptQT09Meeting ID: 886 0986 1641Passcode: 306267+12532158782,,88609861641#+16699006833,,88609861641#

Due to the extraordinary public health circumstances related to the ongoing COVID-19 (coronavirus) outbreak, participation in this meeting will be telephonic. All board members will participate remotely, as will any members of the public who wish to attend.

12:00	Action	1. Call to Order – Mindy Au Agenda Approval Public Comment – <i>public may sign up to address the board for up to 2 minutes on matters on this agenda</i>
12:02	Approval	2. Consent Agenda Resolution <ul style="list-style-type: none"> • Approve July Meeting Minutes • Approve August Concurrence Requests
12:05	Discussion/ Approval	3. North Lot Development Project <ul style="list-style-type: none"> • Approve Omnibus Resolution - Josh Park • Approve North Lot GP Capital Contribution Resolution - Josh Park • Approve Post Issuance Tax Compliance Policy – Jamie Lee
12:20	Discussion/ Approval	4. Board Business <ul style="list-style-type: none"> • Committee Updates <ul style="list-style-type: none"> • Transition Committee – Tiernan Martin/Miye Moriguchi • Community Initiatives – Lisa Nitze • Board Recruitment – Mindy Au • Change to Board Schedule – Mindy Au <ul style="list-style-type: none"> • September meeting change – add additional hour to agenda • Good of the Order – Mindy Au
12:55	Action	5. Adjourn – Mindy Au

Resolution 22-08-17-01

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 July Meeting Minutes
- Approve August Concurrence Requests

Board President

Date

Board Secretary

Date

SCIDpda Board Meeting Minutes

July 19, 2022

Virtual:

<https://zoom.us/j/88609861641>

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The July 2022 SCIDpda board meeting was hosted virtually via a Zoom conference.

Board Present (via Phone Conference Call-in): David Della, Jerilyn Young, Casey Huang, Cindy Ju, May Wu, Elliot Sun, Wayne Lau, Miye Moriguchi

Staff Present: Vern Wood, Jamie Lee, Jared Jonson, Jody McCorkle, Julie Yuan, Janet Smith

Guest Present: Steven Judd, Joe Simmons, Jenny Gebhart

1. Call to Order

The meeting was called to order by Casey Huang, Board Vice Chair, at 05:31 PM.

Public Comment – public may sign up to address the board for up to 2 minutes on matters on this agenda. No public comments were submitted to the board.

2. Consent Agenda Resolution

Resolution 22-07-19-01: We, the Board of the Seattle Chinatown International District Preservation and Development Authority Board, via consent agenda:

- Approve June Meeting Minutes including Special Sessions on 6/29 and 6/30
- Accept June Expenditure Reports
- Accept Q2 Dashboard Reports
- Approve July Concurrence Requests

Moved: Elliot Sun

Seconded: Jerilyn Young

Board Approved: David Della, Jerilyn Young, Casey Huang, Cindy Ju, May Wu, Elliot Sun, Wayne Lau

Abstained: 0

Absent: Miye Moriguchi, Mindy Au, Aileen Balahadia, Phillip Sit, Lisa Nitze, Tiernan Martin

Resolution was approved.

3. Presentation of 2021 Annual Audit – Steven Judd/Jenny Gebhart

- Steven Judd and Jenny Gebhart presented the 2021 Annual Audit and answered board member questions.

Resolution 22-07-19-02: We, the Seattle Chinatown International District Preservation and Development Authority Board of Directors, accept the 2021 Audit Report as presented.

Moved: May Wu

Seconded: Cindy Ju

Board Approved: David Della, Jerilyn Young, Casey Huang, Cindy Ju, May Wu, Elliot Sun, Wayne Lau

Abstained: 0

Absent: Miye Moriguchi, Mindy Au, Aileen Balahadia, Phillip Sit, Lisa Nitze, Tiernan Martin

Resolution was approved.

4. Board Business

- Committee Updates
 - Finance Committee – May Wu
 - May Wu outlined the finance committee resolutions for board approval.
- Resolution to Payback Impact Capital Loan

Resolution 22-07-19-03: We, the Governing body of the Seattle Chinatown International District Preservation and Development Authority (SCIDpda), authorize staff to amend the North Lot predevelopment loan agreement to increase the amount loaned by \$1,000,000 whereby SCIDpda will loan up to \$3,500,000 to the North Lot project at 3% interest...

Moved: May Wu

Seconded: Wayne Lau

Board Approved: David Della, Jerilyn Young, Casey Huang, Cindy Ju, May Wu, Elliot Sun, Wayne Lau

Abstained: 0

Absent: Miye Moriguchi, Mindy Au, Aileen Balahadia, Phillip Sit, Lisa Nitze, Tiernan Martin

Resolution was approved.

- Resolution to Amend Incentive Plan

Resolution 22-07-19-02: We, the Board of SCIDpda, authorize and approve this amendment to the incentive compensation plan for 2022 as outlined above.

Moved: Cindy Ju

Seconded: May Wu

Board Approved: David Della, Jerilyn Young, Casey Huang, Cindy Ju, May Wu, Elliot Sun, Wayne Lau

Abstained: 0

Absent: Miye Moriguchi, Mindy Au, Aileen Balahadia, Phillip Sit, Lisa Nitze, Tiernan Martin

Resolution was approved.

- Resolution to Increase Compensation

Resolution 22-07-19-05: We, the Board of SCIDpda, recognize and value SCIDpda's skilled and committed staff, acknowledge the current economic situation and unusually high inflation that this staff is facing, and thereby wish to authorize a 5% salary increase effective July 25, 2022 for all permanent employees as of said date.

Moved: Wayne Lau

Seconded: Jerilyn Young

Board Approved: David Della, Jerilyn Young, Casey Huang, Cindy Ju, May Wu, Elliot Sun, Wayne Lau

Abstained: 0

Absent: Miye Moriguchi, Mindy Au, Aileen Balahadia, Phillip Sit, Lisa Nitze, Tiernan Martin

Resolution was approved.

- Transition Committee – Cindy Ju
 - Cindy Ju gave an update on transition committee and executive director search progress.
- Community Initiatives – Jerilyn Young
 - Jerilyn Young gave an update on fundraiser progress.
- Board Recruitment – Jerilyn Young
 - Jerilyn Young asked board members to help in recruiting additional board members before the end of 2022
- Change to Board Schedule – Casey Huang
 - December meeting change to December 13, 2022 at 5:30 pm
 - Casey Huang updated board members of change to board meeting date.
- Good of the Order – Casey Huang

5. Adjourn

The meeting was adjourned by Casey Huang, Board Vice Chair, at 06:41 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.*

August 2022 Items

Property Operations –

Community Initiatives –

\$55,125 – Protection Seattle: This is the second payment to security film company Protection Seattle to install protective film to CID small business windows and doors. We are anticipating one more invoice from the contractor in late summer/early fall when this first round of ~50 businesses gets their film. SCIDpda, as part of the CID Biz Relief Team, received a \$250,000 grant in 2022 to do this work. We will be opening up the second round of security film installation this fall for additional businesses.

\$20,000 – SCIDpda received a grant from Historic South Downtown to help us finish a few major lighting improvement projects in the CID. These projects include lighting the stone lantern at Kobe Terrace Park, the pavilion at Hing Hay Park, and two dragon sculptures near Uwajimaya.

**SUPPLEMENTAL RESOLUTION OF
SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND
DEVELOPMENT AUTHORITY,
A WASHINGTON PUBLIC CORPORATION
(North Lot)**

RESOLUTION NO. 22-08-17-02

BACKGROUND

WHEREAS, Seattle Chinatown-International District Preservation and Development Authority, a Washington public corporation (“*SCIDpda*”), is organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755, and Seattle Municipal Code Ch. 3.110;

WHEREAS, the Board of SCIDpda previously adopted Resolution No. 22-06-15-02 (the “*Prior Resolutions*”) in connection with the development of the Project;

WHEREAS, all capitalized terms used, but not defined herein, shall have the meanings set forth in the Prior Resolutions;

WHEREAS, pursuant to the Prior Resolutions, the Board authorized SCIDpda and the Partnership to apply for, and obtain financing from, various private and public sources in furtherance of the Project;

WHEREAS, SCIDpda has applied for grant funds from Amazon.com, Inc. (“*Amazon*”) and Amazon or its affiliate intends to make an award to SCIDpda in the approximate amount of \$3,000,000 (the “*Amazon Funds*”), or such higher or lower amount as an Authorized Representative deems reasonably necessary or advisable, the proceeds of which will be loaned by SCIDpda to the Partnership (the “*Sponsor Amazon Loan*”) or contributed by SCIDpda to the Partnership (the “*GP Amazon Contribution*”); and

WHEREAS, SCIDpda, in its applicable Capacities, desires to take such steps as are reasonably necessary or advisable to (i) ratify and affirm its prior actions taken in connection with the acquisition, predevelopment, development and financing of the Project; and (ii) obtain and make available to the Partnership the Amazon Funds in furtherance of the Project.

RESOLUTIONS

NOW, THEREFORE, BE IT RESOLVED by the Board of SCIDpda as follows:

- (1) All actions taken by SCIDpda, in its applicable Capacities, in connection with the predevelopment, financing and development of the Project are hereby ratified and affirmed.
- (2) That SCIDpda, in its applicable Capacities, is authorized, empowered, and directed to negotiate, execute and deliver any and all such documents, and to perform the obligations of SCIDpda and/or the Partnership, as may be necessary or advisable to close on the Amazon Funds and Sponsor Amazon Loan (or, in the alternative, make the GP Amazon Contribution), such documents including, but not limited to, a Grant Agreement, Affordable Housing Covenant, Deed of Trust, Promissory Note, and such other documents as may be required or advisable to close on the Amazon Funds and Sponsor Amazon Loan.
- (3) That any and all documents hereby authorized to be executed on behalf of SCIDpda, in its

applicable Capacities, are authorized to be executed or taken by any one of the following individuals, acting alone, or their duly appointed successors (the “***Authorized Representatives***”):

Veronica Wood, Interim Executive Director

Mindy Au, Board President

- (4) All actions previously undertaken by SCIDpda, in its applicable Capacities, in furtherance of the foregoing are hereby ratified and affirmed.

[Certificate Follows]

CERTIFICATE

I, _____, certify that I am the _____ of Seattle Chinatown-International District Preservation and Development Authority (“Corporation”) and that the foregoing Resolutions were duly adopted at a meeting of the Board of the Corporation held on _____, 2022, in accordance with the Charter and Rules and Regulations of the Corporation upon proper notice and at which time a quorum was present and that the above named officers are officers of the Corporation and occupy the position set opposite their name.

Dated _____, 2022

By: _____

Name: _____

Title: _____

Resolution 22-08-17-03

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 SCIDpda to commit up to \$3,500,000 as General Partner capital to fund the core and shell of the 25,000 square foot commercial space at the North Lot site.

This money was previously authorized as a predevelopment loan accruing interest at 3% and will be paid back upon closing of the construction loan financing for the project. Due to the withdrawal of AiPACE as partner to this project, SCIDpda will reinvest these funds into the project in order to ensure closing of the financing and continuation of the project.

FURTHER RESOLVED that any and all documents hereby authorized to be executed on behalf of SCIDpda are authorized to be executed by the Interim Executive Director Veronica Wood or her designee (the "Authorized Representative").

FURTHER RESOLVED that the Authorized Representative is authorized, empowered and directed to execute and deliver all documents and furnish all materials necessary to complete the amendment to the loan, and that any previous execution and delivery or furnishing of documents and materials by the Authorized Representative in furtherance of the foregoing is hereby authorized, confirmed and ratified.

Board President

Date

Board Secretary

Date

Resolution 22-08-17-04

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 attached Post Issuance Tax Compliance Policy related to bond issuance and compliance.

Board President

Date

Board Secretary

Date

SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY POST-ISSUANCE TAX COMPLIANCE POLICY

This Post-Issuance Tax Compliance Policy (the “Policy”) addresses the federal tax requirements applicable to the Seattle Chinatown International District Preservation and Development Authority (“SCIDpda”) and its tax-advantaged governmental bond issues.¹ The purpose of this Policy is to improve SCIDpda’s ability to:

- Identify its obligations under applicable statutes, regulations, and other authorities associated with tax-exempt obligations of SCIDpda.
- Identify the individual(s) responsible for monitoring compliance.
- Prevent violations of federal tax requirements.
- Timely identify potential violations when they occur.
- Correct any violations through appropriate remedial steps.
- Retain appropriate documentation with respect to each bond issue.

The Responsible Officer is responsible for ensuring that SCIDpda adheres to the Policy and maintains proper compliance checklists and records. References in this Policy to the “Responsible Officer” mean SCIDpda’s Executive Director or another officer or employee designated in writing by the Executive Director.

Federal Tax Law Requirements

1. *Governmental vs. Conduit Transactions.* SCIDpda may issue bonds to finance projects to be owned and operated by SCIDpda (generally, “Governmental Bonds”) or to finance loans to conduit borrowers for eligible tax-exempt projects (generally, “Conduit Bonds”). Governmental Bonds and Conduit Bonds are subject to a variety of requirements under the Internal Revenue Code of 1986, as amended (the “Tax Code”), and the related Treasury Regulations. Each conduit borrower will be provided a copy of this Policy. By issuing Conduit Bonds with SCIDpda, each conduit borrower is agreeing to undertake the steps outlined herein.

2. *Use of Proceeds.* Under the Tax Code, tax-advantaged bonds have restrictions on the use of bond proceeds. For both Governmental Bond and Conduit Bond issues, SCIDpda will work with bond counsel (and the conduit borrower, if applicable) to confirm that all applicable requirements of the bond issues are reasonably expected to be met as of the bond issuance date.

¹ As used in this Policy, references to “bonds” and “securities” include bonds, lines of credit, bond anticipation notes, and equipment and other financing leases that are issued on a tax-exempt or tax-advantaged basis.

a. *Governmental Bonds.*

- i. The Responsible Officer, in consultation with the construction project manager, is responsible for reviewing the bond transcript—in particular, the authorizing documents and the tax certificate or certificates (the “Tax Certificate”)—as well as invoices and other expenditure records to verify that SCIDpda spends the bond proceeds on authorized project costs.
- ii. The Responsible Officer, in consultation with bond counsel, may prepare a final allocation of bond proceeds and other funds to project costs no later than 18 months after the latter of the date of expenditure or the date that SCIDpda places the project in service (but in no event more than five years after the date of issue).
- iii. The Responsible Officer should review and document any change in the scope of the project financed with bond proceeds.
- iv. The Responsible Officer should discuss with bond counsel and document any delay in completion of the bond-financed project and the expected expenditure of bond proceeds.
- v. Interest earnings on bond proceeds are considered proceeds of the issue. The Responsible Officer will maintain records of the amount and the expenditure of interest earnings.
- vii. If unspent bond proceeds remain at the completion of the project, the Responsible Officer, conferring with bond counsel, will direct application of the excess proceeds for permitted uses under federal tax law, state law, and the bond authorization documents.

b. *Conduit Bonds.* For Conduit Bonds, the conduit borrower is obligated to monitor bond expenditures and to retain records related to the bond-financed project. The conduit borrower will provide a Borrower’s Tax Certificate, Use of Proceeds Certificate or similar documentation at bond issuance that sets forth the borrower expectations with respect to the bond-financed project. The conduit borrower will take the steps outlined in (a) above.

c. *Refundings.* SCIDpda may issue bonds to refund or refinance prior obligations. On the redemption date, the Responsible Officer will confirm that the refunded bonds have been redeemed and canceled. Promptly following the redemption date, the Responsible Officer will confirm that all proceeds of the bonds have been expended.

2. *Investment Limitations.* Tax-advantaged bond funds may be subject to limitations on investments, otherwise known as arbitrage and rebate restrictions. The Tax Certificate executed in connection with a bond issue details the arbitrage and rebate requirements applicable to such issue. As set forth in the Tax Certificate, the bond funds may be subject to a restriction on the investment yield and/or to payment of rebate amounts to the federal government.

a. *Rebate Monitor.* In order to ensure compliance with SCIDpda's arbitrage and rebate obligations, a rebate analyst or consultant (the "Rebate Monitor") will be hired for each bond issue unless bond counsel advises that no Rebate Monitor is necessary. For Conduit Bonds, the conduit borrower will be responsible for hiring a Rebate Monitor.

b. *Fiscal Agent or Trustee.* A fiscal agent or trustee (the "Fiscal Agent") will hold the following funds in connection with each bond issue: bond or debt service funds/accounts; project or construction funds/accounts; debt service reserve funds/accounts; any other funds or accounts with bond proceeds; and any other accounts holding amounts pledged to pay bonds.

c. *Computation and Payment.* The Responsible Officer will work with the Fiscal Agent and Rebate Monitor to timely calculate and pay rebate.

i. At three years after the bond issuance or upon expenditure of all bond proceeds, whichever is earlier, the Rebate Monitor will be retained to determine if any exceptions to rebate and yield restriction are met.

ii. If rebate is due, the first rebate payment is due five years after the date of issue of the bonds plus 60 days. Rebate is due every succeeding five years, if there are unspent gross proceeds of the bonds. The final rebate payment is due 60 days after early redemption or retirement of the bonds.

iii. If rebate is due, the Responsible Officer will work with the Rebate Monitor or bond counsel to prepare and file a Form 8038-T or equivalent with the IRS.

d. *Conduit Bonds.* For Conduit Bonds, it is SCIDpda's policy that the conduit borrower is obligated to compute and pay rebate as described above. The Responsible Officer will work with conduit borrowers to execute and file any Form 8038-T or other correspondence with the IRS, as needed.

3. *Use of the Facilities Financed with Governmental Bonds.* In order to maintain the tax-advantaged status of Governmental Bonds, the financed facilities (projects) must be used for governmental purposes during the life of the issue. IRS regulations prohibit use by private parties in a trade or business (including the federal government) of tax-exempt financed facilities beyond permitted *de minimis* amounts, unless cured by a prescribed remedial action.

At least annually, the Responsible Officer will:

a. Confer with personnel responsible for bond-financed projects to discuss any existing or planned use of bond-financed or refinanced facilities.

b. Review all leases and other contracts involving use or management of bond-financed property. Arrangements to be reviewed include:

i. Sale of all or a portion of the facilities.

- ii. Lease or sublease of all or a portion of the facilities (excluding residential tenant leases in a multifamily facility).
 - iii. Management or service contracts (e.g., a cafeteria, apartment management or parking operator) with respect to the facilities.
 - iv. Preference arrangements granting a third party preference or priority rights to use of the facilities (e.g., preference parking in a public parking lot).
 - v. Entering into contracts giving “special legal entitlement” to the facilities (e.g., selling advertising space or naming rights).
 - vi. Other similar arrangements with respect to use or benefit of the facilities.
- c. If the Responsible Officer identifies any potential private use, consult with bond counsel to determine whether private use will adversely affect the tax-exempt status of the issue.
- d. If recommended by bond counsel, take remedial action or make a submission to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”).

4. *Use of the Facilities Financed with Conduit Bonds.* In Conduit Bond financings, the conduit borrower is responsible for complying with any on-going federal tax requirements with respect to the bond-financed projects.

a. *Qualified 501(c)(3) Bonds.* Facilities financed with proceeds of qualified 501(c)(3) bonds are subject to private use restrictions, and conduit borrowers of qualified 501(c)(3) bonds are responsible for monitoring private use as described in section 3 above.

b. *Exempt Facility Bonds.* If the project is a qualified multifamily housing project, the conduit borrower will enter into a regulatory agreement with SCIDpda. The Responsible Officer will monitor the conduit borrower’s compliance with the regulatory agreement for the term of the regulatory agreement, including the filing of any required forms with the IRS.

5. *Reissuance.* A significant modification of the bond documents may result in bonds being deemed refunded or “reissued.” SCIDpda will consult with bond counsel prior to modification of any bond documents.

6. *Records Retention.* SCIDpda will retain records with respect to matters described in this Policy for the life of the bond issue (and any issue that refunds the bond issue) and a period of three years thereafter. Unless otherwise specified, the Responsible Officer will maintain the records. The records SCIDpda will retain include:

a. The complete bond transcript prepared by bond counsel. The transcript will generally contain a full record of the proceedings related to the issuance, including: proof of filing an IRS Form 8038 or 8038-G, if applicable, and the Tax Certificate with respect to the bonds.

b. Records demonstrating compliance with arbitrage and rebate requirements, including arbitrage calculations, documentation of spending exceptions to rebate, arbitrage rebate reports prepared by the Rebate Monitor, and records of investment of bond proceeds prepared by the Fiscal Agent.

c. Copies of all records noting compliance with this Policy, including any filings or correspondence with the IRS or other regulatory body, including copies of all certificates and forms filed with the IRS (e.g., for payment of arbitrage rebate).

d. For Governmental Bonds:

- i. Records of expenditure of bond proceeds in a format showing the amount, timing, and the type of expenditure, including records of invoices or requisitions, together with supporting documentation showing payee, payment amount and type of expenditure, and such other records as necessary to document the allocation of bond proceeds and other sources of funds to particular projects or portions of projects.
- ii. Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds.
- iii. Copies of all contracts relating to ongoing compliance with respect to the bonds, including contracts relating to the use of the bond-financed facilities as described in section 3 above.

7. *Training.* If SCIDpda has Governmental Bonds outstanding, the Responsible Officer will work with bond counsel to provide tax-compliance training to appropriate officers and employees. Such training may include review of written materials, in-house training sessions, seminars conducted by professional organizations (e.g., GFOA) or conferences with bond counsel.