

C.F.# 290977

35MM

EXPENSES

Salaries with related costs	\$18,792		
Office expense	1,969	41	
Insurance - estimate	454		
Printing, notices	457	1,598	
Photography	18	3	
Travel	38	3	
Meetings, conferences	54		
Consultants, p.r.			
Consultants, Other		550	
Consultant, A/E	180		
Legal	3,486		
Accounting	4,565		
Maintenance, utilities	706		
Interest expense	2,780		
Other	483	479	
Total	\$33,884	\$2,674	

INCOME

Rental income			
Interest	(9,533)		
Donations	500		
Memberships		(325)	
CETA Reimbursements			
Miscellaneous	(150)	(405)	
Total	(10,183)	(730)	

	General Operations	Community Relations	SI M
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CETA Reimbursements			
Miscellaneous	(150)	(405)	
Total	(10,183)	(730)	

STATEMENT OF INCOME AND EXPENSES - OPERATIONS AND DEFERRED P
 Second Quarter, 1981

Good Shepherd Management	Good Shepherd Operations	Ruggles Building (Deferred)	Ankeny House (Deferred)	Good Shepherd (Deferred)
	\$17,791			
	181			
	2,227	461	75	
			31	
3	94			
56		20		
		2,760		
1,703		3,318		
284		2,058	346	
	1,800			
	11,885		138	
		11,598	768	
	973	290		
\$2,046	\$34,951	\$20,505	\$1,358	
	(1) (38,320)	(964)		
	(2) (1,000)			
	(13,329)			
	(272)			
	(52,921)	(964)		

DEFERRED PROJECTS

d)	Good Shepherd (Deferred)	Total 2nd Quarter	Total Year To Date
		\$36,583	\$76,992
		2,191	3,577
		3,219	6,417
		2,055	2,351
		52	284
		138	317
		130	265
			368
		3,310	4,117
		5,101	5,101
		6,174	7,174
		6,365	6,530
		12,729	23,812
		15,146	24,212
		2,225	2,846
		\$95,428	\$164,363
		(39,284)	58,145
		(9,533)	21,752
		(1,500)	5,000
		(325)	755
		(13,329)	18,984
		(827)	1,116
		(64,798)	(105,752)

Other

Total

	483	479	
	\$33,884	\$2,674	\$2
INCOME			
Rental income			
Interest	(9,533)		
Donations	500		
Memberships		(325)	
CETA Reimbursements			
Miscellaneous	(150)	(405)	
Total	(10,183)	(730)	

Estimated Gain on sale Ankeny House

- 1) Includes \$8,679 receivable from Factory of Visu
- 2) Cost and off-setting donation of landscaping pr

	973	11,598 290	768
\$2,046	\$34,951	\$20,505	\$1,358
	(1) { 38,320	(964)	
	(2) (1,000)		
	(13,329)		
	(272)		
	(52,921)	(964)	

Visual Art.

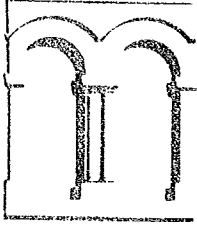
ng project sponsored by Seattle Garden Club.

	2,225	2,846
	\$95,428	\$164,363
	(39,284)	58,145
	(9,533)	21,752
	(1,500)	5,000
	(325)	755
	(13,329)	18,984
	(827)	1,116
	(64,798)	(105,752)

(7,012)
71,810

(7,012)
112,764

CS# 290977



Historic Seattle

Preservation and Development Authority

215 Second Avenue South Seattle, Washington 98104 (206) 622-6952

COUNCIL MEMBERS

Alan Black
Barbara Buck
A.O. Bumgardner
Katharine M. Buillitt
Mary Bundy
Robert Bunting
Jean Burman
Phyllis Boyker
Zeida S. Foxall
Gary Gaffner
Howard Robbins
George Wade

Executive Director:
Lawson A. Elliott

BOARD OF ADVISORS

Ralph Anderson
A. Stewart Ballinger
Catherine B. Brownell
Brewster C. Denny
Deborah Emory
Victor Gray
C. David Hughbanks
David Ishii
Paul H. Kirk
Geraldine Lucks
Mrs. Frederick M. Mann
Louis Michaelson
Pierce Milholland
John S. Robinson
Frank Soderling
Hoge Sullivan
Wesley C. Uhlman

DATE 9/28/81

TRANSMITTAL MEMORANDUM

TO: City Comptroller
101 Municipal Building
600 4th Avenue
Seattle, WA 98104

ITEM Minutes & Agendas of Quarterly Meetings
for 1/13/81, 4/7/81, 9/22/81.

SUBJECT Constituency

REMARKS _____

FROM Cindy Hughes

FILED
CITY OF SEATTLE

'81 SEP 29 PM 11:12

COMPTROLLER AND CITY CLERK

AGENDA

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY
Constituency Meeting
September 22, 1981
Pike Place Market PDA Conference Room

- I. Approval of April minutes.
- II. Director's Progress Report.
- III. Appointment of Constituency Nominating Committee.
- IV. Comments from the Public.

PROGRAM: Panel Discussion "Preserving Seattle's Past -
An Update."

Participants:

Howard Lovering - Pacific Museum of Flight
Lawson Elliott - Historic Seattle PDA
John Clise - Pike Place Market PDA
James Warren - Museum of History & Industry
Katharine Bullitt - Northwest Seaport

MINUTES

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY
Constituency Meeting
September 22, 1981
Pike Place Market PDA Meeting Room

Meeting was called to order by HSPDA Council President
Barbara Buck.

- I. The minutes of the April 7, 1981 Constituency Meeting were distributed, read, and approved as read.

Motion: Gary Gaffner/Howard Robbins
"To approve April minutes."

Motion carried unanimously.

- II. Executive Director Al Elliott presented a progress report.

- a) Good Shepherd Center - A new Advisory Board has been formed to advise Historic Seattle's Council on long-range plans for the Center. A federal grant has been received to improve the upper floors for tenancy. The new boiler is in place and being calibrated. There are two new tenants at the Center, Greenpeace Seattle and Perkins Elementary School. The Seattle Garden Club has given the Center a \$5,000 grant for relandscaping of the grounds.
- b) Ruggles Building - We are still attempting residential development. Everything is in place except for the first mortgage.
- c) Tulip and Historic Towns Tour - held in April, a successful tour of the Skagit Valley.
- d) English Country Towns Tour - leaves October 9th, there is still room for a few more people.
- e) Pioneer Square - currently negotiating on the purchase of a Pioneer Square area building for development as Single Room Occupancy housing. We are working in conjunction with the Seattle Housing Resources Group on this project.

III. Nominating Committee - The function of the Constituency's nominating committee was explained and two names were suggested.

- 1) Ted Hoppin (Pioneer Square property owner)
- 2) Hoge Sullivan (HSPDA Advisory Board member)

Nominations were solicited from the floor. None were given. A third name was suggested by Mrs. Buck.

- 3) Frank Soderling (Advisory Board member, former Council member.)

Motion: Howard Robbins/Bob Bunting
"To approve a Constituency Nominating Committee made up of Ted Hoppin, Hoge Sullivan, and Frank Soderling."

Motion carried unanimously.

IV. Mr. Elliott called for any further comments from the public.

Business meeting adjourned by Mrs. Buck.

PROGRAM: "Preserving Seattle's Past; An Update" Individual reports followed by round-table discussion with the following participants:

James Warren - Director, Museum of History & Industry
Katharine Bullitt - Boardmember, Northwest Seaport
John Clise - Executive Director, Pike Place PDA
Howard Lovering - Director, Pacific Museum of Flight
Lawson Elliott - Executive Director, Historic Seattle

Wes Uhlman served as moderator for the discussion.

ACENDA

Historic Seattle Quarterly Meeting
4/7/81
Lakeside Middle School

- I. Announcements
 - A. Tulip & Historic Towns Tour
 - B. English Country Towns Tour
- II. Progress Report
- III. Old Business
- IV. New Business

Speaker: James Twomey, Executive Director, Seattle
Housing Resources Group.

MINUTES

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

Constituency Meeting

January 13, 1981
The Northwest School

- I. The minutes of the October 15th quarterly meeting were distributed, read and approved as read.

Motion: Kay Bullitt/Doris Brower
"To approve October minutes."

Motion carried unanimously.

- II. Al Elliott, the Executive Director of Historic Seattle gave a progress report covering the same points as his Director's Report in the January newsletter.

- III. David Ishii of the Constituency's nominating committee gave a explanation of the selection process and a recommendation of George Wade as the Constituency's appointee to the Council.

Motion: Mia Mann/Deborah Emory
"Nominations be closed."

Motion carried unanimously.

Motion: Kay Bullitt/Frank Soderling
"George Wade be Constituency appointee."

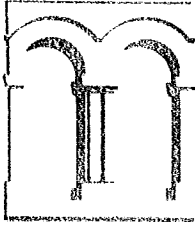
Motion carried unanimously.

- IV. There was no additional business.

- V. Motion: David Ishii/Frank Soderling
"Adjourn business meeting."

Motion carried unanimously.

PROGRAM: Kemp Hiatt, developer of the old Summit School, and Paul Raymond, director of the Northwest School which now occupies the building, spoke on the building's renovation and led a tour of the school.



Historic Seattle

Preservation and Development Authority

215 Second Avenue South Seattle, Washington 98104 (206) 622-6952

DATE 9/25/81

COUNCIL MEMBERS

Alan Black
Barbara Buck
A.O. Bumgardner
Katharino M. Bullitt
Mary Bundy
Robert Bunting
Jean Burman
Phyllis Boyker
Zelda S. Foxa!!
Gary Gaffner
Howard Robbins
George Wade

Executive Director:
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C. David Hughbanks
David Ishii
Paul H. Kirk
Geraldine Lucks
Mrs. Frederick M. Mann
Louis Michaelson
Pierce Millholland
John S. Robinson
Frank Soderling
Hoge Sullivan
Wesley C. Uhlman

TRANSMITTAL MEMORANDUM

TO: City Comptroller
101 Municipal Building
600 4th Avenue
Seattle, WA 98104

ITEM 9/9/81 Council Meeting Agenda
6/10/81 Council Meeting Minutes

SUBJECT Council Records

REMARKS _____

FROM Cindy Hughes

FILED
CITY OF SEATTLE
'81 SEP 28 AM 10:40
COMPTROLLER AND CITY CLERK

FILED
CITY OF SEATTLE

'81 OCT 13 PM 1:24
MINUTES

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY
COMPTROLLER AND CLERK Meeting
9/9/81

In Attendance:

Council

Barbara Buck
Alan Black
Mary Bundy
Phyllis Boyker
Gary Gaffner
Kay Bullitt
Jean Burman
George Wade
Howard Robbins

Staff

Al Elliott
Cindy Hughes
Sandi Tollefsei.
Yale Lewis

Meeting called to order by Chairperson Barbara Buck at 8:10 a.m.

Council Member

A. O. Bumgardner was suggested as the successor to Council member Benjamin McAdoo, who passed away in June.

Motion: Phyllis Boyker/Alan Black
"To elect A.O. Bumgardner to the Council to fulfill the unexpired term of Benjamin McAdoo."

Motion carried unanimously.

Minutes

The June and July minutes, which had been mailed to each member, were approved as read.

Motion: Phyllis Boyker/Jean Burman
"To approve June and July minutes."

Motion carried unanimously.

Bank Resolution

\$30,000 has been borrowed from First Interstate Bank (Wallingford Branch). This is financing for the Boiler, a five year term at 14% interest. Alan Black asked if the interest would be charged to operating expenses for the Good Shepherd

PAGE 2
HSPDA COUNCIL MINUTES
9/9/81

Center. Al Elliott said that it would be.

Motion: George Wade/Alan Black
"To adopt First Interstate Bank Resolution."

Motion carried unanimously.

Howard Robbins arrived at this point.

Good Shepherd Center Advisory Board

According to the applicable resolution, the appointing authority of the Good Shepherd Center Advisory Board is the HSPDA Council. Additional members of the Board will be approved as suggested. Alan Black asked if Al Elliott had personally met all members of the proposed Board. Yes. Mr. Black asked how often the group met. They meet once a month and are responsible for long-range planning. The tenants have requested more representation on the Board than the two persons allowed now. The Council feels that the two allowed now is adequate representation. Howard Robbins asked who the tenant representatives are. Dan Pederson (Senior Center) and Robin Hopkins (Pacific Northwest Ballet). The new board can now replace the old one. It in turn will recommend two additional members. Gary Gaffner asked about the procedure for removal of members. The power of appointment is the power of removal, therefore the responsibility lies with the HSPDA Council. The Council is not just confirming the members of the Board but are actually appointing them.

Motion: Kay Bullitt/George Wade
"To approve members of the Good Shepherd
Advisory Board."

Motion carried unanimously.

Patty Whisler is planning a potluck dinner for the old Board to meet the new one.

Good Shepherd Center Leases

The leases of the two new tenants at the Good Shepherd Center, the Perkins School and Greenpeace, have been negotiated. These two new tenants are taking over space that has been vacated by the Factory of Visual Art, and are paying a higher rate than FOVA was paying for the space. (\$5.50 square foot as opposed to \$4.92). The Factory's lease will need to be amended

PAGE 3
HSPDA COUNCIL MINUTES
9/9/81

to reflect a reduction in the space they are occupying. Howard Robbins asked if the new tenants are making improvements in the space they are occupying. Yes, but only minor ones. It was originally planned that the Perkins School would move into the laundry area, but improvements necessary to meet building code requirements were too expensive. Kay Bullitt asked about the length of the term of the lease with the Factory of Visual Art. It is a 9 month lease.

Motion: Alan Flack/George Wade
"To approve rent reduction and appropriate lease changes for the Factory of Visual Art."

Motion carried unanimously.

Motion: George Wade/Kay Bullitt
"Approve Perkins School lease."

Motion carried unanimously.

Motion: George Wade/Phyllis Boyker
"Approve Greenpeace lease."

Motion carried unanimously.

Good Shepherd Center Budget

Copies of the revised Good Shepherd Center budget were distributed to each Council member and Sandi Tollefsen gave an explanation of the document. Termination of the CETA program made it necessary to hire an additional employee. He is Raul Iturralde and he originally came to the Good Shepherd Center through the CETA program. Half of his time will be spent on building maintenance and half on building improvements. The main unplanned-for expense has been for gas heat. The projected income shows little cash flow, due mainly to the Factory's arrears on their rent. Alan Black asked what period of time this budget covers. One year. Alan Black said that he hoped that the other tenants realized that one tenant's becoming in arrears on the rent could jeopardize the rent of all the other tenants. Discussion followed on depreciation, leases' treatment of depreciation, and capital improvements in general.

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HSPDA COUNCIL MINUTES
9/9/81

Motion: Alan Black/Zeke Robbins
"Rents charged at the Good Shepherd
Center shall reflect depreciation on
those capital improvements which bene-
fit all the tenants."

Motion carried unanimously.

Motion: Kay Bullitt/Mary Bundy
"To approve revised Good Shepherd
Center budget."

Motion carried unanimously.

Columbia City

Historic Seattle has agreed to joint-venture with a Columbia City development group to develop a historic building in the Columbia City historic district for moderate-income housing. HSPDA has entered into a letter of agreement with the group. However, a suitable building has not yet been located.

Council/Board Workshop

Mary Bundy is formulating a statement of goals that came out of the July workshop and suggested a meeting three weeks from today with the Advisory Board. It will be held from 7:30 to 9:30 a.m. on September 30th in the conference room in the Grand Central Building. A notice of the meeting will be sent to all Council and Board members.

Second Quarter Financial Report

This document was distributed and discussed at July's retreat.

Motion: George Wade/Howard Robbins
"To approve the 2nd quarter
financial report."

Attorney's Report

Yale Lewis of Wickwire/Lewis/Goldmark & Schorr gave a report on the Board of Ethics requirements for public disclosure. A package containing a mild disclosure form and explanation will be mailed to each member. This represents a one-time basis for disclosure and is simple to comply with. By

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HSPDA COUNCIL MINUTES
9/9/81

completing the forms promptly Historic Seattle will show that it is capable of self-policing.

A brief description of the history of PDA's was given. As housing authorities are going out of existence, the city staff has concluded that PDA's can do better with low-and-moderate income housing than anyone else. Thus funds will be made available to PDA's which could represent a substantial amount of income. The mayor strongly supports this approach and it means more city reliance on PDA's.

Recently there has been increased scrutiny of PDA finances, procedure, and substance by the City. The legislative staff of the city did an analysis recently that came to some inaccurate conclusions. HSPDA is procedurally in compliance with City regulations. We should expect a state audit soon.

Mary Bundy left the meeting at this point.

English Towns Tour

Barbara Buck reported on the status of the English Tour. There is still room for five more people, and the Council needs to make some personal contacts to fill those five places. Historic Seattle could build a reputation for sponsoring interesting tours for the future. Kay Bullitt suggested that we offer to do it for alumni groups.

Meeting adjourned at 9:35 a.m.

Minutes taken by Cindy Hughes.

Zelda S. Foxall, Secretary

FILED
CITY OF SEATTLE

'81 OCT 13 PM 1:24 MINUTES

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY
Council Meeting, Executive Session
COMPTROLLER AND CITY CLERK 9/9/81

In Attendance:

Council
Phyllis Boyker
Gary Gaffner
Kay Bullitt
Jean Burman
George Wade
Howard Robbins

Staff
Al Elliott
Cindy Hughes

Yesler Hotel

This is the last hotel in Pioneer Square that is still being used as a residential hotel. It is a four story structure that contains 140 Single Room Occupancy rooms. The benefits of our involvement with it would be stabilization of economics through efficient management and retention of SRO housing units in the area. The location of the building was shown on a map and some slides of the structure were passed around. A walk-through preliminary structural report by Victor Gray's company indicates that the building is in good shape. George Wade asked who owned the building. Gary Mullins, who also owns another Pioneer Square building. Terms are a 90 day option for \$1,000 a month (that allows us to do a feasibility study) and \$200,000 contract purchase price. Proformas on capital costs, sources of funds, and income were distributed. George Wade asked if the Yesler was a certified historic building. It is not yet designated but it is within a historic district and therefore easily certifiable. 1981 Economic Recovery Act legislation should be helpful in this case. Discussion followed on the new tax laws. We are working with the Seattle Housing Resources Group on this and they will put up the front money on it. (A promissary note is the only logical approach.) Gary Gaffner asked if HSPDA had the cash right now. No, but SHRG and the definite investors will provide it.

Howard Robbins left at this point.

George Wade asked if we would manage the Yesler as SRO housing, or as a hotel. The two call for two totally different approaches to management. We will plan on managing it as SRO housing.

Minutes taken by Cindy Hughes.

Zelda S. Foxall, Secretary

City Comptroller

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

COUNCIL MEETING

SEPTEMBER 9, 1981

AGENDA

1. Approval of June and July 1981 minutes.
2. Bank resolution - boiler loan.
3. Good Shepherd Center Advisory Board.
4. Good Shepherd Center leases:
 - a. Perkins Elementary School
 - b. Factory of Visual Art
 - c. Greenpeace
5. Increase Good Shepherd Center budget.
6. Code of Ethics
7. Columbia City Project
8. Approval of 2nd Quarter Financial Report
9. Comments from the public.

EXECUTIVE SESSION

1. Election of new Council member.
2. Real Estate transaction

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

COUNCIL MEETING MINUTES

June 10, 1981

Present: Members
Alan Black
Phyllis Boyker
Barbara Buck
Mary Bundy
Bob Bunting
Gary Gaffner
George Wade

Staff
Al Elliott
Sandi Tollefsen

Meeting was called to order at 8:15 a.m. by Chairperson Barbara Buck.

Minutes

The minutes of the May 13 meeting which had been mailed to each member, were approved as submitted.

Motion: George Wade/Bob Bunting

"To approve May minutes".

Motion passed unanimously.

Audit Committee Report

Bob Bunting presented the committee's report. He and George Wade had independently reviewed the 1980 audit performed by Price, Waterhouse & Co. They then conferred before presenting this report.

The Audit Committee found no problems with the audit and felt it met Historic Seattle's reporting requirements. However, the Council should be apprised that the audit report raised two important questions.

Firstly, they shared a concern on whether such R & D costs as the Olympic Block should be capitalized. For purposes such as evaluating Historic Seattle's financial position for loans these costs would be deducted from stated assets. Gary Gaffner raised the question of whether it would be normal to capitalize the pre-acquisition costs at the time of purchase. Bob Bunting replied that this would be dependent on the nature of costs and the nature of the entity making the report.

The second issue of which the Council should be aware is that the audit report once again shows we are consuming rather than sustaining ourselves. If one were to add known sources of income to assets which could be converted to cash, we are in a posture of consuming and that we have followed a course of turning liquid assets into non-saleable assets. The end result makes us wholly

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dependent on gifts and grants to sustain operations.

George Wade stated that the Council should be aware that this was the mode we were in, and to ask itself whether we are to consume or perpetuate ourselves. Gary Gaffner recalled that this issue had been the subject of two special Council sessions and the Council had voted to perpetuate the entity. Bob Bunting commented that our audit report shows we are not meeting this goal.

Barbara Buck stated that the emphasis over the last year had been to get projects on the books which fulfilled the need to generate sustaining income.

Mary Bundy expressed the feeling that Historic Seattle operated without a clear direction and suggested the Council spend a block of time (one-half day) on this issue. Al Elliott requested that the Council plan a retreat and that a committee be appointed to establish an agenda after researching the issues and past policies, and if helpful, to create charts and other aids which demonstrated future trends.

George Wade said that in a discussion of perpetual existence there were two options: one to work toward sustaining the level of projects and if this failed, to deed properties still owned to a caretaking entity.

Bob Bunting said the Council needed to consider whether to change direction to match its goals or change goals to match its direction.

Gary Gaffner quoted a past Council member as believing there were a limited number of significant buildings which needed Historic Seattle's involvement and going out of business should be considered the natural course. George Wade stated his disagreement with this premise, as there were many city buildings needing our attention and as time went on, more buildings would become threatened.

Barbara Buck appointed the following committee to plan the retreat: Mary Bundy, Kay Bullitt and Bob Bunting.

Motion: George Wade/Phyllis Boyker

"To adopt audit report".

Motion passed unanimously.

English Tour Fund Raiser

Geri Lucks (past Council member) gave a presentation on the tour to England which she and Ralph Anderson will conduct in September. Historic Seattle will receive \$100 for each person taking the tour.

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The Council was urged to contact friends and relatives who might sign up, and to assist with ideas and planning for ways to promote this event. Barbara Buck volunteer to work with Geri.

It was felt that such tours could be an on-going source of fund raising as once a successful track record is established, it is far easier to interest people. Bob Bunting said that everyone taking the tour should get a free membership and that giving memberships to persons participating in Historic Seattle events has proven to be a potential source of income from renewals.

First Quarter Financial Report

The first quarter financial report was presented by Sandi Tollefsen.

Motion: George Wade/Mary Bundy

"To approve first quarter financial report as presented."

Motion carried unanimously.

Rented Storage Space

Al Elliott disclosed to Council that Gary Gaffner is renting storage space on the first floor of the Ruggles building. Terms of rental are 10¢ per square foot, per month on an immediately revokable basis. George Wade stated that the charge was consistent with market.

Director's Report

The Director's Report was given in Executive Session.

Meeting was adjourned at 9:45 a.m.

Minutes recorded by Sandi Tollefsen

Zelda Foxall
Council Secretary

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

COUNCIL MEETING MINUTES

July 8, 1981

Present:	<u>Members</u>	<u>Staff</u>
	Alan Black	Al Elliott
	Phyllis Boyker	Sandi Tollefsen
	Barbara Buck	
	Kay Bullitt	
	Zelda Foxall	
	Gary Gaffner	
	Zeke Robbins	

Meeting was called to order at 8:15 by Vice-Chairman, Zeke Robbins.

Retreat Committee Report

Kay Bullitt reported on the meeting of the retreat committee (see June 10 minutes). At this retreat will be a review of past activity as an aid to newer Board members followed by future planning and goal definition.

Retreat will be held at Kay Bullitt's home from 4:00 to 9:00 with catered dinner. The Council selected Thursday, July 23 as date for retreat.

Cards were past to members with the request that they write their concerns, questions and comments (one per card) so the committee can compile these and formulate the agenda.

Council agreed to Barbara Buck's suggestion that the Advisory Board also be invited to attend the retreat.

Nomination Committee

The recent death of Ben McAdoo has created a vacancy on the Council, which under the terms of the charter, is to be filled by Council appointment.

Concensus of the Council was to act as a committee of the whole to consider the nomination of a replacement. It was agreed that there was a need for the expertise of an architect. Al Elliott expressed the wish that the architect nominated be of a stature which would bring large scale development experience as our future development of the Ruggles Building would benefit from this expertise.

Kay Bullitt was asked to follow up on several suggested names.

Senior Center Lease

Al Elliott presented to the Council the lease for the Senior Center at the Good Shepherd. This lease comes before the Council long after the other Good Shepherd leases because it was intended that this lease would incorporate a use agreement under which the space would be available to community groups as well as the senior citizens activities. The block grant which funded the construction designated the space a Multi-Purpose/Senior Center. Senior Services and Centers, Inc., the City of Seattle, and Historic Seattle were to have formulated an agreement which set the criteria and management guidelines for community access to the facility. Although three years have passed, the City has taken no definitive action to bring about an agreement, and it is felt that we must formalize the Senior Center tenancy with our standard lease. Al Elliott informed the Council that the Senior Center space is being used regularly by a variety of groups.

The lease presented for approval differs in one aspect. Under an amendment to this lease the Senior Center is to consider the rest-rooms as within their leased premise for purposes of maintenance but is not charged rent for this space. As landlord, Historic Seattle is reserving the right to make this space available to the public in the future.

Motion: Phyllis Boyker, Zeke Robbins

"To approve Senior Center lease
as presented."

Motion passed unanimously.

Executive Director's Report

Ruggles Building: Al Elliott brought the Council up-to-date on the progress in our attempt to develop the building. The financial package has been presented to seven mortgage companies with the general response that banks have "no appetite" for tax exempt loans at this time and little liquidity to make loans.

One mortgage company has indicated willingness to extend a loan of \$990,000 at 12% tax exempt with loan payments amortized over 30 years but payback within 10 or 15 years. Our funding request was 1.2 million, and even with adjustments to such costs as syndication fees, a \$120,000 gap remains.

Several mortgage companies expressed interest in a loan of not more than 5 years, again with 30 year amortization. However, this type of financing would not appeal to equity investors as, should

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Executive Director's Report (Con't)

the loan not be refinanced, a sale of the building would bring into play the recapture provisions of the IRS code and create serious tax problems for the investors.

In addition to seeking the long-term financing, Al Elliott has been working with Paul Liles of New York on the syndication aspects of the project. A third important financing element is the participation of UDAG. UDAG becomes a second mortgagee with less stringent interest and repayment requirements, and their participation makes the development more attractive to potential first lenders. Unfortunately, we are very close to the deadline for submission to UDAG and must have first lender and syndication in place before submission. The next round of UDAG will favor commercial and manufacturing projects and our chances of approval are greatly diminished.

Toby Washington of Rainier Bank has been most helpful, although unable to package the tax exempt loan. He has suggested that the loan climate will improve in approximately six months. Barbara Buck raised the question of whether Historic Seattle would be able to survive this kind of delay. Al Elliott states that our alternative was to, again, place the building on the market, but the \$200,000 profit gives us little ability to undertake a project of any size or duration.

Al Elliott further reported that Paul Liles felt the President's tax bill, if passed, would make a project such as the Ruggles even more appealing to potential investors, especially from the fact that the development package is already in place.

Executive Director's report continued in Executive Session.

Meeting adjourned at 10:10 a.m.

Minutes taken by Sandi Tollefsen.

Zelda Foxall, Secretary
Historic Seattle Council

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

COUNCIL MEETING MINUTES
IN EXECUTIVE SESSION
July 8, 1981

Executive Director's Report

Sedgwick/Guiry Buildings: Al Elliott reported that he and George Wade met with the owner of the buildings (see June 10 minutes). The owner is not interested in either sale or a lease longer than the life of first financing - approximately 25 - 30 years. This limited time will not attract investors who generally require a lease life of 2½ times the first financing with a minimum of 50 years. Thus the formation of an investment syndication for the equity portion of the development is probably precluded. Without an investment syndication the development of the buildings to SRO housing would require the City substantially increase its subsidy to the project.

The number of SRO units which could be created and the limited life of such a use causes both Al Elliott and George Wade to conclude that the benefits were not commensurate with the public expense.

Al Elliott further advised the Council they had learned that the buildings lie just within the downtown zone border which would permit large office building development on the site, and, in fact, the owner's long range plan calls for the demolition of the buildings. They also learned the buildings were presently held as collateral by the lender on the owner's condominium development and sales of 40-50 percent of the condos would be necessary before the S/G buildings could be released. Sales are slow and our development of the buildings would probably be delayed at least one year.

Gary Gaffner questioned whether the agreement which the owners made with the Displacement Coalition could be modified if we could show that a longer term lease was required for investment equity. Al Elliott thought this would be possible, but would require going to court.

He again stated that he and George Wade are of the opinion that the combination of \$250,000 structural work and intent of building owner makes this project a questionable use of public money and Historic Seattle's time and energy.

Gary Gaffner asked whether further information had become available on need and market for SRO housing as some reliable sources indicate the 50 percent of existing is vacant. Al Elliott said the information he'd received was that well managed, safe housing has waiting lists and the housing which is other than safe is often vacant.

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Barbara Buck expressed the opinion that Al Elliott had thoroughly investigated this project. Findings have been reported to Tom Downey of DCD.

Factory of Visual Art: Al Elliott reported on a meeting with the Executive Committee and two members of the board of the Factory regarding their default on lease payments. He also reported on two subsequent conversations with new board chairman, Tony Ward-Smith.

At the meeting no hard proposals or indications of the Factory's intent or ability to pay the delinquent rent were forthcoming. Therefore, Al Elliott instructed our attorney to issue a notification pursuant to the lease which calls for payment of rent within 5 days. Failure to pay would start the unlawful detainer action. Following receipt of this notification Al Elliott has received two calls from Ward-Smith and Al Elliott has informed him that we would consider the Factory's continued tenancy if the Factory met the following minimum requirements by Friday, July 10: (1) Payment of July rent and absolute agreement to pay rent when due from then on, (2) submit plan for reduction of their leased space, and (3) guarantor on note for outstanding rent.

Al warned the Council that there maybe reaction to our demand for the rent as this demand may result in the Factory going out of business. He quoted Ward-Smith as saying Historic Seattle maybe blamed for the Factory's demise. Al Elliott repeated what he said to Ward-Smith; Historic Seattle had no control over the Factory's selection of Historic Seattle as the creditor it did not pay, and had they choosen not to pay their faculty or the phone company the result would have been the same.

Barbara Buck expressed the feeling that after having attended the meeting with their board members she is very doubtful of the intent or ability to pay the \$11,000 in back rent.

Al Elliott further pointed out to the Council that the default by the Factory may jeopardize our ability to successfully negotiate the loan for the boiler installation, and that he informed Ward-Smith that any publicity or other action they may contemplate to retain their tenancy without meeting the above conditions could seriously harm the other tenants as the installation of the boiler is critical to the Center's operation.

Meeting was adjourned at 10:10 a.m. Minutes taken by Sandi Tollefsen.

Zelda Foxall, Secretary
Historic Seattle Council

DIRECTOR'S PROGRESS REPORT

9/9/81

Good Shepherd Center Boiler - demolition of the old boiler is complete and installation of the new boiler and automatic controls is to be finished the first part of October. Approximate financing for the project is as follows:

\$30,000	loan from 1st Interstate Bank
\$15,000	donations
\$5,000	project funds
<hr/>	
\$50,000	TOTAL

Good Shepherd Center Leases - The Factory of Visual Art has reduced its leased space by approximately 40%. We have leased this space to two new tenants. Greenpeace, Seattle has leased approximately 1650 square feet on the 3rd floor for office, library, etc. Perkins Elementary School has leased approximately 1,980 square feet on the second floor and 440 square feet on the ground floor. The rental rate for both is approximately \$5.00 a square foot with annual increases for operating costs.

Good Shepherd Center Budget - Because we have no more CETA employees for maintenance we have had to retain an additional employee. This person will spend approximately half his time on janitorial duties and the other half on improvements toward opening new rental space: (Specific figures will be presented at the September 9th meeting).

Good Shepherd Center Grant - We have been informally notified that we will be receiving a federal grant for an architectural study of the remainder of the space at the Center. This study will principally identify code requirements and associated costs necessary to open the upper two floors including the chapel. It will also identify the facility requirements of our two major arts tenants.

Good Shepherd Center Site Plan - The City of Seattle has submitted to us for approval the site plan. The preparation of the plan was mandated by the transfer agreement between Historic Seattle and the city in 1977. The plan calls for Historic Seattle to retain responsibility for the eastern half of the site. It does not, however, spell out the city's specific terms and conditions. In light of this I view the request to approve the plan as buying a pig-in-poke.

DIRECTOR'S REPORT, PAGE 2

Office Break-in - On the night of July 10, 1981, the HSPDA offices were burglarized. Included in the items stolen were a typewriter, a Mr. Coffee machine, a calculator, and some cash. The total value of those items amounted to \$1,265.00 and HSPDA was reimbursed \$265.00 by insurance.

Ruggles Building - The project has proceeded considerably since our last meeting and we have gotten strong support from the city's development office on the financial package. We have not been able to obtain a \$1.2 million 1st mortgage.

GOOD SHEPHERD CENTER ADVISORY BOARD

Pat Wiebel
1909 N. 45th
Seattle, WA 98103
633-4899

Recommended by the North Central Chamber of Commerce. Mr. Wiebel is the proprietor of Wallingford Shoe Repair. He has been in business three years and lives in the Wallingford neighborhood.

Dave Rokosky
3719 Meridian N.
Seattle, WA 98103
633-2064

Recommended by the Wallingford Community Council. Dave is an active member of the Wallingford Community Council and has been a member of the old Good Shepherd Center Advisory Board for the past year.

Karen Boyle
3721 Eastern Ave. N.
Seattle, WA 98103
633-5909

Recommended by the Wallingford Community Council. Karen is the 1981 president of the Community Council and long-time community activist.

Carol Ditlevson
1940 Yale Ave. E.
Seattle, WA 98102
543-2430

Recommended by the Council of Planning Affiliates. She currently holds the position of Assistant Director for Housing and Food Services at the University of Washington. Among other public service activities, Ms. Ditlevson recently chaired a COPA committee which studied adaptive use of school buildings for social service programs.

Dan Pederson
SAFECO Ins. Companies
Marketing T-21
SAFECO Plaza
Seattle, WA 98103
545-6448

Mr. Pederson is recommended by the tenants of the Good Shepherd Center and he is the president of the Wallingford Senior Center Board of Management. He is publications manager of SAFECO Insurance Company.

Robin Hopkins
5115 NE 45th
Seattle, WA 98105
522-9180

Mr. Hopkins is recommended by the Good Shepherd Center tenants and he is chairman of the Facilities committee of the Pacific Northwest Ballet Board of Directors. He is a valuation consultant.

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

BALANCE SHEET

June 30, 1981

CURRENT ASSETS

Cash on hand and in bank	\$	11,553
Cash in savings		101,570
Cash for restricted purposes		10,276
Certificates of deposit		72,851
Accrued interest receivable		11,986
Prepaid expense, deposits		1,473
Rents and other receivables		<u>12,824</u>
Total Current Assets		222,533

OTHER ASSETS

Historic sites and structures (less accumulated depreciation of \$62,746)	\$	1,249,645
Furniture, library (less accumulated depreciation of \$3,192)		3,311
Contracts receivable (less deferred gain of \$22,000)		67,567
Promissary notes receivable		204,180
Donated assets		<u>25,000</u>
Total Other Assets		1,549,703
TOTAL ASSETS		<u>1,772,236</u>

LIABILITIES

Payroll taxes, fringe benefits payable	\$	5,582
Accounts payable		10,811
Bank loans and real estate contracts payable		484,324
Unearned income and prepaid rent		<u>12,794</u>
Total Liabilities		513,511

CAPITAL

Grants and grants in-aid-of construction, federal	\$	525,386
Grants and grants-in-aid-of construction, local		678,600
Contributed capital for restricted purposes		26,995
Contributions and capital in-aid-of project development		<u>34,037</u>
Total Capital		1,265,018
TOTAL LIABILITIES AND CAPITAL		<u>1,778,529</u>

Cash (used) generated in operations:		
Prior years		12,790
Current year		<u>(19,083)</u>

\$1,772,236

MINUTES

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY
Constituency Meeting
April 7, 1981
Lakeside Middle School

Meeting was called to order by HSPDA Council President Barbara Buck.

- I. The minutes of the January 13, 1981 Constituency Meeting were distributed, read, and approved as read.

Motion: Alan Black/Phyllis Boyker
"To approve January minutes."

Motion carried unanimously.

- II. Al Elliott, Executive Director, announced the following upcoming events:

A. Tulip and Historic Towns Tour - April 11th, 8:30 a.m. to 6:00 p.m., leaving from the Good Shepherd Center, \$20. The historic towns of LaConner and Anacortes will be toured while the surrounding area is at the height of the tulip bloom.

B. English Country Towns Tour - 9th - 25th of October, led by Ralph Anderson and Geri Lucks of the HSPDA Advisory Board.

- III. Mr. Elliott presented a progress report. Historic Seattle hopes to develop the Ruggles Building as Pioneer Square housing. The Ankeny/Gowey House has been sold. The boiler at the Good Shepherd Center has arrived, but has not been installed yet.

Mrs. Buck called for volunteers to help with fundraising for the boiler.

- IV. Mr. Elliott called for any further comments from the public.

Business meeting adjourned by Mrs. Buck.

PROGRAM: Frank Soderling introduced James Twomey, Executive Director of the Seattle Housing Resources Group, who spoke on the adaptation of older buildings for downtown housing.

HISTORIC SEATTLE PRESERVATION AND DEVELOPMENT AUTHORITY

QUARTERLY MEETING

The Northwest School
January 13, 1981

AGENDA

1. Approval of Minutes
2. Progress Report
3. Election of Council Member
4. Additional Business

PROGRAM: Kemp Hiatt, Developer, Northwest School
Paul Raymond, Director, Northwest School