



2019 **R**

Approved March 10, 2020 at the PHPDA Governing Council

**2019 Annual Report
Pacific Hospital Preservation & Development Authority**

Introduction

Introduction

The Pacific Hospital Preservation & Development Authority (PHDA) is a public development authority established under Seattle Municipal Code 22.10 and a 501(c)(3) corporation. In 1981, the City of Seattle chartered the PHDA, placing in its trust the U.S. Public Health Service Hospital and its campus. The PHDA pursues over time the revised Charter, as approved by the Mayor of Seattle on July 11, 2011, to support and provide funding for the provision of the best possible health care to medically underserved communities in the greater Puget Sound area, including those referred through community clinics, those with limited access to medical care, and all others who are in need of charitable health care. The PHDA lease revenues fund these goals and our health mission, through grant awards.

Report 2019 Report

- Continue to gather and review relevant epidemiologic, legislative, and community-based data to further refine our grant award process
 - The PHDA reviewed updated County data, as well as demographic reports from past grantees, then discussing priority grant funding areas for upcoming processes
 - The PHDA Program Committee invited outside presenters to provide updates on specific community health matters several times during the year presentations focused on the State Budget, immigrant and refugee health, and emerging health issues
- Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations
 - The PHDA awarded Mayor Grants to the following agencies for program funding from July 1, 2019 through June 30, 2020 first calendar year 2019, second calendar year 2020

Organization	RD	RRM
Aurora Commons	\$166,000	Integrated health care and drug reduction to reduce experiencing homelessness, addiction, and engagement in survival sex
Boyer Children's Clinic	\$100,000	Implement an assessment, referral, and health services program for children with special health care needs who are homeless
Children's Alliance	\$90,000	Building capacity for advocacy and access to care among COA grantees
Country Doctor Community Health Centers	\$169,990	IV Medical Case Management program
Country Doctor Community Health Centers	\$198,101	Expand and strengthen health care services for transgender and gender nonconforming patients extend the gender care referral network
Downtown Emergency Service Center	\$100,000	Health navigators to assist homeless adults in accessing medical services and coverage
Economic Opportunity Institute	\$100,000	Convene discussions among public entities in King County and Washington to develop

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		olicies for the preservation and expansion of health coverage
Income Class Support	\$20,000	Provision of behavioral health services via mobile van to low income children in rural Washington County
Global to Local	\$200,000	Cultural Specific Community Health Worker services and clinical connections for Latino and African residents of SeaTac/Tukwila
Harborview Medical Center	\$12,800	Patient navigation program for African Americans with hypertension, informed and designed in collaboration with community leaders
Hepatitis Education Project	\$12,000	Reduce the burden of hepatitis C among homeless injection drugs, with a focus on homeless experiencing homelessness and/or cousin instability in South Seattle
International Community Health Services	\$200,000	Health navigators to assist low income immigrant clients in accessing and maintaining health services
Lamai Health	\$120,000	Expand clinic space and hours to better serve low income North Seattle residents
Lutheran Community Services NW	\$12,116	Improve the health and well-being of those seeing, or recently granted, asylum connect them to medical care, insurance, mental health counseling
Northwest Health Law Advocates	\$60,000	Options for Washington State and King County to address problems with access to health coverage for low income individuals with Medicare but unable to afford costs Medicare does not cover
Peer Seattle	\$180,000	Maintaining behavioral health services for King County's LGBT community and allies
Real Escape from the Sex Trade	\$100,000	Behavioral and psychiatric care services to women and men seeing to escape the sex trade
Renton Area Outreach Coalition Services	\$12,811	Increase access to health services including a Medical Provider and Behavioral Health Therapist in the Contra Arena Health Center twice weekly in South
Rider	\$16,000	Partnership with OutCare to create a new behavioral health team which will greatly reduce barriers faced by homeless youth
Seattle Counseling Service	\$110,000	Increase and improve access to cultural and linguistically competent behavioral health services to immigrant, refugee, and undocumented community leaders
Social Health Board Community Unit	\$120,000	Asset-based, community-led assessment of

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Health Board Coalition		the Health priorities of eleven communities of color in the round for building a comprehensive plan andolic agenda
MCA of Greater Seattle	100,000	ursuing health equity throughout community clinical linkages in South King County
TOTAL	\$1,098,212	

- The DA awarded in the grants to the following agencies for a contract year of January 1, 2019 to December 31, 2019

Agency	RD	RRM
Stoic Co-op unit in Seattle	100,000	Eliminate health disparities within the Stoic Co-op unit through education and health care access around mental
Issue Co-op unit Outreach Corporation	100,000	Develop for Urban areas an actionable strategic business plan that will guide the evolution of the organization and improve its effectiveness on positive health outcomes for youth in
Rainer Valley Corps	100,000	Conolese co-op unit members will more successfully gain health information and access health care through technology training, the support of co-op unit health navigators
TOTAL	\$65,000	

- The DA awarded in the grants to the following agencies for a contract year of April 1, 2019 to March 31, 2020

Agency	RD	RRM
Living Well Rent Collaborative	9,998	Co-op unit Wellness Hub at the Rent Fast Mill Market, providing nutrition and health education and on-site preventative health services
Southwest Youth and Family Services	9,980	Barro the disparity in behavioral health care access for undocumented and status families
Mercerousin North West	100,000	Address food insecurity among low income residents in the Puget Sound region, with a focus on residents at their nearest affordable development in Magnuson Park
TOTAL	\$9,980	

- The DA awarded in the grants to the following agencies for a contract year of October 1, 2019 to September 30, 2020

Agency	RD	RRM
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Ingersoll Gender Center	1,000,000	Create and disseminate health insurance educational materials as part of a comprehensive outreach effort within the trans and gender nonconformity community
Asian Counseling and Referral Services	1,000,000	Address cultural barriers experienced by LGBTAAI youth
Social Equity Task Force	1,000,000	Organize and hold a series of workshops to address health access issues faced by the Social Equity unit
Disability Rights Washington	1,000,000	Train staff and develop an action plan to community outreach to effectively address health inequity and better serve people with disabilities in communities of color
TOTAL	\$80,000,000	

- Provide financial statements and analysis to the Pacific Tower Board and the revenues from long-term tenants in a responsible manner
 - The PHDA has two long-term leases with the Washington State Department of Commerce (DOC), which subleases space in the Pacific Tower to a wide range of health, social service, academic, and governmental entities, and with Pacific Medical Centers, for clinic space in Pacific Tower and health-related administrative space in the quarters building
 - Both leases remain active with regular lease and operating cost payments made on time per lease schedules. Income from leases and operating cost reimbursements, as well as all PHDA expenses, are regularly monitored by the Finance Committee and governing Council
- Participate in local and regional health policy and planning forums and collaborations, as well as groups working in the philanthropic sector
 - PHDA staff regularly attend meetings and events hosted by health and philanthropic entities in the area, including Quilcote Seattle Foundation and Philanthropic Portfolio Fund, which facilitates the health philanthropic partners, a group focusing specifically on health funding in Washington State
- Finalize the Port Lot lease with SCIDa
 - During the year, it was determined that the Cousins development on the Port Lot could be best accomplished with a sale of that portion of the Pacific Tower campus to SCIDa. The PHDA and SCIDa entered into a Purchase and Sale Agreement in October 2019 with closing to occur in August 2020
- Work with SCIDa to identify initial potential arrangements and private funding necessary to sustain the project
 - With the sale of the Port Lot, SCIDa is working to secure funding. The PHDA remains in regular conversation with SCIDa to discuss progress
- Begin the process of releasing the quarters building and Tower clinic either to Pac Med current tenants or potential new tenants
 - The PHDA has engaged our real estate consultant to begin discussions regarding releasing of the quarters building and Tower clinic space in anticipation of the end of the current lease in November 2021

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Annual Report 2019

The PDA's health unit fund awarded over \$1 billion total for Major grant contracts beginning July 1, 2019 and continuing into 2020 and a projected total of \$1,000,000 in additional grant awards.

Although applications were not limited to the following focus areas, funding priorities for our 2019 Major grants included programs that:

- Provide health-related services and improve health access and outcomes for African Americans
- Provide health-related services and improve health access and outcomes for geographically underserved areas within County, such as South County and rural County
- Provide health-related services and improve health access and outcomes for people experiencing homelessness and/or housing instability
- Provide health-related services and improve health access and outcomes for LGBTQI and Reentryees
- Incorporate advocacy efforts to improve institutional change related to health

The funding priorities for our additional grants were:

- Short term, time-limited projects
- Infrastructure and capacity development
- Planning
- Technological improvement
- Training, including internal staff training and external community training/educational events
- Policy and advocacy work

As noted above, the PDA devoted a great deal of time and energy to working with SCID on the Port Lot development project in 2019, ultimately leading to the planned sale of the Port to SCID. The Purchase and Sale Agreement was ultimately negotiated and signed in 2019 with a deposit on the sale transferred to the PDA at year end.

The other primary activity in 2019 was the hiring of a new Executive Director. After six years leading the PDA, the former retired at the end of September 2019. In anticipation of his departure, the PDA governing Council engaged a search firm to aid in the recruitment of a new Executive Director. After an extensive search and interview process, Bob was hired in November 2019.

Internal Audit

Clarifier completed the 2018 external audit and reported compliance with policies and procedures. The 2019 external audit is scheduled for April/May 2020. The State Auditor conducted the 2016-2017 audit in fall 2018. The PDA received a clean audit report. The 2018-2019 PDA State audit is expected in fall 2020.

The PDA's Finance Committee reviewed financial statements on a monthly basis, with the full governing Council reviewing quarterly. On a quarterly basis, the Treasurer reviewed credit card expenditures, the check register, employee benefit transactions, and retirement contributions. Financial policies are continually reviewed and updated, and new policies developed.

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Additionally, the Finance Committee tracked investments on a monthly basis, and an investment decisions according to

2019 Development Memorandum

The PHDA is governed by a board of nine appointed members

Member	Role	Organization	Term End	Category
Tonia McLean	Council Chair, Finance Committee Chair	Southwin County Catholic Franciscan Health	December 2019	Governor Council
Michele Reinisch	Council Vice Chair, Board Committee Member	Centra Health Capital Services	December 2020	Governor Council
Sue Tao	Council Treasurer, Finance Committee Chair	Corerl Craft	December 2019	Mayor
Billie Menzies	Council Secretary, Board Committee Member	Community Volunteer	December 2021	Mayor
Francis Su	Board Committee Chair	Department of Medicine, Marvick & the Pioneer Square Clinic	December 2019	Governor Council
Laura Burton	Finance Committee Member	Catholic Cousins Services	December 2020	Mayor
Bob Cook	Finance Committee Member	WA State Cousins Finance Commission	December 2021	Governor Council
Susan Crane	Board Committee Member	Community Volunteer	December 2020	Mayor
Lidia Assefa Dawson Throumou Chan	Board Committee Member	Citizenship Federal Waiver County Cousins Authority	December 2018	County Sec
Doris Boob Dee	Finance Committee Member	Strategic Advisor Crescent Collaborative	December 2021	County Sec
Keith Matter	Executive Director Throumou Se			
Donna	Executive Director Wein ov			

PHDA

Financial Summary

The PHDA 2019 Operating Budget was approved on December 11, 2018. The PHDA has no capital budget.

Revenues	10,009,960
Operating Expenses	1,101,100
Grants/Projects/Services	1,006,900

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**GENERAL LIABILITY DELUXE ENDORSEMENT:
HUMAN SERVICES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement. The following is a summary of the Limits of Insurance and additional coverages provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance	Page #
Extended Property Damage	Included	2
Limited Rental Lease Agreement Contractual Liability	\$50,000 limit	2
Non-Owned Watercraft	Less than 58 feet	2
Damage to Property You Own, Rent, or Occupy	\$30,000 limit	2
Damage to Premises Rented to You	\$1,000,000	3
HIPAA	Clarification	4
Medical Payments	\$20,000	5
Medical Payments – Extended Reporting Period	3 years	5
Athletic Activities	Amended	5
Supplementary Payments – Bail Bonds	\$5,000	5
Supplementary Payment – Loss of Earnings	\$1,000 per day	5
Employee Indemnification Defense Coverage	\$25,000	5
Key and Lock Replacement – Janitorial Services Client Coverage	\$10,000 limit	6
Additional Insured – Newly Acquired Time Period	Amended	6
Additional Insured – Medical Directors and Administrators	Included	7
Additional Insured – Managers and Supervisors (with Fellow Employee Coverage)	Included	7
Additional Insured – Broadened Named Insured	Included	7
Additional Insured – Funding Source	Included	7
Additional Insured – Home Care Providers	Included	7
Additional Insured – Managers, Landlords, or Lessors of Premises	Included	7
Additional Insured – Lessor of Leased Equipment	Included	7
Additional Insured – Grantor of Permits	Included	8
Additional Insured – Vendor	Included	8
Additional Insured – Franchisor	Included	9
Additional Insured – When Required by Contract	Included	9
Additional Insured – Owners, Lessees, or Contractors	Included	9
Additional Insured – State or Political Subdivisions	Included	10

Duties in the Event of Occurrence, Claim or Suit	Included	10
Unintentional Failure to Disclose Hazards	Included	10
Transfer of Rights of Recovery Against Others To Us	Clarification	10
Liberalization	Included	11
Bodily Injury – includes Mental Anguish	Included	11
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included	11

A. Extended Property Damage

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Subsection **2. Exclusions**, Paragraph **a.** is deleted in its entirety and replaced by the following:

a. Expected or Intended Injury

“Bodily injury” or property damage” expected or intended from the standpoint of the insured. This exclusion does not apply to “bodily injury” or “property damage” resulting from the use of reasonable force to protect persons or property.

B. Limited Rental Lease Agreement Contractual Liability

SECTION I – COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Subsection **2. Exclusions**, Paragraph **b. Contractual Liability** is amended to include the following:

- (3) Based on the named insured’s request at the time of claim, we agree to indemnify the named insured for their liability assumed in a contract or agreement regarding the rental or lease of a premises on behalf of their client, up to \$50,000. This coverage extension only applies to rental lease agreements. This coverage is excess over any renter’s liability insurance of the client.

C. Non-Owned Watercraft

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Subsection **2. Exclusions**, Paragraph **g. (2)** is deleted in its entirety and replaced by the following:

- (2) A watercraft you do not own that is:
 - (a) Less than 58 feet long; and
 - (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess or contingent.

D. Damage to Property You Own, Rent or Occupy

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE

LIABILITY, Subsection **2. Exclusions**, Paragraph **j. Damage to Property**, Item **(1)** is deleted in its entirety and replaced with the following:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property, unless the damage to property is caused by your client, up to a \$30,000 limit. A client is defined as a person under your direct care and supervision.

E. Damage to Premises Rented to You

1. If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to "fire, lightning, explosion, smoke, or leakage from automatic fire protective systems" where it appears in:

- a. The last paragraph of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**; is deleted in its entirety and replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is deleted in its entirety and replaced by the following:

Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems while rented to you or temporarily occupied by you with permission of the owner.

- c. **SECTION V – DEFINITIONS**, Paragraph 9.a., is deleted in its entirety and replaced by the following:

A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke, or leakage from automatic fire protective systems to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

2. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection **4. Other Insurance**, Paragraph **b. Excess Insurance**, **(1) (a) (ii)** is deleted in its entirety and replaced by the following:

That is insurance for fire, lightning, explosion, smoke, or leakage from automatic fire protective systems for premises rented to you or temporarily occupied by you with permission of the owner;

3. The Damage To Premises Rented To You Limit section of the Declarations is amended to the greater of:

- a. \$1,000,000; or
- b. The amount shown in the Declarations as the Damage to Premises Rented to You Limit.

This is the most we will pay for all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke, or leaks from automatic fire protective systems or any combination thereof.

F. HIPAA

SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, is amended as follows:

1. Paragraph **1. Insuring Agreement** is amended to include the following:

We will pay those sums that the insured becomes legally obligated to pay as damages because of a “violation(s)” of the Health Insurance Portability and Accountability Act (HIPAA). We have the right and the duty to defend the insured against any “suit,” “investigation,” or “civil proceeding” seeking these damages. However, we will have no duty to defend the insured against any “suit” seeking damages, “investigation,” or “civil proceeding” to which this insurance does not apply.

2. Paragraph **2. Exclusions** is amended to include the following additional exclusions:

This insurance does not apply to:

- a. **Intentional, Willful, or Deliberate Violations**

Any willful, intentional, or deliberate “violation(s)” by any insured.

- b. **Criminal Acts**

Any “violation” which results in any criminal penalties under the HIPAA.

- c. **Other Remedies**

Any remedy other than monetary damages for penalties assessed.

- d. **Compliance Reviews or Audits**

Any compliance reviews by the Department of Health and Human Services.

3. **SECTION V – DEFINITIONS** is amended to include the following additional definitions:

- a. “Civil proceeding” means an action by the Department of Health and Human Services (HHS) arising out of “violations.”
- b. “Investigation” means an examination of an actual or alleged “violation(s)” by HHS. However, “investigation” does not include a Compliance Review.
- c. “Violation” means the actual or alleged failure to comply with the regulations included in the HIPAA.

G. Medical Payments – Limit Increased to \$20,000, Extended Reporting Period

If **COVERAGE C MEDICAL PAYMENTS** is not otherwise excluded from this Coverage Part:

1. The Medical Expense Limit is changed subject to all of the terms of **SECTION III - LIMITS OF INSURANCE** to the greater of:

- a. \$20,000; or
- b. The Medical Expense Limit shown in the Declarations of this Coverage Part.

2. **SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS**, Subsection 1. **Insuring Agreement**, a. (3) (b) is deleted in its entirety and replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident.

H. Athletic Activities

SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS, Subsection 2. **Exclusions**, Paragraph e. **Athletic Activities** is deleted in its entirety and replaced with the following:

e. Athletic Activities

To a person injured while taking part in athletics.

I. Supplementary Payments

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS - COVERAGE A AND B are amended as follows:

1. **b.** is deleted in its entirety and replaced by the following:

- 1. **b.** Up to \$5000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these.

1.**d.** is deleted in its entirety and replaced by the following:

- 1. **d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

J. Employee Indemnification Defense Coverage

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B the following is added:

We will pay, on your behalf, defense costs incurred by an “employee” in a criminal proceeding occurring in the course of employment.

The most we will pay for any “employee” who is alleged to be directly involved in a criminal proceeding is \$25,000 regardless of the numbers of “employees,” claims or “suits” brought or persons or organizations making claims or bringing “suits.”

K. Key and Lock Replacement – Janitorial Services Client Coverage

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B is amended to include the following:

We will pay for the cost to replace keys and locks at the “clients” premises due to theft or other loss to keys entrusted to you by your “client,” up to a \$10,000 limit per occurrence and \$10,000 policy aggregate.

We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that you or any of your partners, members, officers, “employees”, “managers”, directors, trustees, authorized representatives or any one to whom you entrust the keys of a “client” for any purpose commit, whether acting alone or in collusion with other persons.

The following, when used on this coverage, are defined as follows:

- a. "Client" means an individual, company or organization with whom you have a written contract or work order for your services for a described premises and have billed for your services.
- b. "Employee" means:
 - (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you; or
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term workload conditions;
 while that person is subject to your direction and control and performing services for you.
 - (3) "Employee" does not mean:
 - (a) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (b) Any "manager," director or trustee except while performing acts coming within the scope of the usual duties of an "employee."
- c. "Manager" means a person serving in a directorial capacity for a limited liability company.

L. Additional Insureds

SECTION II – WHO IS AN INSURED is amended as follows:

1. If coverage for newly acquired or formed organizations is not otherwise excluded from this

Coverage Part, Paragraph **3.a.** is deleted in its entirety and replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.
2. Each of the following is also an insured:
- a. **Medical Directors and Administrators** – Your medical directors and administrators, but only while acting within the scope of and during the course of their duties as such. Such duties do not include the furnishing or failure to furnish professional services of any physician or psychiatrist in the treatment of a patient.
 - b. **Managers and Supervisors** – Your managers and supervisors are also insureds, but only with respect to their duties as your managers and supervisors. Managers and supervisors who are your “employees” are also insureds for “bodily injury” to a co-“employee” while in the course of his or her employment by you or performing duties related to the conduct of your business.

This provision does not change Item 2.a.(1)(a) as it applies to managers of a limited liability company.

- c. **Broadened Named Insured** – Any organization and subsidiary thereof which you control and actively manage on the effective date of this Coverage Part. However, coverage does not apply to any organization or subsidiary not named in the Declarations as Named Insured, if they are also insured under another similar policy, but for its termination or the exhaustion of its limits of insurance.
- d. **Funding Source** – Any person or organization with respect to their liability arising out of:
 - (1) Their financial control of you; or
 - (2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

- e. **Home Care Providers** – At the first Named Insured's option, any person or organization under your direct supervision and control while providing for you private home respite or foster home care for the developmentally disabled.
- f. **Managers, Landlords, or Lessors of Premises** – Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased or rented to you subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any “occurrence” which takes place after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.
- g. **Lessor of Leased Equipment – Automatic Status When Required in Lease Agreement With You** – Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is to be added as an additional insured on your policy. Such person or

organization is an insured only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

A person’s or organization’s status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any “occurrence” which takes place after the equipment lease expires.

- h. Grantors of Permits** – Any state or political subdivision granting you a permit in connection with your premises subject to the following additional provision:
 - (1)** This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with the premises you own, rent or control and to which this insurance applies:
 - (a)** The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures;
 - (b)** The construction, erection, or removal of elevators; or
 - (c)** The ownership, maintenance, or use of any elevators covered by this insurance.

- i. Vendors** – Only with respect to “bodily injury” or “property damage” arising out of “your products” which are distributed or sold in the regular course of the vendor’s business, subject to the following additional exclusions:
 - (1)** The insurance afforded the vendor does not apply to:
 - (a)** "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b)** Any express warranty unauthorized by you;
 - (c)** Any physical or chemical change in the product made intentionally by the vendor;
 - (d)** Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - (e)** Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - (f)** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor’s premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Sub-paragraphs (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing.

- j. **Franchisor** – Any person or organization with respect to their liability as the grantor of a franchise to you.
- k. **As Required by Contract** – Any person or organization where required by a written contract executed prior to the occurrence of a loss. Such person or organization is an additional insured for "bodily injury," "property damage" or "personal and advertising injury" but only for liability arising out of the negligence of the named insured. The limits of insurance applicable to these additional insureds are the lesser of the policy limits or those limits specified in a contract or agreement. These limits are included within and not in addition to the limits of insurance shown in the Declarations
- l. **Owners, Lessees or Contractors** – Any person or organization, but only with respect to liability for "bodily injury," "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - (1) Your acts or omissions; or
 - (2) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured when required by a contract.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- (b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

m. State or Political Subdivisions – Any state or political subdivision as required, subject to the following provisions:

- (1) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit, and is required by contract.
- (2) This insurance does not apply to:
 - (a) "Bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard."

M. Duties in the Event of Occurrence, Claim or Suit

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. is amended as follows:

a. is amended to include:

This condition applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An executive officer or insurance manager, if you are a corporation.

b. is amended to include:

This condition will not be considered breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An executive officer or insurance manager, if you are a corporation.

N. Unintentional Failure To Disclose Hazards

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 6. Representations is amended to include the following:

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

O. Transfer of Rights of Recovery Against Others To Us

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 8. Transfer of Rights of

Recovery Against Others To Us is deleted in its entirety and replaced by the following:

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

Therefore, the insured can waive the insurer's rights of recovery prior to the occurrence of a loss, provided the waiver is made in a written contract.

P. Liberalization

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, is amended to include the following:

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

Q. Bodily Injury – Mental Anguish

SECTION V – DEFINITIONS, Paragraph 3. Is deleted in its entirety and replaced by the following:

"Bodily injury" means:

- a. Bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
- b. Except for mental anguish, includes death resulting from the foregoing (Item a. above) at any time.

R. Personal and Advertising Injury – Abuse of Process, Discrimination

If **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE** is not otherwise excluded from this Coverage Part, the definition of "personal and advertising injury" is amended as follows:

1. **SECTION V – DEFINITIONS**, Paragraph 14.b. is deleted in its entirety and replaced by the following:

- b. Malicious prosecution or abuse of process;

2. **SECTION V – DEFINITIONS**, Paragraph 14. is amended by adding the following:

Discrimination based on race, color, religion, sex, age or national origin, except when:

- a. Done intentionally by or at the direction of, or with the knowledge or consent of:
 - (1) Any insured; or
 - (2) Any executive officer, director, stockholder, partner or member of the insured;
- b. Directly or indirectly related to the employment, former or prospective employment, termination of employment, or application for employment of any person or persons by an insured;

- c. Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or
- d. Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

The above does not apply to fines or penalties imposed because of discrimination.



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
06/01/2019

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY USI Insurance Services 601 Union Street, Suite 1000Seattle, WA 98101		PHONE (A/C, No, Ext):	COMPANY See Below	
FAX (A/C, No): 877-678-5844	E-MAIL ADDRESS:			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #: 581221			LOAN NUMBER N/A	POLICY NUMBER See Below
INSURED Pacific Hospital Preservation & Development Authority 1200 12th Ave S., Qtrs 2 Seattle, WA 98144			EFFECTIVE DATE 06/01/19	EXPIRATION DATE 06/01/20
			<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION
1200 12th Ave S., Seattle, WA 98144

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Company: Affiliated FM Insurance Company Policy Number: T 186 Coverage: Special Form, including Theft. Replacement Cost. Agreed Value (No Co-insurance). Equipment Breakdown. Blanket Limit on Buildings, Business Personal Property, and Business Income/Rental Value	\$91,209,000	\$10,000
Earthquake Coverage: Company: Beazley (Lloyds London) Policy Number: W15ADC190601 - continued on page 2		

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Pacific Hospital Preservation and Development Authority 1200 12th Ave S, Qtrs 2 Seattle, WA 98144	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input type="checkbox"/> LOSS PAYEE	
	LOAN #	
AUTHORIZED REPRESENTATIVE 		

COVERAGE INFORMATION (Continued from page 1.)

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Coverage: Earthquake and Flood for the Towers Building and Garage Limit on Buildings and Business Income	\$10,000,000	5%
Company: Evanston Insurance Company Policy Number: MKLV14XP012-98 Coverage: \$10,000,000 Excess Earthquake and Flood above the underlying policy with Beazley	\$10,000,000	

2019 PHPDA Operating Budget

	2018 Budget	2018 Projection	2019 Proposed Budget
Rental income			
Dept. of Commerce Lease	\$ 2,773,722	\$ 2,773,722	\$ 2,856,934
PacMed Lease	\$ 945,624	\$ 945,624	\$ 945,624
North Lot parking income	\$ 70,000	\$ 125,000	\$ 90,000
<i>Rental income subtotal</i>	\$ 3,789,346	\$ 3,844,346	\$ 3,892,558
Reimbursement income			
Tower Operating reimbursement from PMC	\$ 700,584	\$ 750,000	\$ 811,413
Quarters building insurance reimbursement from PMC	\$ 18,000	\$ 16,500	\$ 17,500
Operating reimbursement from DOC	\$ 2,008,511	\$ 2,000,000	\$ 2,623,991
Property tax reimbursement	\$ 32,000	\$ 33,388	\$ 34,500
<i>Reimbursement income subtotal</i>	\$ 2,759,095	\$ 2,799,888	\$ 3,487,404
Other income			
Interest earnings	\$ 60,000	\$ 135,000	\$ 125,000
Other income	\$ 4,500	\$ 1,705,000	\$ 5,000
<i>Other income subtotal</i>	\$ 64,500	\$ 1,840,000	\$ 130,000
TOTAL INCOME	\$ 6,612,941	\$ 8,484,234	\$ 7,509,962
Tower/Property Operating expense			
Tower Insurance	\$210,000	\$195,000	\$210,000
Quarters Insurance	\$18,000	\$17,000	\$17,500
Tower Operating	\$2,487,095	\$2,750,000	\$3,218,404
Property Tax	\$34,000	\$35,500	\$37,000
<i>Tower/Property Operating expense subtotal</i>	\$ 2,749,095	\$ 2,997,500	\$ 3,482,904
Grant and related expense			
Major grants	\$2,914,745	\$2,815,000	\$3,006,952
Nimble Grants	\$225,000	\$223,000	\$225,000
Coalition Planning grants	\$30,000	\$15,000	\$15,000
Contracted Evaluation Services	\$2,500	\$0	\$0
Evaluation Projects with UW			\$10,000
<i>Grant and related expense subtotal</i>	\$3,172,245	\$3,053,000	\$3,256,952
Personnel expense			
<i>Executive Director</i>	\$123,806	\$123,806	\$127,520
<i>Other staff salaries</i>	\$182,985	\$182,985	\$188,474
Total Salaries	\$306,791	\$306,791	\$315,994
Health insurance	\$26,000	\$25,000	\$25,600
Dental insurance	\$2,900	\$3,080	\$3,100
403(b) contributions (3% of salary)	\$9,204	\$9,204	\$9,480
L&I insurance	\$1,340	\$1,400	\$1,500
Social security/Medicare	\$23,470	\$23,469	\$24,174
Life and disability insurance	\$6,900	\$7,500	\$7,700
Other benefits	\$3,700	\$1,200	\$1,200
Professional development	\$4,000	\$2,000	\$5,000
<i>Personnel expense subtotal</i>	\$384,304	\$379,644	\$393,748
Professional Services and Consultant expense			
Legal	\$20,000	\$20,000	\$45,000
Accounting	\$20,500	\$19,800	\$20,400
External audit	\$24,000	\$22,500	\$24,000
State audit	\$10,000	\$10,000	\$1,500
Payroll services (ADP)	\$2,200	\$2,184	\$2,340
Real Estate Professional Advisors	\$5,000	\$4,000	\$50,000
Property Assessment Consultant	\$0	\$0	\$17,500
Communications Consultant	\$15,000	\$12,000	\$15,000
IT support	\$10,000	\$7,500	\$9,000
Graphic Design	\$2,000	\$1,000	\$1,500
Website Developer	\$500	\$250	\$250
<i>Professional Services and Consultant expense subtotal</i>	\$109,200	\$99,234	\$186,490

2019 PHPDA Operating Budget

	2018 Budget	2018 Projection	2019 Proposed Budget
PHPDA Operating expense			
Small Equipment	\$6,000	\$4,500	\$5,000
Grant Software and Licensing	\$5,500	\$5,100	\$5,230
Supplies	\$5,000	\$2,500	\$4,000
Quarters 2 Repairs & maintenance	\$6,000	\$9,000	\$6,000
Printing & Publicity	\$1,500	\$1,500	\$1,500
Postage	\$500	\$400	\$500
Telephone	\$4,800	\$4,700	\$4,800
Internet service	\$1,800	\$2,000	\$2,200
Meals/Catering	\$8,000	\$7,000	\$8,000
Travel + parking	\$4,500	\$4,500	\$3,000
Dues & Subscriptions	\$6,500	\$7,000	\$7,500
Insurance (Commercial, D&O)	\$12,500	\$11,500	\$12,500
Bank fees	\$750	\$675	\$750
Misc.	\$3,000	\$2,000	\$3,000
<i>PHPDA Operating expense subtotal</i>	<i>\$66,350</i>	<i>\$62,375</i>	<i>\$63,980</i>
TOTAL EXPENSE	\$ 6,481,194	\$ 6,591,753	\$ 7,384,073
Net before depreciation	\$ 131,747	\$ 1,892,481	\$ 125,889
<i>Depreciation expense</i>	<i>\$761,354</i>	<i>\$761,354</i>	<i>\$763,249</i>

Pacific Hospital Preservation and Development Authority (PHPDA)

RESOLUTION NO. 11-2018

WHEREAS Article VII, Section 2 of the Charter of the Pacific Hospital Preservation and Development Authority (the "PHPDA") requires that the PHPDA Council adopt an annual operating budget;

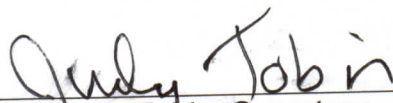
WHEREAS the PHPDA Finance and Program Committees have reviewed the proposed 2019 operating budget and assumptions and have recommended adoption of the 2019 operating budget in the form attached hereto as Exhibit A;

WHEREAS the PHPDA Governing Council has reviewed the recommended budget in an open public meeting;

THEREFORE, BE IT RESOLVED that the 2019 Operating Budget is hereby adopted and approved by the PHPDA Governing Council.

COUNCIL, PACIFIC HOSPITAL PRESERVATION & DEVELOPMENT AUTHORITY

BY: 
Mike Heinisch, Chair

BY: 
Judy Tobin, Secretary

Adopted by the vote of a majority of the members of the Pacific Hospital Preservation & Development Authority Governing Council, present at a meeting held on December 11, 2018 at which a quorum was present.

Exhibit A