

**WASHINGTON STATE
HOUSING FINANCE COMMISSION
MINUTES**

August 11, 2015

The Commission meeting was called to order by Chair Karen Miller at 4:45 p.m. in the Training Room of the Washington State Housing Finance Commission at 1000 Second Avenue, Seattle, Washington. Those Commissioners present were Randy Robinson, Dan McConnon, Wolfgang Optiz, Pam Tietz, Steve Moss, and Wendy Lawrence.

Action Item: PIF loan to the Seattle College Foundation for the Pacific Tower

Lisa Vatske, Director of the Multifamily Housing and Community Facilities Division, stated that in 1933 the U.S. Government moved the services of the Marine Hospital from Port Townsend to a newly constructed 312–bed facility on Seattle’s Beacon Hill. The new U.S. Marine Hospital served veterans, merchant seamen, the U.S. Coast Guard, U.S. Light House Service, and “federal compensation cases” (the poor and indigent). Over the years, the patient population grew to include commercial fishermen, Native Americans, Alaska natives, NOAA and other uniformed services’ personnel and their dependents.

Throughout the mid- to late 1970s, the hospital formalized and strengthened its relationships with several community organizations, including community clinics. The Seattle PHS Hospital also housed the original Indochinese Language Bank, later named the Community Health Interpretation Service (CHIS). The program provided interpreters to many of the other health facilities in Seattle and served as a model for other Public Health Service Hospitals on the West Coast. The program eventually became the Cross Cultural Health Care Program that is now nationally known.

In 1981, The City of Seattle chartered the hospital, now renamed the Seattle Public Health Hospital, as a public development authority (PDA). The federal government transferred control of the property to the new Public Health Hospital Preservation and Development Authority. This quasi-governmental structure allowed essential services to be provided to the public through corporations that have public accountability but operate as private entities. The city provided no funds.

In November 1983 the Seattle Public Health Hospital changed its name to Pacific Medical Center.

In 1992 the City of Seattle designated the Beacon Hill campus and tower as a Seattle Historical landmark.

In 1998 the Pacific Hospital PDA received federal approval to lease a portion of the building to a non-health care organization. The agreement that grew out of this request required that the Pacific Hospital PDA use lease revenues to provide charity health care for the poor in King County. The Pacific Hospital PDA then signed a 99-year lease with Wright Runstad, a local real estate development company. Wright Runstad also committed to \$25 million in upgrades to the tower, including safety systems and building improvements. Later Wright Runstad found a long-term tenant in Amazon.com, which agrees to sub-lease floors 1–14 of the tower until 2009. Amazon.com occupies 190,000 square feet in the hospital between 1998 and 2011.

Most recently in November 2013 the Washington State Department of Commerce signed a 30-year lease agreement for Pacific Tower property, effective Jan. 1, 2014. Pacific Tower will serve as a new satellite campus for Seattle Central College to house its growing Allied Health programs. The new campus will also support the college's plans to offer two new four-year degree programs: a Bachelor of Science in Nursing and a Bachelor of Applied Science in Allied Health. These programs will serve some of the 1,800 students enrolled in health programs across the Seattle Colleges District who would like to continue their education. The Department of Commerce will also be leasing

remaining space to nonprofit organizations, state agencies and local governments.

Ms. Vatske requested the approval of a \$2,000,000 Program Investment Fund (PIF) loan to the Seattle College Foundation for the Pacific Tower project.

Ms. Tietz moved to approve the Program Investment Fund (PIF) request of \$2 million to the Seattle College Foundation for the Pacific Tower. Mr. Lawrence seconded the motion.

Mr. McConnon recused himself from the vote due to his affiliation with the Department of Commerce.

The motion was approved unanimously, with one recusal.

Adjournment

The meeting was adjourned at 4:55 p.m.

Signature
