



**BOARD OF DIRECTORS**

**CLOSED SESSION**

**MINUTES**

**May 13, 2016**

**1819 Trousdale Drive, Burlingame, CA**

**Board Room**

**8:00 AM**

1. **Call to Order:** Chair Cappel called the meeting to order at 08:00 hours.
2. **Roll Call:** Present were Directors Cappel, Galligan, Zell, and Emmott, and CEO Fama.
3. **Public Comment:** No members of the public were present.
4. **Closed Session was called to order.**
  - A. Closed Session Minutes from February 25, 2016:  
*It was moved by Director Galligan, seconded by Director Emmott, and passed 4/0/0 to approve the minutes as written.*
  - B. Trade Secrets:
    1. **Samaritan House** is looking at a parcel in Pacifica for its Tiny Houses Project. It is listed for <\$1M for about 2 acres. Questions before the Directors:
      - a) Given current demands on Board Designated Funds is there still interest in purchasing property for this project? Consensus was not at this time; however the Board wants to remain open to opportunities to help bring this program to fruition and would be willing to make a pledge of a significant amount that they could use to launch a fund raising campaign.
      - b) Is Board open to supporting a location out of the District? Consensus was no; all Directors expressed hope that efforts continue to locate something within PHCD boundaries.  
*CEO was directed to convey to Mr. Charlow the Board's continued support of the concept and openness to other ways to show that support.*  
*Reportable action in Open Session: None*
- C. Property Negotiations
  1. **Burlingame School District Purchase:** Director Zell reported on a recent meeting with the BSD superintendent, Dr. MacIssac and Dominic Dutra of Dutra Cerro Graden, the real estate firm BSD has retained to help locate a new site. We were informed that school district property cannot be sold without going through a State "7-11 Committee" approval process. However, schools can swap properties upon approval of the local board only. The questions before the Directors:
    - a) If BSD finds a suitable property and PHCD finds the purchase price and terms to be reasonable, would the Board be willing to buy the property, allow BSD to do the tenant improvements and swap ownership of the new property for the ownership of 1825 Trousdale. Directors agreed 4/0.  
*CEO was authorized to enter into a non-binding Letter of Intent to purchase if a suitable property at a reasonable price was identified by BSD's broker.*



b) Based on the 2015 appraisal and strategic value of the parcel to the PWC development, is there a range or not-to-exceed price the Board would consider? Discussion concluded that the 1825 Trousdale parcel and support to BSD to facilitate moving could be worth as much as \$5M-\$6M because it provides the opportunity for a 5 to 6-story revenue producing facility when combined with the 1819 Trousdale parcel and secures ownership of nearly the entire north border of District land from El Camino to Marco Polo.

*CEO was authorized to start negotiations on purchase and swap details with BSD to position both parties to be ready to act quickly if and when a suitable property is available.*

c) Given the equity commitment to The Trousdale Project, can the District afford to spend \$5M - \$6M at this time? Bill Hendrickson was asked to provide an updated forecast using a \$5M. His conclusion was "...cash reserves fall to a low of \$21.8M at the end of FY 2018, about \$5.1M below prior levels. *Overall ratios still look strong, but of course there is less cash "cushion" than before.*"

d) Given a BSD move within the next couple of years seems more realistic to plan for, the PWC Project Team wants the Board's approval to revise the master plan and scope of the EIR to include a proposed building and use that incorporates the BSD parcel, and to approve a change to the Phase 3 budget to cover the cost of that expansion— an early projection of increased cost was \$150,000. The price to go back and re-do an EIR process to incorporate that parcel later would cost twice as much at a minimum.

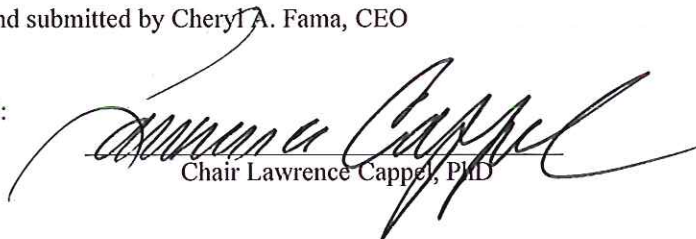
*CEO was authorized to take the necessary steps to launch the expanded the scope and plan development; both items will require Board action at its next public meeting.*

- 2. MPHS helipad update:** The southwest flight path has been shifted and will now allow PHCD to go up 1 -2 additional floors on the planned building at the southeast corner of the PWC. The northwest flight path has not changed; however it will require taking out 5 large trees behind the 1819 Trousdale office sometime in the next couple of months. CEO Fama reported her intention of making as a condition of PHCD's authorization to proceed that tree removal that no tree is touched until visible construction is started on the helipad to make it more self-evident that the tree removal is due to the helipad and not the PWC development

5. **Adjournment:** Chair Cappel adjourned the meeting at 09:10 hours.

Written and submitted by Cheryl A. Fama, CEO

Approved:

A handwritten signature in black ink, appearing to read "Lawrence Cappel", is written over a horizontal line. Below the line, the text "Chair Lawrence Cappel, PhD" is printed.

Chair Lawrence Cappel, PhD