



SEATTLE COLLEGES DISTRICT BOARD OF TRUSTEES

February 20, 2019

SPECIAL MEETING

1:30 p.m.

Chancellor's Office

Siegal Center
1500 Harvard Ave
Seattle, WA 98122

AGENDA

1:30 p.m. CALL TO ORDER

1:30 p.m. APPROVAL OF AGENDA | ACTION

Tab 1

1:35 p.m. PUBLIC COMMENTS

Up to fifteen minutes are set aside for people to express their views on any matter except those restricted to Executive Session.

1:50 p.m. RECOMMENDED BOARD ACTIONS | ACTION

A. Accounting with International Accounting BAS Degree,
 North Seattle College

Tab 2

B. Seattle Central College Student Housing

Tab 3

2:00 p.m. ADJOURNMENT

The next meeting of the Board of Trustees will be held on Thursday, March 14, 2019 at North Seattle College, 9600 College Way North, Seattle 98103. There will be a Study Session at 1:30 p.m., and the Regular Meeting will follow at 3:00 p.m.

MEMORANDUM

TO: Board of Trustees
FROM: Dr. Shouan Pan, Chancellor
DATE: January 31, 2019
SUBJECT: Accounting with International Accounting BAS Degree

Background

North Seattle College is in the approval process for a bachelor of applied science (BAS) degree in Accounting with International Accounting. This new degree will provide graduates with the knowledge and skills required for employment in the field of accounting. The degree builds on an associate of applied science degree in business or accounting and provides students with preparation for, and a clear pathway toward, meeting the Washington State CPA licensure requirements. The degree will also provide a thorough understanding on International Financial Reporting Standards (IFRS) to enhance skills relevant to employment in the Seattle area.

Demand

According to EMSI, there are over 2,200 job openings annually (2017) in King and Snohomish Counties for accountants, but less than 600 annual completions (2017). The median salary for accountants in the region is \$69,000. Demand is projected to grow by 11.9% in the next 10 years over the current base of 24,000 accountants. There were 368 job postings in the Seattle area seeking IFRS knowledge over the last 12-month period (nearly all at the baccalaureate level or above), and 192 of them were in accounting and auditing occupations.

The degree has been approved by the Chancellor's cabinet. The Statement of Need is in the development process, and once approved a formal proposal will be development for the State Board for Community and Technical Colleges.

Recommendation

It is recommended that the Accounting with International Accounting BAS Degree be approved.

Submitted by:



Dr. Shouan Pan
Chancellor

Memorandum

To: Seattle Colleges Board of Trustees
From: Dr. Shouan Pan and Dr. Sheila Edwards Lange
Date: February 14, 2019
Re: Requesting Approval for Student Housing

Seattle Central for several decades has provided student housing for a limited number of international students. The master lease with the landlord expires in 2020. College leadership desires to offer more beds and housing which is more responsive to student preferences by developing on-campus student housing.

In September of 2017, Seattle Central issued a request for letters of interest to national student housing developers. Respondents provided their qualifications and a preliminary pro forma for developing student housing above Central's student parking garage. A proposal from Hanover Pacific of Irvine, California was deemed responsive and Central entered into a memorandum of understanding to exclusively study project feasibility with Hanover.

Hanover Pacific is a developer of privatized, purpose-built student housing and has strong experience in all facets of the project life-cycle from entitlement, financing, construction and operations. While Hanover Pacific is a private developer of student housing, they specialize in partnerships with campuses to develop on-campus housing. Their approach utilizes tax-exempt financing and requires that housing support the campus' educational mission. Hanover Pacific enjoys strong market presence in working with colleges and universities and offers a unique approach to meeting campus housing demand.

A 2018 student housing demand study was commissioned from Brailsford and Dunlavey, a national student housing consultant. Their final report was delivered in January of this year. It concluded that in the target market of 18 to 24 year old fulltime Central students there is a demand for approximately 600 beds. Seismic studies of the parking garage and a forensic examination of its condition in 2018 confirm that building a five story student housing project above the garage is feasible.

Hanover's proposal is for Seattle Central to enter into a 40 year lease of the development rights above the garage with a 501c3 non-profit. There are a number of national non-profits with extensive experience in this type of financing/development model. The non-profit will borrow the funds necessary to construct the project using only the rents collected to retire

the debt service. They will contract with professional managers to operate the building. Seattle Central would be the sole beneficiary of any net operating revenues after payment of debt service, operating costs and maintenance reserves. At the end of the financing term (32 years), the College can elect to receive all improvements back as a donation from the 501c3 or continue to have them operate the student housing. Notwithstanding, at the end of the lease term (40 years), the improvements automatically revert to the Seattle Central.

Recommendation:

- 1) That the Board of Trustees approve:
 - a. Seattle Central entering into a pre-development agreement with Hanover Pacific to design and submit for city building permits and select a 501c3 entity to develop the housing; and
 - b. Seattle Central entering into a lease of development rights above the student garage for the purpose of developing on-campus student housing with the selected 501c3; and
 - c. Seattle Central entering into a co-operation and marketing agreement with the 501c3; and
 - d. Authorization for the President of Seattle Central to execute with the advice of legal counsel other agreements and documents necessary to develop the student housing project.
- 2) That the Board of Trustees authorize the college staff to seek approval of these agreements and an authorization to proceed from the State Board of Community & Technical Colleges.

