



Pike Place Market Preservation and Development Authority (PDA)

ASSET MANAGEMENT COMMITTEE
Meeting Minutes

Monday March 12th, 2012
4:30 p.m. to 6:00 p.m.
PDA Conference Room

Committee Members Present: Patrick Kerr, David Ghoddousi, Gerry Kumata, Bruce Lorig, Jill Andrews

Other Council Members Present: Gloria Skouge

Staff Present: Ben Franz-Knight, Ryan Yale, John Turnbull, Jennifer Maietta, , Steve Nelson, Sabina Proto, Brittney Farrow ,Joe Parr, Bob Beckstrom, Matt Holland, Dianna Goodsell

Others Present: Buddy Foley, Duncan Thieme

The meeting was called to order at 4:30 p.m. by Patrick Kerr, Chair

I. Administration

- A. Approval of Agenda.
Resolution **12-15**, **12-16** and **12-17** was added to the Agenda and Resolution **12-18** was stricken from the Agenda
The amended agenda was approved by acclamation
- B. Approval of February 13th, 2012 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
None

II. Levy Phase III Update

Ben updated the progress on Levy Phase III which is near completion. He informed members of the anticipated completion timeline for several projects. He stated the scaffolding surrounding the Stewart House is mostly taken down. The Economy Atrium is also expected to reopen April 15th. He noted that the beginning operations for the Elevator will be dependent on the inspection from the Fire Marshall, hopefully finished by the end of next week. Lastly, the finalized design approach/cost estimate(s) for the windows on Western will need to be reviewed soon and possible discussions for other additions in that process. Overall Phase III of Renovation has been successful; on schedule and on budget with wrap-up for Phase III by the end of the week.

III. Key Issues & Discussion Items

- A. Update on Proposed Capital Projects

- I. **Soames Dunn Reconfiguration-** Ben discussed briefly that reconfiguration of the Soames Dunn is almost completed. Going forward with finalizing work, resolution to bring back tenants and providing street access to Bavarian.
- II. **Wi-Fi-** Ryan discussed updates with Wi-Fi development. He discussed the current logistics in constructing Wi-Fi in the Market. He brought up an issue regarding the deficiency of appropriate infrastructure of broadband/bandwidth in the Market. He mentioned the possibility for government funding to help expand infrastructure for future uses, faster internet speeds and more mobility in the several areas in the Market. He stated that there have been initial discussions with AT&T, Sprint and Verizon Wireless regarding 4G technology; all parties were excited about devising a plan that could satisfy the Market's Wi-Fi needs. In April there will be a more expansive update on Wifi including topics such as Costs, Management, Vendor/Tenant input and Visitor experience/ rollout.

Jill commented on a possibility for pay as you go wireless service. She noted Boingo could be an idea for Wi-Fi, since they also service the Washington State Ferries.

- III. **Campus Directional Signage-** Ben mentioned the RFP went out March 9th in seeking consultants for the Campus Directional Signage Project. As soon as responses are received, a formal recommendation will be added.
- IV. **Waterfront-** Ben stated that the WRC continues to work on the collaboration of the PC-I design. He added there is recommendation for WRC to actively pursue an MOU with the city, outlining the responsibilities in moving forward with the design development of PC-I and the long term development and ownership of the site. There will be an extensive presentation on WRC at the end of the month.

Ben mentioned recommendation for redevelopment of the Market Theater. He also updated on the progress with working on leasing agreements for the Theater.

- B. **Parking-** Ben stated Steve and him had a productive meeting about the parking agreement with the City. They shaped at an outline of deal terms that protects the Market's interest and allows testing of reduced hourly rates. Steve added that the current parking proposal seems favorable by the City, which would help protect net loss in revenue for the Garage. Steve also noted potential ideas for improved way finding/signage to the garage. Overall, the basic terms outlined for the garage agreement would include compensation by the City for every potential dollar the garage loses with reducing the rate from \$4 to \$3 an hour (up to a max of 4 hours). The City is wrapping up the review of the parking Proposal. Expectantly a Contract would be ready to present to the Finance Committee this month, then presented to Full Council to be implemented in April. There will be a review after the initial six months regarding the impact of user ship for the garage.

A brief question and answer period followed

IV. **Review of Commercial Leasing Policies & Annual Rent Increases:**

Jennifer Maietta gave a presentation reviewing the Commercial Leasing Policies and Annual Rent Increases. The outline of her presentation was divided into topics including:

- I. Current PDA Policies
 - Lease Terms – Standard Renewals
 - Base Rent
 - CAUT/COMA
2. Current Standard Lease Language
3. CPI Industry Best Practices
4. PDA Policies Regarding Struggling Businesses
 - Payment plans
 - Rent Deferrals
 - Business Support and Relocations to Smaller Spaces

5. Next Steps – Committee Recommendations

Jennifer concluded her presentation in summarizing that the Commercial Leasing team will continue to evaluate the current guidelines and policies appropriately. She added if changes or additions are needed, the Staff will present its findings to the Asset Management Committee and PDA Council. In addition, the Staff will continue to use the specific criteria in addressing the Annual Rent Increases. This criterion includes Adhering to current policies and guidelines, Assessment of Actual CPI, Assessment of Actual Expenses, and Use of Internal Market Comps. With following the guidelines above the Commercial Leasing team will be able to: assess all lease negotiations and renewals on a case by case basis, Conduct a thorough analysis of the tenant's rental history and prior rent increases and Implement the proper increase with a flat percentage rate increase and/or Increase based on CPI.

A question and answer period followed

IV. Action Item(s)

A. Fish Ice Melting Station Update

The Fish Ice Melting Station Update was moved to next month's Agenda.

B. Action Item: Proposed Resolution 12-15: Authorization for Contract Authority – Replace Maintenance Shop Floor

Bob Beckstrom introduced the resolution which states that the PPMPPDA has determined the Maintenance Shop Floor has deteriorated and needs replaced in the Soames-Dunn basement. The PPMPPDA has executed a competitive bid process to replace the shop floor. It was requested that the PPMPPDA Council authorizes the PPMPPDA Executive Director or his designee to enter into a contract with Experienced Construction, Inc. in an amount not to exceed \$27,372.27, for the execution of replacing the Maintenance Shop Floor in the Soames-Dunn basement.

David moved, Gerry seconded

Approve: Patrick Kerr, David Ghoddousi, Jill Andrews, Gerry Kumata, Bruce Lorig

Against: 0

Abstain: 0

Resolution 12-15 passed unanimously

Action Item: Proposed Resolution 12-16: Authorization for Contract Authority – Modernize Elevator Cab – Market House

Bob Beckstrom Introduced the resolution which states that the PPMPPDA has determined the Market House Residential Elevator Cab needs to be modernized. The PPMPPDA has executed a competitive bid process to modernize the elevator cab. It is requested that the PPMPPDA Council authorizes the PPMPPDA Executive Director or his designee to enter into a contract with Schindler Elevator Corporation in an amount not to exceed \$15,123.70, for the execution of modernizing the Market House elevator cab in the Pine Building.

Gerry moved, David seconded

Approve: Patrick Kerr, David Ghoddousi, Jill Andrews, Gerry Kumata, Bruce Lorig

Against: 0

Abstain: 0

Resolution 12-16 passed unanimously

Action Item: Proposed Resolution 12-17: Authorization for Contract Authority – Residential Common Area Upgrades - Leland Building

Bob Beckstrom introduced the resolution which states that the PPMPPDA has determined the Leland Residential Common Areas needs to be upgraded. The PPMPPDA has executed a competitive bid process to install new carpet in the Leland Residential common areas. It is requested that the PPMPPDA Council authorizes the PPMPPDA Executive Director or his designee to enter into a contract with DR Company Inc. in an amount not to exceed \$12,219.47 for the execution of upgrading the Leland Residential flooring.

David moved, Jill seconded

Approve: Patrick Kerr, David Ghoddousi, Jill Andrews, Gerry Kumata, Bruce Lorig

Against: 0

Abstain: 0

Resolution 12-17 passed unanimously

V. Property Management

A. Residential Property Management Report

John Turnbull commented on the vacancy report and optimistically noted things seem to be coming together while wrapping up with renovation. He added a couple market rate units will be available in the next coming months. He congratulated Elsie on doing a great job on keeping up with all the paperwork.

Ben stated he was very interested in watching the vacancy report over the next six months. He gave commendation to John and Elsie for their great efforts during the course of renovation.

A brief question and answer period followed

Closed session began at 5:22 p.m.

B. Closed Session (RCW 42.30.110 [c])

i. Review of Lease Proposals

ii. Lease Renewal-Double Dorjee: 1501 Pike Place #115
Lease Renewal-Piroshky, Piroshky: SD008, Soames Dunn
Lease Renewal-Solstice Designs by Locals: 1501 Pike Place #409

iii. Review of Delinquency Report

a. Vacancy Report

b. Current Lease Negotiations

iv. Open Session: Approval of Lease Proposals

Closed session ended at 5:49p.m.

C. **Action Item:** Proposed Resolution **12-22:** Lease Proposals –March 2012: Double Dorjee, Piroshky Piroshky, Solstice Designs by Locals

The Lease Proposals include Double Dorjee/Tenzin Chodak with a 5 Year term starting February 1st, 2012, Piroshky Piroshky Prep Space/Oliver Kotelnikov with a Coterminous w/Retail term starting February 20th, 2012 and Solstice Designs by Locals/Amy Harris with a 3 Year term starting February 1st, 2012.

Bruce moved, Gerry seconded

Approve: Patrick Kerr, David Ghoddousi, Jill Andrews, Gerry Kumata, Bruce Lorig

Against: 0

Abstain: 0

Resolution 12-06 passed unanimously.

V. Items for the Consent Agenda

Resolution 12-15, 12-16 and 12-17 were moved to the Consent Agenda

VI. Public Comment

None

VII. Adjournment

The meeting was adjourned at 5:50 p.m. by Patrick Kerr