



Pike Place Market Preservation and Development Authority (PDA)

ASSET MANAGEMENT COMMITTEE
Meeting Minutes

Monday June 11th, 2012
4:30 p.m. to 6:00 p.m.
Atrium Conference Room

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

Other Council Members Present: Gloria Skouge

Staff Present: Ben Franz-Knight, John Turnbull, Jennifer Maietta, Steve Nelson, Joe Paar, Bob Beckstrom, John Macklin, Brittany Farrow, Matt Holland, Dianna Goodsell

Others Present: Joshua Anderson

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

I. Administration

- A. Approval of Agenda.
The agenda was approved, as amended, by acclamation
- B. Approval of May 14th, 2012 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
None

II. Levy Phase III Update

Joe Paar gave a brief updated on Levy Phase III. He stated that Turner has now demobilized off the job site. He added that there are a small number of tasks left to complete including the mechanical systems and commissioning efforts. He lastly concluded that we are now addressing the restoration levels for the windows on western.

III. Key Issues & Discussion Items

- A. Update on Proposed Capital Projects
 - I. Flower Stair Row Removal
Joe Paar presented a brief summary of the Flower Stair Row Removal discussion from last month. Ben circulated a requested drawing of the site with the omission of the stairs. Joe noted that cost for the Flower Stair Row removal project would range from \$100,000 up to the higher end of \$200,000. He added that it may ultimately be very disruptive to remove the stairs. There was discussion on how much value would be added to the space in evaluation to the costs of configuring the space.

Bruce L requested that he would like to sit with Ben to discuss the issue in its entirety. He noted that with some historical buildings you may not need ADA access with City Approval.

Patrick would like to have Ben come back to revisit this issue next month including a drawing of the site with a ramp incorporated into the design.

John F mentioned having the Committee members meet with staff prior to next month's meeting regarding the hillclimb stair removal.

There was a brief discussion.

II. Campus Directional Signage

Ben stated that we have been seeking out requests for proposals for the Campus Directional Signage project. He noted that we will have a resolution for next month.

III. Leland Fairly Wall along Pike Place

Ben stated that we will be addressing the Leland Fairly Wall along Pike Place now since there was a majority vote to discontinue the Pilot Program. There was a discussion of the condition of the wall structure and the potential solutions to fix the structure.

John Turnbull stated the Leland Fairly wall is currently infested with rodents. He noted that the wall fundamentally has no structure left. He lastly added that the wall is in very bad shape and will need to be replaced.

Patrick stated that this issue needs immediate attention. He inquired about the linear footage of the wall and the percentage of the wall that would need to be replaced. With the discussion of temporary solutions to stabilize the wall, he noted that the wall uses specialty materials which add to the complexity of the issue. He had requested for rebidding on the Leland Fairly Wall.

Bruce L commented that it did not seem economically sensible to replace the entire wall at this time. He suggested in looking at a temporary solution. Bruce Lorig also commented about the decision to not pursue the Pilot Program; he did not think it was the appropriate conclusion for Pike Place Uses.

John F noted that Bruce's suggestion of a temporary fix for the wall may be worth looking into.

Jill Andrews stated that she would hate to see this issue pushed back any further due to the severity of the wall.

Ben stated that we could examine the wall once more and return to the committee next month with an update.

IV. Fish Ice Melting-

Steve Nelson stated that next week the condenser lines will be installed for the Fish Ice Melting Station. He noted that there will be construction on the stairs on Western to make room for the larger garbage bins to be moved around.

B. Review of Business Plan for Atrium Kitchen

John Turnbull gave a summary of the Leadership Tomorrow's presentation from the May Full Council meeting. He stated that we have done a lot of prep work including a budget analysis of the project. He also noted that there is budgeted amount set aside in the "other funds" list. He stated that he thinks that there is enough interest to have the kitchen built some period after Labor Day. He lastly noted that SHKS Architects have given a proposal for the kitchen design.

There was a discussion that followed regarding specifics for the Atrium Demonstration Kitchen business plan including potential uses, rates and costs.

Bruce L discussed the issue of staffing of the kitchen; he noted that more than a half-time staff would be needed. Bruce had stated that we need to know more of a business plan including who is going to rent

the space specifically. He added that we need to know if the kitchen would support itself; we need to set aside enough money to amortize the building cost.

John F had asked John Turnbull if he feels like there has been enough market research completed regarding the kitchen and rate structures.

Bruce L commented about touring a similar kitchen in the area to understand how it is designed and how it is operated.

John Finke commented that the rental rates seem very modest. He stated that he does not think this kitchen is to be designed as a cost center, but rather designed for the Community.

IV. Action Item(s)

A. Action Item: Proposed Resolution 12-45: Authorization for Contract Authority – Designer for Atrium Demonstration Kitchen

John Turnbull introduced the resolution which states that the PPMDA desires to provide a public facility to further focus upon food and nutrition education, cooking classes, chef demonstrations, preparation of value added food products by local farmers and chefs, catered events featuring local food products and other special events compatible with the operation of the Public Market. The PPMDA has designated the Economy Atrium space made available at the end of building renovation as the location for a commercial kitchen that would be made available on a rental basis for these function. The PPMDA has previously authorized the contracting for design services for improvements in tenant spaces, especially those concerning food related businesses, with SHKS Architects, selected in accordance with purchasing guidelines. The maximum to be spent under this authorization was \$ 285,000 of which \$41,583 remains at the completion of all previously authorized work. It be requested that the PPMDA Council authorizes the PPMDA Executive Director or her designee to enter into a contract with SHKS Architects in an amount not to exceed \$40,000 for Design Service from schematic level through construction administration for a multi-purpose commercial kitchen to be operated by the PPMDA in the Economy Market Atrium a target construction budget (including furnishings, fixtures and equipment) of \$200,000. This work is intended to be funded through funds obtained from Other PDA Capital Funds.

Jill Andrews moved, Gerry Kumata seconded

Approve: Jill Andrews, Gerry Kumata, John Finke

Against: Bruce L

Abstain: Patrick Kerr

There was a discussion that followed.

Patrick had requested clarification on the design costs for the Atrium Demonstration Kitchen from SHKS Architects.

Proposed Resolution 12-45 passed with a vote of 3-1-1

B. Action Item: Proposed Resolution 12-44: Authorization for Contract Authority – Soames Dunn Tenant Improvements

John Turnbull introduced the resolution which states that the PPMDA has received approval of plans prepared by SRG Architects for the reconfiguration of three commercial tenant spaces in the Soames-Dunn Building to which includes the repair and relocation of building elements and services and the relocation or replacement of fixed tenant improvements made obsolete due to renovation. The PPMDA has negotiated lease terms with returning tenants, coordinated design improvements to their respective spaces and the PDA common areas and will coordinate the renovation schedule to minimize business disruption. The PPMDA has previously placed a high priority on the completion of these improvements subsequent to major building renovation, in an amount estimated at \$250,000 to be paid from Other PDA Funds. The PPMDA has approved a lease for 1918 Pike Place, incorporating modifications to the building necessary for the return of this tenant and has worked with tenant to identify a contractor through a competitive process to develop a budget for this work. It be requested that the PPMDA Council

authorizes the PMPDA Executive Director or her designee to enter into the following contracts and agreements:

To reimburse Tenant expenses not to exceed \$135,000 for costs incurred by Nina Hong d/b/a Pike Place Chocolate and Ice Cream, 1918 Pike Place, to replace built-in counters and fixtures removed by the PDA for renovation of the space, construction of demising walls, relocation of electrical and plumbing services, relocation of storage area, provide replacement ventilation and other necessary work as required in the new location as shown on approved drawings, all to be conditioned upon a multiple year lease acceptable to the PDA.

Gerry Kumata moved, John Finke seconded

Approve: Jill Andrews, Gerry Kumata, John Finke, Bruce Lorig,

Against: 0

Abstain: Patrick

Proposed Resolution 12-44 passed with a vote 4-0-1

V. Property Management

A. Residential Property Management Report

John Turnbull briefly updated the Committee on the Residential Property Management Report. He reported that there is an 11% total Vacancy rate for the Market Residential buildings; noting that the LaSalle Building is one unit short of full occupancy while the Stewart House is ten units short. He added that almost half of the vacancies are in the Stewart House.

Closed session began at 5:51 p.m.

B. Closed Session (RCW 42.30.110 [c])

- i. Review of Lease Proposals
- ii. New Lease - Farvahar Café - 1503 Pike Place #3A
Lease Renewal - Umai Sushi & Teriyaki - 91 Pike Street
Review of Delinquency Report
 - a) Vacancy Report
 - b) Current Lease Negotiations
- iv. Open Session: Approval of Lease Proposals

Closed session ended at 6:03 p.m.

C. Action Item: Proposed Resolution 12-46: Lease Proposals - June 2012:

Jennifer introduced the resolution which states the Lease Proposals for June 2012 below:

Farvahar Café Behzad Ramezanizadeh & Azita Amirabadi	1 Year	July 1, 2012
Umai Sushi & Teriyaki Roh Kyung & Lee Keoung	3 Years	July 1, 2012

John Finke moved, Gerry Kumata seconded

Approve: Patrick Kerr, Jill Andrews, Gerry Kumata, John Finke, Bruce Lorig

Against: 0

Abstain: 0

Proposed Resolution 12-46 passed unanimously.

VI. Items for the Consent Agenda

Proposed Resolution 12-46 was moved to the Consent Agenda.

VII. Public Comment

None

VIII. Adjournment

The meeting was adjourned at 6:10 p.m. by Patrick Kerr

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator