



Pike Place Market Preservation and Development Authority (PDA)

ASSET MANAGEMENT COMMITTEE
Meeting Minutes

Monday October 8th, 2012
4:30 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: John Finke, David Ghoddousi, Bruce Lorig, Mark Ellerbrook, Joshua Anderson

Other Council Members Present: Gloria Skouge

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

Others Present: Joshua Green, Howard Aller, Paul Dunn

The meeting was called to order at 4:30 p.m. by John Finke, Vice-Chair

I. Administration

- A. Approval of the Agenda.
The agenda was approved by acclamation
- B. Approval of the September 10th, 2012 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

Howard Aller commented on the Atrium Kitchen design plan. He offered several suggestions for improvements to the Kitchen plan including the addition of a freezing unit, pull up doors, an on demand water heater and a flat top stove in addition to a stove with inserts. He noted that ample installation of electric outlets in the kitchen is critical, especially in the island area. He suggested the creation of a policy to have all food and equipment removed at the end of each day. He lastly suggested in prohibiting the installation of a fryer to reduce maintenance, as well as ensuring guests in providing their own small ware and utensils.

III. Levy Phase III Update

Ben Franz Knight provided a brief update regarding the Levy Phase III activities. He stated that would be a resolution tonight presented regarding the first phase of work to be completed with the windows on western. He added that he has held positive discussions with Mark Ellerbrook including discussion of additional climate cool units and further work on the Desimone Bridge.

IV. Action Item(s)

- A. **Action Item:** Proposed Resolution **12-69:** Authorization for Contract Authority – Build Out for Atrium Kitchen

Ben Franz- Knight 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 ; and developing the Economy Atrium Kitchen and the Economy Market Event Spaces creates an opportunity to expand the relationship with our existing customers and to cultivate new ones by allowing shoppers to complete the farm-to-table cycle while enjoying a unique experience in one of the city's most iconic locations; and the PPMDA has previously authorized design services for the Economy Atrium Kitchen in the amount of \$37,500 and has distributed a bid set for pricing from local contractors, with estimates received ranging from \$205,000 to \$280,000 inclusive of sales tax and an estimate of additional equipment to establish operations in the amount of \$62,000. The estimated cost for additional equipment to be provided in the finished space is estimated to be at \$62,000. The PPMDA Council has reviewed a proposed business plan which identifies operating expense assumptions, income from space rentals and general usage patterns identified as benchmarks for effective use of these spaces. It be requested that the PPMDA Council authorizes the PPMDA Executive Director or her designee to solicit bids for the construction of the Atrium Kitchen and to proceed with purchasing of related equipment in an amount not to exceed \$280,000. It be further requested that the Executive Director shall report to the PDA Council within one year of this resolution on the operating costs, income, usage and other benefits from operations of the Atrium Kitchen and Economy Market Event spaces with a recommendation on whether to continue such operations or convert the subject spaces to conventional leased commercial space. This work is intended to be paid for from Other PDA Capital Funds GL Code – 163222-00.

Ben Franz-Knight gave an introduction and overview of Proposed Resolution 12-77. He noted that there had been a few updates in staffing and plans for the kitchen. He added that with great input received from Bruce Lorig and other Council members, it was concluded that there would be no possible way to operate the kitchen and rental spaces with only a half time staff member. He discussed the updated budget schedule for the Atrium Kitchen and Events spaces as well as estimates for improvements to the event spaces. He informed the committee regarding rent recovery and the realistic potential income from the space rentals.

There was a discussion that followed.

John Finke inquired about the kitchen and event spaces and how to determine the mixed uses and assumptions for the spaces.

John Turnbull noted that we can do more work in the Atrium Kitchen space if the demand present. He noted that Maximillens and Matt's in the Market are interested in renting the conference rooms for private events. He also noted that there are a couple of other businesses that are trying to find a space to help them with food production and food related activities.

Bruce Lorig noted his concerns of going into a business a half step at the time instead having a solid business plan altogether. He stated he does not think we are ready to approve the resolution at this point until there is more due diligence done. He added that one of the things we need to do is gather smaller user groups we anticipate having, which the staff can build upon that.

John Finke's stated that his inclination is to support the resolution on the Atrium Kitchen but the \$15,000 estimation in additional work for the conference rooms seemed under budgeted. He added that we need a legitimate budget and plan that will make it more useful and friendlier to us. He added that he thinks we have done satisfactorily research to move forward with a plan but does not think we have completed adequate research with the renovation of the spaces upstairs in the Economy Building.

David Ghoddousi inquired about a previous demonstration kitchen built in the past in the Market. He noted that the Atrium Kitchen sounded like a great idea but is concerned about the realistic use of the space.

Ben Franz-Knight noted that it would be helpful to have the committee members provide more clarity on what to bring back next month in conjunction with the review of the budget. He provided a possible solution to bring forward, which would be a whole program, showing in the context of the annual budget

along with some pieces in our capital program. He noted that the Atrium Kitchen would still stand alone as a separate component but both programs would be reviewed at the same time.

John Finke noted we need to have separate resolutions for both the Atrium Kitchen and Event Room plans created; the resolutions also should be presented at the same time. He added one of the resolutions will need to include components of the build out elements for the event spaces upstairs. The second resolution would be the Atrium Kitchen by itself. He summarized the concerns of the present Council members regarding the Atrium Kitchen: Bruce Lorig would like further refinement of the demand for the spaces while David Ghoddousi was concerned of a getting into business which should be operated by a private business. John Finke stated we will be back in a month to discuss the Atrium Kitchen.

Approve: John Finke
Against: Bruce Lorig, David Ghoddousi
Abstain: 0

Resolution 12-77 did not pass by a vote 1-2-0

B. Action Item: Proposed Resolution **12-78:** Authorization for Contract Authority - Repair Western Avenue Windows

Bob Beckstrom introduced this resolution which states that in order to maintain the viability of the Pike Place Market buildings the PMPDA has determined the Western Avenue Storefronts and Constituency Office windows have deteriorated and are in need of extensive repairs. The PMPDA has executed a competitive bid process to repair these windows and related wood framing. It be requested that that the PMPDA Council authorizes the PMPDA Executive Director or his designee to enter into a contract with Experienced Construction, Inc. in an amount not to exceed \$106,598.25, for the repairs of these windows. The funds for this project will be drawn from the Redevelopment Budget, Accounting Code 163726-00

Bruce Lorig moved, David Ghoddousi seconded

There was a brief discussion that followed

David Ghoddousi inquired about changing the color of paint on the windows on Western.

Bruce Lorig discussed his concerns about improving the PDA maintenance culture and ensuring proactive measures in maintaining the Market and its spaces. Ben Franz-Knight noted the maintenance staff is improving on routine maintenance work.

Approve: John Finke, David Ghoddousi, Bruce Lorig
Against: 0
Abstain: 0

Resolution 12-78 passed unanimously

VI. Property Management

A. Residential Property Management Report

John Turnbull noted he did not have a report available for this month. He added that we are doing slightly better than last month; we are catching up to be where we need to be by the end of the year.

Closed Session started at 5:36 p.m.

B. Closed Session (RCW 42.30.110 [c])

- i. Review of Lease Proposals
- ii. New Lease - Zaccagni's - 97B Pike Street
Lease Renewal - Raven's Nest Treasures - 85B Pike Place
Lease Renewal - Sosio's Produce - 1527 Pike Place
- iii. Review of Delinquency Report

- a) Vacancy Report
- b) Current Lease Negotiations
- C. Open Session: Approval of Lease Proposals

Closed Session ended at 5:52p.m.

A letter from Pat McCarthy and Matt Snyder from DeLaurenti's was distributed to the committee during Closed Session.

Open Session started at 5:52p.m.

D. Action Item: Proposed Resolution 12-79: Lease Proposals - October 2012:

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

Zaccagni's Darlene Boline	One (1) Year	October 1, 2012
Raven's Nest Treasures Matthew Steinbrueck	Five (5) Years	September 1, 2012
Sosio's Produce Dan Manzo Jr. / Mike Osborn / Alan Stott	Five (5) Years	November 1, 2012

David Ghoddousi moved, Bruce Lorig seconded
Approve: John Finke, David Ghoddousi, Bruce Lorig
Abstain: 0

Resolution 12-79 passed unanimously

VII. Items for the Consent Agenda

Resolutions 12-78 and 12-79 were moved to the Consent Agenda.

VIII. Public Comment

None

IX. Concerns of Committee Members

Bruce Lorig commented on his concern with the main parking garage and his desires in hiring a parking consultant. He also commented on having the parking garage restriped and cleaned while improving the signage along the south direction of the garage.

X. Adjournment

The meeting was adjourned at 5:57 p.m. by John Finke, Vice-Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator