



Pike Place Market Preservation and Development Authority (PDA)

ASSET MANAGEMENT COMMITTEE
Meeting Minutes

Monday September 10th, 2012
4:30 p.m. to 6:00 p.m.
Atrium Conference Room

Committee Members Present: Patrick Kerr, Betty Halfon, David Ghoddousi, Gerry Kumata, Bruce Lorig, Mark Ellerbrook,

Other Council Members Present: Gloria Skouge

Staff Present: Ben Franz-Knight, John Turnbull, Jennifer Maietta, Brittany Farrow, Matt Holland, Allison Krueger

Others Present: Joshua Green, Howard Aller, Paul Dunn

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

I. Administration

- A. Approval of Agenda.
Proposed Resolution 12-69 under Section V, Item A was stricken from the agenda.
The agenda was approved, as amended, by acclamation
- B. Approval of August 13th, 2012 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

Paul Dunn commented on his concern with the Gum Wall and the public use and up keeping of the wall. He noted that should be a longer term solution for maintenance and cleaning of the gum wall. He also made comment about the renovations for Victor Steinbrueck Park regarding the Parks Levy. He noted that the Friends of the Market are working with the oversight committee regarding levy efforts.

Ben Franz-Knight commented on the gum wall and the complex issue of up keeping and the maintenance of the wall. He has spent some time drafting a maintenance policy for the gumwall. He noted that there is a PR campaign in development that would help educate visitors in how to enjoy the wall while respecting the historical building.

III. Levy Phase III Update

Ben Franz Knight reported that we are still working on the windows on Western in which there should be a resolution presented next month. He added that there have been several meetings with Mark about reviewing the remaining funds and cash flow from the renovation. He noted the possibility of recommendation to purchase one to two additional climate cool units in November or December.

There was a brief discussion regarding the windows on Western.

IV. Key Issues & Discussion Items

A. Update on Proposed Capital Projects

Ben Franz-Knight gave a brief report on the update on proposed capital projects. He noted next month we will be looking at the Atrium Demonstration Kitchen project. He stated that we have accomplished a great number of capital projects so far. The preschool renovation will be addressed next month. With all the capital related resolutions passed last month, the PDA other funds available balance is at \$494, 804. The Atrium Kitchen project would bring the balance to \$ 202, 304, while the preschool renovations expenses are anticipated to cost around \$40,000 to \$60,000. He lastly noted that we have allocated a majority of those funds from the PDA other funds available; one of the things we are looking at in the capital planning period is the second level of medium priority projects.

I. Review of Other Funds Project Status None

V. Action Item(s)

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

The resolution proposes 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. 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. 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.

This item was stricken from the agenda.

VI. Property Management

A. Residential Property Management Report

John Turnbull distributed the residential vacancy report. He noted that the residential vacancy report was based on August's report. He reported that the units in the Stewart House continued to be leased out; they are down to one vacant unit due to the renovation. He also reported that the Section 8 Renewal for the Stewart House is in place now. Lastly, he added that we are doing the exhaustive analysis for the apartment rents for next year's budget.

Closed session began at 4:45 p.m.

B. Closed Session (RCW 42.30.110 [c])

- i. Review of Lease Proposals
- ii. New Lease - Radiator Whiskey - 94 Pike Street # 30

- Lease Renewal - El Mercado Latino - 1514 Pike Place # 5
 Lease Renewal - Pharaoh's Treasures -1501 Pike Place #314
 Lease Renewal - Polish Pottery -1501 Pike Place # 515
 Lease Renewal - Ruby's Seattle Gift Gallery - 1501 Pike Place # 505
 Lease Renewal - The Soap Box - 1916 Pike Place # 13
 Lease Renewal - Taj Mahal - 1501 Pike Place #513
- iii. Review of Delinquency Report
 a) Vacancy Report
 b) Current Lease Negotiations
- C. Open Session: Approval of Lease Proposals

Closed session ended at 5:10p.m.

- D. **Action Item:** Proposed Resolution **12-76:** Lease Proposals - September 2012:
 Jennifer introduced the resolution *which states the Lease Proposals for September 2012 below:*

Radiator Whiskey Radiator Whiskey, LLC	5 Year	October 8, 2012
El Mercado Latino Jilasco, LLC	5 Years	September 1, 2012
Pharaoh's Treasures Hesham Elhoucy	5 Years	October 1, 2012
Polish Pottery Hanna Tabaczynski & Margaret Rzymowska	3 Year	October 1, 2012
Ruby's Seattle Gift Gallery Rodelio & Ruby Francisco	5 Years	September 1, 2012
The Soap Box DoriLea Gaffaney	5 Years	September 1, 2012
Taj Mahal Varendra (Kaka) & Rani Dhingra	5 Years	September 1, 2012

David Ghoddousi moved, Gerry Kumata seconded
 Approve: Gerry Kumata, Betty Halfon, David Ghoddousi, Bruce Lorig, Patrick Kerr
 Against: 0
 Abstain: 0

Resolution 12-76 passed unanimously.

VII. Items for the Consent Agenda

Resolution 12-76 was moved to the Consent Agenda.

VIII. Public Comment

None

IX. Concerns of Committee Members

Betty Halfon commented on Market tenant performance and the PDA's ability to either assist or direct businesses that are underperforming or need assistance.

Bruce Lorig commented on the possibility of looking closer at some of the lower performance tenants in order to assist or direct them. He also commented on the cleanliness and signage of the parking garage and also restriping the lines/ restructuring the parking rates. He noted that our goal is to have a lot of people come to the Market.

Patrick Kerr commented on the PDA website and the possibility of advertising the parking garage reduced rates on the homepage.

Howard Aller commented that he and fellow friends have difficulty with the parking garage space availability, especially monthly parking tenants who are not guaranteed a place to park.

X. Adjournment

The meeting was adjourned at 5:20 p.m. by Patrick Kerr, Chair.

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator