



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES –May 31st, 2012

Council Members: James Savitt, Ann Magnano, Bruce Burger, Bruce Lorig, David Ghoddousi, Matt Hanna, Patrick Kerr, Gerry Kumata, Gloria Skouge

Staff Present: Ben Franz-Knight, Lillian Hochstein, John Turnbull, Kelly Lindsay, Scott Davies, Matt Holland, Teri Wheeler, Jennifer Maietta, Tamra Nisly, Dianna Goodsell

Others Present: Leadership Tomorrow Team, Matthew Steinbrueck, Ernie Sherman, Sharon Mukai, Tony Morigi, Cynthia Hope, Haley Land, Howard Aller, Betty Halfen, Joan Paulson, Joseph Read

The meeting was called to order at 4:02 p.m. by James Savitt - Chair.

I. Administration

- A. Adoption of Agenda
Proposed Resolution 12-36 was moved off the Consent Agenda and moved under the New Business Section.
The agenda was approved, as amended by acclamation
- B. Review and Approval of April 26th and May 14th, 2012 Minutes
The minutes were approved by acclamation

II. Public Comment Including the Market Community

Toni Morigi presented a letter on behalf of Golden Age Collectables regarding the Pilot Program and potential street closure.

Matthew Steinbrueck commented about his opposition regarding the street closure. He discussed his rationale for the possible effects the street closure may have on his and other businesses. He noted that changing the use of the street would attract "street fair" types of people to the Market, in which the Market is not a fair.

Cynthia Hope commented in regards to the possible street closure. She stated that you have to manage the flow, not have the flow manage you. She added then when you close the streets, it becomes a one corridor of people who do not buy anything. She stated that she would be tracking the traffic from her store and would be comparing her data with the PDA's data. She added if both her store and other stores have a drop in revenue, who would compensate the businesses. She lastly noted to look at the timing of things, especially due to the economy; it seems rude to put up with this disruption.

Howard Aller addressed the Atrium Demonstration Kitchen concept. He gave an introduction to his education and culinary background and offered his input for the Atrium Kitchen; he noted that he has many creative ideas to offer.

III. Reports and Information Items

A. Council Chair Report

Jim wanted to thank the community members that gave public input tonight. He noted that we will be addressing the street closure issue further at the next Asset Management meeting. He added we may choose either to pursue or not pursue the Pilot Program. The Pilot Program would be a tool to help gather data. In reference to Pike Place Uses, Jim stated that the Pilot Program Plan would be presented and voted on at the next full Council Meeting.

Jim discussed the agenda for this month and the upcoming months. He stated that in June there will be a presentation regarding PCI-N and Pike Place Use. He added that we need to plan for an extra half hour for June's meeting: there are two crucial issues in which he expects much public input. Jim noted that in July there will be a full presentation on the Marketing Strategy out of the Market Programs Committee and a Budget review out of the Finance Committee.

Jim had briefly discussed noticing issues for the PDA Council, Committee and Community meetings. He had thanked the Council members who voiced their concerns about this issue. He had stated that we are going to attempt to revise the user interface for public meeting notices; he would like to have the Council and Committee information easily accessible on the website.

Jim lastly noted that the 2012 Nominating Committee would consist of Jackson Schmidt, Jill Andrews, Gloria Skouge and himself. He stated that some diversity concerns have been expressed; He said you should expect to hear from the nomination Committee.

B. Executive Director's Report

1. Waterfront

Ben stated that efforts continue to proceed regarding PCIN. He added that he had given a presentation to the Market Historical Commission recently regarding PCIN. He stated that the June 5th Waterfront Redevelopment Committee meeting would be a critical meeting; it will be the first chance to dive into proposed massing design study options for PCIN. He noted that we are looking at different technologies for a very complex site and lasted added that the discussion with the City regarding the MOU/MOA is progressing.

2. Pike Place Uses

Ben briefly discussed Pike Place Uses and the progress of the Pilot Program outline. He stated that there was a Community meeting held on May 22nd in which tremendous input was received. He noted that there will be another Public meeting at the Next June 11th Asset Management Committee meeting.

3. Other Items

Ben briefly addressed a letter from Chyrse LeBlanc regarding a request for continued reduce parking rates.

C. Committee Chair Report

Jim inquired on the status of the Bing App. Kelly stated we are on track for the launching the App at the start of July.

Jim wanted to remind the council members that there would be a working session with Miller Hull during the last 10-15 minutes of the Waterfront Redevelopment Committee meetings.

D. Other Reports

None

IV. Key Issues Presentation and Discussion:

A. Atrium Community/Demonstration Kitchen Presentation

There was a presentation from Leadership Tomorrow regarding the Pike Place Market Community Kitchen, including the Assessment and Recommendations for the Kitchen. In addition to the Assessment and Recommendations for the kitchen, Leadership Tomorrow presented illustrations of four potential kitchen design concepts. The Leadership Tomorrow team stated that there is tremendous enthusiasm from the community regarding the Demonstration Kitchen. A summary of the presentation is listed as follows:

- **Project Purpose:** To explore the viability, sustainability, potential uses, and the best practices of operating an on-site community kitchen in the Pike Place Market. The PDA wanted to better understand how the kitchen could serve as a program element for the Pike Place Market in terms of food education, entertainment, and other food-related business by Market vendors and the community.
- **Benefits of a Kitchen:** There are many benefits of a community kitchen located at Pike Place Market. The Market is a well-known venue in Seattle with great appeal for local farmers and other food-related vendors, and is centrally located in downtown Seattle. Second, the kitchen facility location within the Market is accessible and will serve to bring synergy between the Market communities. Lastly, a community kitchen will be a new resource serving the local community.
- **Overview of Project Tasks Completed:** From January to May 2012, the eight members of Team 6 from the Leadership Tomorrow Class of 2012 assisted John Turnbull in assessing the potential for a community kitchen at the Pike Place Market. As part of the project the team conducted the following activities:
 - Research 4 different kitchen concept options (each distinct design concept would address key functional needs including storage, preparation, washing up, demonstration and observation/consumption.
 - Researched potential competitions in the nearby area
 - Researched kitchens in other regions to understand different models and best practices
 - Interviewed 13 potential kitchen users to identify level of enthusiasm, needs and potential challenges
 - Publicized and hosted a Focus Group Event to get feedback on potential kitchen designs and uses.

The key takeaways from the Leadership Tomorrow assessment concluded that: There is a lot of enthusiasm for the project, the Atrium space has a lot of potential uses and should be kept flexible, and the initial investment is needed to make the kitchen easy to use for early success. There were also some key challenges with the kitchen including the issues of Heat, Noise, Public Access, No Loading Dock, Scheduling and Lack of Parking. The presentation concluded with recommendations of having a dedicated staff member to serve as a coordinator, having minimal initial event offerings, creating a simple rental rate structure and establishing sponsorship for the Market kitchen.

There was a discussion that followed the presentation.

Jim had inquired about the next steps for the kitchen.

Ben stated that there will be coordination between Market Programs Asset and Finance Committees reading the Demonstration kitchen, aiming to have a resolution and business plan by June.

John Turnbull added that the kitchen construction would most likely start at the end of June, finishing after Labor Day.

Ann stated she is in support for the Community Kitchen and thinks it is a fantastic resource for the Market and the community.

B. Social Services

Lillian gave a presentation regarding the Market Foundation and Social Services of the Market. She stated that the Foundation had just finished off the fiscal year. She gave an overview of the 2012 Annual distribution amounts from the Foundation listed below:

- There was a total of \$688,000 in distributions.
- The Medical Clinic had a distribution amount of \$254,000, in which there was over 43,000 people served. The biggest issue the Clinic is dealing with is the increased number of elderly patients suffering from diabetes. The Clinic is also working on fundraising efforts in which they just hosted their first fundraising dinner.
- The Senior Center had a distribution amount of \$180,000. There is an ever increasing need for their social service. There were 4000 lunches served last year and an increase for the month of April for meals served.

- The Food bank had a distribution amount of \$50,000. The Food bank is one of the top three visited food banks in the downtown Seattle area.
- The Preschool had a distribution amount of \$152,000. The Preschool served more than 90 kids last year. There was also a new replacement for the Executive Director of the Preschool, in which she would be introduced sometime in the summer.
- There were also distribution amounts made to several assistance funds aiding residents, farm and rent relief; the Foundation is looking into broadening those funds.

Lillian stated we are now back to the phase of fundraising. She added that we have an incredible foundation to build upon. She concluded her presentation with a discussion of the emerging needs of the Foundation and the various ways to fundraise for them. She noted that there will be two upcoming summer fundraiser events: Vinolution and Sunset Supper.

Matt had inquired about specificity on the emerging needs of the Market Foundation including Farm, Crafters, and Business tenant Reliefs. He wanted to understand how we can broaden some of the applications we have to help the community members.

C. Review of Other Funds Project Status

Ben gave an update on Strategic Projects and distributed a copy of the Pike Place Market - Other PDA Funds & Capital Projects Priority List to the Council. He had stated that the Asset Management Committee has been doing a lot of work on the addressing the projects on that list. He briefly overviewed the list, commenting on the status of the various projects.

Matt requested to have Ben provide notes from the overview of Pike Place Market.

Jim had inquired about the plans for replenishing the Priority Projects List.

V. **Resolutions and Other Action Items (Old and New Business)**

A. Consent Agenda

Action Item: Proposed Resolution **12-33:** Authorization for Contract Authority - Residential Common Are Upgrades in HUD - Stewart House

Action Item: Proposed Resolution **12-35:** Lease Proposals - May 2012

Delve

Orange Dracula

The Comfort Station

Brooke Westlund Studio & Gallery

Bohemia Therapeutic Massage

Chocolate and Ice Cream Delight

Action Item: Proposed Resolution **12-38:** Authorization for Tenant Improvement Allowance - The Comfort Station

Motion to approve the consent agenda

Patrick Kerr moved, Gloria Skouge seconded

For: Ann Magnano, Bruce Burger, David Ghoddousi, Bruce Lorig, Matt Hanna, Patrick Kerr, Gerry

Kumata, Gloria Skouge

Against: 0

Abstain: 0

Consent agenda passed unanimously

B. New Business

Action Item: Proposed Resolution **12-36:** Authorization for Reimbursement for Installation of HVAC System for the Premises Leased by Delve, LLC

The resolution states that the retail premises being Leased by Delve, LLC known as 1501 Pike Street, Suite 300, being approximately 3,840 of contiguous square feet in the Leland and Fairley buildings, currently has no Heating Ventilation and Air Cooling (HVAC) system, has single paned western facing windows and currently relies on natural open air ventilation making the heating and cooling in the premises hard to control at a constant temperature. The installation of an HVAC system is beneficial to the PDA for current and future use as it will become a fixed asset of the property and for the optimal performance of

the tenant's use as a business specializing in culinary education and consulting to be able to adequately operate the cooking studio, classrooms and photo/filming studio. The tenant shall contract and pay for the installation of the HVAC system and has solicited a budgetary proposal for the installation of three vertical chilled water & hot water fan coil units including, equipment to connect to the PDA's hydronic loop system from Merit Mechanical in the amount of \$82,000 but anticipates cost may be as low as \$70,000 plus costs for final wiring connections, programming and any wall ventilation air penetrations. The Landlord has agreed, pending PMPDA Council approval, to reimburse Delve, LLC an amount not to exceed \$50,000 towards their costs associated with the installation of the HVAC system. It be requested that the Pike Place Market PDA Council authorizes a tenant improvement allowance to be reimbursed to Delve, LLC for their costs of the HVAC system connecting to the PDA's hydronic loop system to service 1501 Pike Street, Suite 300, servicing 3,840 square feet of space, in an amount not to exceed \$50,000 to be allocated out of the Phase I Other PDA funds set aside for Fan Coil Units in Leland Fairley buildings.

There was a brief discussion that followed.

Matt and Bruce B had inquired about priority use of the funds with tenants and the standard process for subsidizing and supporting tenants and their business space.

Patrick had also inquired about priority use of funds for tenants and had asked about similar allotments for other tenants. He had asked if we were showing favoritism towards other tenants.

John Turnbull explained that with the actual space, we had to separate the space and activate the space, which has investments; many of the changes are fixed improvements.

Ann moved, David seconded

For: Ann Magnano, Bruce Burger, David Ghoddousi, Matt Hanna, Gerry Kumata, Gloria Skouge

Against: 0

Abstain: Patrick Kerr

Resolution 12-36 passed by a vote of 6-0-1

C. New Business

Action Item: Proposed Resolution **12-27:** Authorization for Non-Exclusive Trademark Licensing Agreement with Starbucks Coffee Company

The resolution states that Starbucks Coffee Company wishes to renew their trademark licensing agreement for Pike Place Roast (set to expire January 17, 2013), that allows them to make use of the Pike Place Market name and trademark in connection with a Pike Place Market coffee blend named Pike Place Roast. PMPDA and Starbucks Coffee Company have agreed that in accordance with the terms and conditions of this Agreement, Starbucks may continue to use the Pike Place Market name and trademark solely on Pike Place Roast coffee and merchandise as well as any marketing materials related to said coffee blend. Starbucks Coffee Company agrees to pay the PDA \$150,000 to be paid in annual installments of \$30,000, with the first payment due on the effective date of the Agreement and the remaining payments due one calendar year from the date upon which the previous payment was made. Starbucks Coffee Company further agrees to make a donation of \$50,000 to the Market Foundation which will be distributed in an annual donation of \$10,000 to the Pike Place Market Farmer Relief Fund, with the first payment due on the effective date of the Agreement and the remaining payments due one calendar year from the date upon which the previous payment was made. Starbucks Coffee Company will meet with the PDA and the Market Foundation annually or more to discuss possible marketing activities, communications strategies and partnership opportunities that are mutually relevant and beneficial and that will create substantial PR or marketing value for the PDA. It be requested that the PDA Council authorizes the Executive Director or her representative to execute a non-exclusive trademark licensing agreement with Starbucks Coffee Company for the use of the "Pike Place Market" name and trademark in conjunction with Pike Place Roast.

Ann Magnano moved, David Ghoddousi seconded

For: Ann Magnano, Bruce Burger, David Ghoddousi, Matt Hanna, Bruce Lorig, Patrick Kerr, Gerry Kumata, Gloria Skouge

Against: 0

Abstain: 0

Resolution 12-27 passed unanimously

Action Item: Proposed Resolution **12-41:** AWW Parking Mitigation Program Agreement

Ben introduced the resolution which states that the City of Seattle, in cooperation with the Washington State Department of Transportation (WSDOT), is implementing a Project to mitigate the adverse parking impacts that will occur when the Alaskan Way Viaduct Replacement is under construction. The mitigation plan includes the following key goals; provide low-cost short-term customer parking in off-street facilities in the Central Waterfront and Pioneer Square neighborhoods; improve visitor access to Seattle's waterfront neighborhoods by shifting some off-street supply from serving commuters to serving short-term visitors; contribute to a positive perception of Seattle's waterfront neighborhoods through enhanced and coordinated parking information and marketing and provide motorists with real-time information regarding off-street parking space availability. The PMPDA parking garage located at located at 1531 Western Avenue has been identified as a key location to accomplish the goals of the mitigation

WHEREAS the PMPDA wishes to enter into a contract with the City of Seattle and WSDOT for an initial term ending November 30, 2012 to provide mitigation as defined above by reducing the hourly rate of parking to \$3/hr up to four hours. The City of Seattle and WSDOT agree to provide a monthly reimbursement fee of \$14,000 in consideration for offering the reduced parking rate and additional site improvements, wayfinding and signage valued at \$59,000. It be requested that the PDA Council hereby authorizes the PDA Executive Director to enter into a contract with the City of Seattle and WSDOT for an initial term ending on November 30, 2012 substantially consistent in form and content to the attached final draft.

There was a discussion that followed.

Bruce L had inquired about the urgency to execute the parking agreement with the City now. He had also asked what the City would do in regards to signage and way finding.

Ben stated that it is a critical time to do the Parking Agreement with the City.

Patrick said he in favor for us to execute the Parking Agreement with the City. He added that we have to have some starting point, in which the Agreement would be only for six months.

Ann had inquired about the dates of the Parking Agreement. She stated that it did not make sense to lower the rates in the summer due to the busy season; it would make sense to lower the rates during the slower seasons.

Bruce L stated that he was not against having a Parking Agreement with the City, but was disappointed that he hadn't had more information available prior regarding the actual Agreement. He had also reiterated the need to hire a Parking Consultant.

Bruce Lorig moved, Patrick Kerr

For: Ann Magnano, Bruce Burger, David Ghoddousi, Matt Hanna, Patrick Kerr, Gerry Kumata, Gloria Skouge

Against: 0

Abstain: 0

Resolution 12-41 passed unanimously

Action Item: Proposed Resolution **12-42:** Authorization for Contract Authority – Steinbrueck Urban Strategies, LLC – PCI-N Consultant Services

Ben introduced the resolution which states that the PMPDA has determined that Consultant services are necessary for the integration of the Design and Development of plans for PC-IN with key project stakeholders. The PMPDA conducted a public process and issued a Requests for Qualifications (RFQ) for Consultant Services in accordance with its Purchasing Guidelines and received two (2) proposals, and conducted interviews of 2 finalists, Steinbrueck Urban Strategies, LLC was identified as the best qualified. The PMPDA and is now ready to enter into contract with Steinbrueck Urban Strategies, LLC in an initial amount not to exceed \$35,000 for consultant services as specified in the contract for Consultant Services for PC IN. It be requested the PDA Council authorizes the PDA Executive Director or his designee, to enter into contract with Steinbrueck Urban Strategies, LLC for Consultant Services for PC-IN, for an

initial amount not to exceed \$35,000. The funds for this project will be drawn from the PDA CRRF – Capital Reserve and Replacement Funds.

There was a discussion that followed.

Patrick expressed his concerns with spending more money on PCIN design services. He requested specificity in what services Peter Steinbrueck would provide in addition to the Miller Hull Team.

Gerry Kumata noted that Peter's extensive involvement with the City and his political experience would be valuable for the PCIN project.

Jim expressed his concerns, acknowledging Patrick's apprehension in not wanting to waste money. He noted that Fiscal Prudence is imperative to the Council. He had stated that we want to do the right thing with PCIN, which means spending some money with some possibility of not realizing the project. He lastly noted that this is a rare opportunity.

Bruce L. stated that Peter is the only person who can do this job, which he is uniquely qualified.

Bruce Lorig moved, Gerry Kumata seconded

For: Ann Magnano, Bruce Burger, David Ghoddousi, Matt Hanna, Bruce Lorig, Gerry Kumata, Gloria Skouge

Against: 0

Abstain: Patrick Kerr

Resolution 12-42 passed by a vote of 7-0-1.

VI. Further Public Comment

Ernie stated that he thought the Council made a very wise choice in choosing Peter Steinbrueck as the consulting Architect for PCIN.

Sharon Mukai inquired about the slabs on Western; Jim noted the issue would tentatively be address by the end of the year.

Joan Paulson commented about the Parking Mitigation Project. She was curious to know if there is going to be a way to track the data from the Project and to also analyze the cost benefits.

VII. Other Reports and Action Items

None

VIII. Concerns of Council Members

David gave thanks to the community members who came to the May 22nd Public meeting. He noted that there are huge impacts from street closures. He motioned to have the pilot program discontinued and to not pursue the street closures.

Patrick noted that we should proceed with the street closures like we have in the past years; for the sake of closing the streets to collect data is wrong.

Bruce had stated he wanted to give the staff the opportunity in proceeding with the project.

David Ghoddousi moved, Patrick Kerr Seconded

For: Ann Magnano, David Ghoddousi, Matt Hanna, Patrick Kerr, Gerry Kumata, Gloria Skouge

Against: Bruce Burger, Bruce Lorig

Abstain: 0

The motion passed by a vote 6-2.

Jim Savitt noted that in the future, an appropriate time to bring up a motion would be directly after the "Action Items" Section.

IX. Adjournment

The meeting was adjourned at 6:17p.m. by James Savitt, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator