



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES – November 29th, 2012

Council Members: James Savitt, John Finke, Patrick Kerr, Gloria Skouge, Jackson Schmidt, Betty Halfon, David Ghoddousi, Bruce Burger, Matt Hanna, Gerry Kumata, Bruce Lorig

Staff Present: Ben Franz-Knight, Jennifer Maietta, Bob Beckstrom, Lillian Hochstein, Matt Holland, Teri Wheeler, Kelly Lindsay, Joe Paar, John Turnbull, Dianna Goodsell

Others Present: Haley Land, Bob Messina, Howard Aller, Sharon Mukai, Jill Andrews, Joan Paulson, Tom Graham

The meeting was called to order at 4:01 p.m. by James Savitt - Chair

I. Administration

- A. Adoption of Agenda
The agenda was approved by acclamation
- B. Review and Approval of the October 25th, 2012 Meeting Minutes.
The minutes were approved by acclamation

Matt Hanna entered in at 4:01pm

II. Public Comment Including the Market Community

Haley Land briefly discussed an update regarding the PCI-North stakeholders group. He noted that the group had met early in the month and are still working on the idea of discussing programming for PCI-North. He added that there was a telephone call with Seattle City Councilmember Nick Licata regarding PCI-North. He lastly inquired about the MOU and when the document would be made public.

Sharon Mukai commented on her hopes to start back on the public phase regarding the DTA and the Market. She noted that there will be a survey distributed to all the craftspeople regarding general questions about day to day functions, and primarily introducing the community to the DTA.

James Savitt asked Sharon Mukai to bring a report back on the survey results.

James Savitt inquired about the MOU and the action of making it available as a public document. He noted the importance of having the MOU being introduced publicly before December 6th, 2012. He also noted that he would like to be somewhat aggressive with the City for signing of the MOU.

Bruce Lorig entered in at 4:07pm

III. Reports and Information Items

- A. Council Chair Report
James Savitt presented the Council Chair Report. He noted his report would be brief this month. He discussed the evening's agenda, including a closed session regarding the MOU with the City. He noted

that we will be circulating the 2012 Full Council Retreat agenda and materials by next week. He lastly noted that at the December 20th PDA Council meeting, we will be voting on the PDA'S Annual Plan 2013.

B. Executive Director's Report

Ben Franz-Knight presented a brief Executive Director's Report. He noted that the construction on Roberto's Venetian Trattoria has been delayed. He highlighted the second page of the Executive Directors report in the Council Packet, noting the decrease in farm attendance. He noted that the farm attendance was affected by several factors including weather impacts. He added that there should be a rebound in Farm attendance; there were two farmers recently brought in including a cheese farmer.

C. Committee Chair Report

None

D. Other Reports

None

IV. Key Issues Presentation and Discussion:

A. 2013 Budget Presentation

Ben Franz-Knight presented the 2013 Budget for the PPM PDA. He touched on several highlights in the written narrative and discussed any significant and/or key changes in the Budget. A copy of the PPM PDA 2013 Operating and Capital Budget is included with the minutes.

Matt Hanna commented on the 2013 Budget and the recent Finance Committee meeting. He noted that this year we went even deeper than what we have before in the past with the budget analysis, which was very productive. He inquired to see if Ben could create a Finance 101 workshop where Council and the Public could better understand the figures in the monthly financials. He lastly mentioned the payoff of the first New Market Tax Credit from the LaSalle Creamery; the net result is great, not only does it reduce our debt service but our overall debt load.

James Savitt inquired about the bank and credit card charges for the parking garage; it strikes him that the fees are surprising high. He asked about the current rate(s) and fees the PPM PDA pays for merchant services.

Ben Franz-Knight noted he would be happy to review the current merchant services rates for the parking garage at the next Finance Committee.

Action Item: Proposed Resolution 12-88: Adoption of 2013 PDA Operating and Capital Budget

Ben Franz-Knight introduced the resolution which states that the PDA is a public corporation responsible for the efficient development and operation of the Market and for the effective provision of services designed to preserve and promote the economic health of the Market and its tenants consistent with the Urban Renewal Plan, the Historic District Ordinance and Guidelines, the PDA Charter, deed restrictions, and other City and State ordinances and laws; and, as a public corporation, the PDA operates on a non-profit basis, where any excess of revenues over expenditures is reinvested in the Market; and, the PDA desires to communicate to the Market community and the public the bases for its financial, operational and other policy and program decisions; except for HUD contract rents, the PDA's operations are not subsidized by public funds and rely on rental and miscellaneous income for its total operating and capital revenues; and, the Budget schedule and summary were made available to tenants; the PDA Council's Finance & Asset Management Committee conducted working sessions, considered public testimony, and suggested amendments to the 2013 Proposed Budget; and has recommended adoption of the 2013 Budgets; and the 2013 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2013 based on the 2012 Final Operating Statements.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council does hereby adopt the 2013 PDA Operating and Capital Budgets as outlined in the 2013 Budget Document attached hereto as Exhibit A,

AND BE IT FURTHER RESOLVED, that the PDA Council affirms its established budget, revenue and operating policies as follows:

- (1) All tenant sectors of the Market bear a responsibility for PDA costs incurred to serve the Market's operating and capital needs as a whole, and to fulfill the public interest purposes of the PDA, to preserve and promote the traditional character of the Market;
- (2) The PDA Council recognizes that external economic conditions and competitive pressures affect Market businesses and residents and attempts to prudently and sensitively take these factors and their potential effects into account in setting revenue estimates and requirements and in conducting its property management responsibilities in the course of the year;
- (3) The Market is operated as an integrated whole with services distributed in accordance with ongoing maintenance and operations requirements, current and future capital needs, and needs for response to critical or emergency demands. The flexibility created by operating the Market as a whole, instead of as independent and exclusive separate and individual buildings or tenant groups, enables the PDA to maximize efficiency and responsiveness to community-wide and Market-wide needs, while still providing attention to individual tenant needs.

This operating mode, combined with the PDA's fulfillment of Charter-mandated public interest and preservation objectives, does not lend itself to a strict relationship between costs and revenues from individual buildings or between costs and revenues from individuals or groups of tenants. While costs and revenues can be estimated for subgroups of Market facilities and tenants, it is not appropriate from a policy or operational standpoint to develop the budget and operate the Market on a strict cost center basis.

Matt Hanna moved, Bruce Lorig seconded

Approve: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Gerry Kumata, Jackson Schmidt, Betty Halfon, Bruce Lorig

Against: 0

Abstain: James Savitt

Resolution 12-88 passed with a vote 10-0-1

B. Update on PCI-North & Waterfront Design Collaborative Efforts

Ben Franz-Knight gave a brief presentation regarding the update on PCI-North & Waterfront Design Collaborative Efforts, including a discussion on key dates for the PCI-North project. A copy of the presentation has been included with the minutes.

There was a brief discussion that followed.

Bruce Lorig noted that there are still questions about the uses and programming of the spaces in PCI-North.

John Finke noted that as a Council, we should be engaging a consultant on a small but an important contract to come up with a comparable piece to put together as a Pro Forma. He noted that the consultant needs to have the work completed in a report which addressed the costs and income estimates of the PCI-North project; this would be helpful for our funders.

James Savitt inquired about creating some phasing of public input throughout the PCI-North project. He also requested to have the whole elements of the pro forma and cost estimates for PCI-North in the January Package.

There was a brief public question and answer period that followed.

Haley Land inquired if the presentation shown at the meeting would be available online.

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

A. Consent Agenda

Action Item: Proposed Resolution **12-82:** Authorization for Contract Authority - Old Brewery Tenant Improvement - LaSalle Building

Action Item: Proposed Resolution **12-87:** Lease Proposals - November 2012

Flair

Ageless Acupuncture

Miniature Car Dealer

Rings N Things

Action Item: Proposed Resolution **12-89:** Management Fee Payable to the Market Foundation for the Arcade Lights Event on October 12, 2012

Motion to approve the consent agenda

Gloria Skouge moved, John Finke seconded

For: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Gerry Kumata, Jackson Schmidt, Betty Halfon, Bruce Lorig

Against: 0

Abstain: James Savitt

Consent agenda passed unanimously

B. New Business

Action Item: Proposed Resolution **12-84:** Authorization for Non-Exclusive Trademark Licensing Agreement with Paisley and Parsley Designs

Kelly Lindsay introduced the resolution which states that Paisley and Parsley Designs, a home-based business located in Vancouver, WA, desires to make use of the Pike Place Market design mark (Public Market Center sign as depicted on the PDA trademark license application) and the name Pike Place Market in connection with 4x4" travertine coasters and 6x6" travertine trivets that they have sold to five gift shops and offer for sale on their website; and, PPM PDA and Paisley and Parsley Designs have agreed that in accordance with the terms and conditions of this Agreement, Paisley and Parsley Designs may use the Pike Place Market design mark and name in the production and promotion of coasters and trivets that are made-on-demand when ordered (made by Portland Vital Signs located in Portland, OR) and sold on a wholesale basis (\$3.50 per coaster and \$7.00 per trivet) to gift shops and at a higher retail price (\$7 per coaster and \$14 per trivet) on the Paisley and Parsley Designs website; and, Parsley and Paisley Designs agrees that they will not during the term of this Agreement, or thereafter, challenge the title or ownership of the PDA to the name or trademark or challenge the validity of this Agreement; and, Paisley and Parsley Designs agrees that they will use the terms and images related to Pike Place Market and the licensed name and trademark in a way that will reflect positively on the Pike Place Market. The PDA has the right to approve or disapprove of any potential design or marketing plans involving the marks, likenesses or trademarked name(s) owned by the Pike Place Market PDA in relation to their coasters and trivets and all related marketing of such; and, Paisley and Parsley agrees to pay the PDA a start-up fee of \$250 and a royalty rate of 10% of gross sales for all licensed items sold during the duration of a two-year licensing agreement, and agrees to pay 10% of gross sales on infringing items sold before the agreement becomes valid. The start-up fee will be due upon signing of the Trademark Agreement. Quarterly reporting and payment will be due throughout the term of the licensing agreement, with dates specified in the agreement. It be requested that the PDA Council authorizes the Executive Director or his representative to execute a non-exclusive trademark licensing agreement with Paisley and Parsley Designs for the use of Pike Place Market trademarks in the production and promotion of coasters and trivets that feature the Market clock.

Gerry Kumata moved, John Finke seconded

There was a discussion that followed regarding the current PPM PDA Trademark policies and the specific resolution noted above.

John Finke inquired if the PPM PDA audits the percent sales for any Trademark licensing users.

Matt Hanna inquired about the approach/strategy about using the Pike Place Market's trademark without permission and getting caught.

Ben Franz-Knight noted that it is important to consider the cost at any potential litigation to the benefit gain regarding Trademark usage.

There was further discussion regarding the criteria in reviewing and approving trademark licensing agreements.

Kelly Lindsay added that the following trademark licensing request is with the context of the current approved council process. She noted that we have existing licensing agreements with similar organizations and feel some obligation to maintain consistency. If the Council chooses to review the current trademark policy, she would be happy to come back with a comprehensive review.

Patrick Kerr motioned to table Proposed Resolution 12-84, David Ghoddousi seconded.

James Savitt requested to bring the resolution back to Council with a review of the PPM PDA current trademark policy.

John Finke noted that the applicant should be notified that the resolution is tabled and that their request has not been approved at this time.

For: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Gerry Kumata, Jackson Schmidt, Betty Halfon, Bruce Lorig

Against: 0

Abstain: James Savitt

Proposed Resolution 12-84 was tabled

Action Item: Proposed Resolution **12-85:** Authorization for Non-Exclusive Trademark Licensing Agreement with The Seattle Public Library

Kelly Lindsay introduced the resolution which states that The Seattle Public Library desires to make use of the Pike Place Market design mark (Public Market Center sign as depicted on the PDA trademark license application) and the name Pike Place Market in connection with a series of six colorful new library cards featuring images that reflect Seattle history and culture. The PPMPDA and The Seattle Public Library have agreed that in accordance with the terms and conditions of this Agreement, The Seattle Public Library may use the Pike Place Market design mark and name in the production of library cards and promotional materials throughout the Library's 27 locations and on their website at spl.org; and, The Seattle Public Library agrees that they will not during the term of this Agreement, or thereafter, challenge the title or ownership of the PDA to the name or trademark or challenge the validity of this Agreement; and, The Seattle Public Library agrees that they will use the terms and images related to Pike Place Market and the licensed name and trademark in a way that will reflect positively on the Pike Place Market. The PDA has the right to approve or disapprove of any potential design or marketing plans involving the marks, likenesses or trademarked name(s) owned by the Pike Place Market PDA in relation to their library cards and all related marketing of such; and, the PDA Council recognizes the promotional value of the library card to the Market and its businesses, and supports The Seattle Public Library in its effort to reflect Seattle history and culture. It be requested that the PDA Council authorizes the Executive Director or his representative to execute a non-exclusive trademark licensing agreement with The Seattle Public Library for the use of Pike Place Market trademarks in the production and promotion of library cards that feature the Market clock and sign.

Gerry Kumata moved, John Finke seconded

For: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Gerry Kumata, Jackson Schmidt, Betty Halfon, Bruce Lorig

Against: 0

Abstain: James Savitt

Resolution 12-85 with a vote 10-0-1

Action Item: Proposed Amended Resolution **12-86:** Authorization for Contract Authority - SRG Partnership, Inc. - Architectural Services

Ben Franz-Knight introduced the resolution which states in order to maintain the viability of the Pike Place Market buildings the PMPDA has undertaken a major renovation of the Pike Place Market buildings, and many of the building systems have now reached the end of their useful life and are in need of major repair; and, the PMPDA contracted with SRG Partnership for Design and Architectural Services for this major renovation in February 2009 as authorized by the PDA Council in Resolutions 08-51 and 08-61 and now wishes to amend that contract to include additional: field measuring, design detailing, preparation of bidding documents and construction administration expenses for the Leland and Fairley windows (\$159,000) and Submittal of Permit Documents to the City and Construction Administration expenses for Food Bank (\$16,000) for a total contract amendment of \$175,000. It be requested that the PMPDA Council authorizes the PMPDA Executive Director or her designee to execute an amendment to the existing SRG contract in an amount not to exceed \$175,000. Note \$159,000 towards account 163200-00 Levy Design and Misc. Expenses and \$16,000 towards account 163214-00 Non-Levy Design Work.

Gerry Kumata moved, Bruce Lorig seconded

There was a discussion that followed regarding the specific work requested in the resolution.

James Savitt requested to bring SRG to the Council to discuss the resolution for next month.

Joe Paar requested to separate the resolution to vote on the food bank portion this evening.

Matt Hanna noted that the funding for the work on the windows on Western would be budgeted out of the levy funds available; he noted that those funds need to be deployed on certain levy projects.

Matt Hanna moved to amend the resolution separating the food bank portion of the request as Proposed Resolution 12-86A. Bruce Lorig seconded the motion.

There were two separate motions on the table; 12-86A and 12-86B

For: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Bruce Lorig, Gerry Kumata, Jackson Schmidt, Betty Halfon

Against: 0

Abstain: James Savitt

Proposed Resolution 12-86A was passed with a vote 10-0-1.

Matt Hanna moved to table Proposed Resolution 12-86B, John Finke seconded.

For: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Lorig, Gerry Kumata, Jackson Schmidt, Betty Halfon

Against: Bruce Burger, Gloria Skouge

Abstain: James Savitt

Proposed Resolution 12-86B was tabled with a vote 8-2-1.

- C. Other
None

VI. Further Public Comment

Haley Land inquired on the specifics of the 2013 Full Council Retreat. He also commented on anticipation of future discussion regarding the PDA's relationship with students and their families from Seattle Public Schools

Joan Paulson commented on the windows on Western: she suggests documenting and photographing the location of each window on Western.

VII. Other Reports and Action Items

Closed session started at 5:45pm

A. PCI-North MOU Negotiations (*Closed Session Per (RCW 42.30.110(l)(b))*)

Closed session ended at 6:36pm

Open session started at 6:37pm

VIII. Concerns of Council Members

None

IX. Adjournment

The meeting was adjourned at 6:38p.m. by James Savitt, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator