



Pike Place Market Preservation and Development Authority (PDA)

FINANCE COMMITTEE
Meeting Minutes

Tuesday January 15th, 2013
4:30 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: Bruce Lorig, David Ghoddousi, Gerry Kumata, Gloria Skouge, Ann Magnano

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, Dianna Goodsell

Others Present:

The meeting was called to order at 4:31 p.m. by Bruce Lorig, Vice-Chair

I. Administrative

- A. Approval of the Agenda
The agenda was approved by acclamation.

- B. Approval of the December 18th, 2012 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

None

III. Review of the Financial Statements for December 2012

- A. PDA Operating Statements

Ann Magnano entered in at 4:33pm

Sabina Proto discussed the Balance Sheet and PDA Operating Statement ending for the Month of December. Under Current Assets, there was a decrease overall; there was an increase in Unrestricted Cash and a decrease in Misc. Accounts Receivables. She reported the following: The Designated Cash decreased due to the transfer of funds out of the CRRF Reserve to the Operating cash for the budgeted capital expenditures. The Restricted Cash increased due monthly contribution to the Debt Service accounts for the PC-I Bonds. The Current Liabilities increased mainly in the Accounts Payable. The Long Term Debt decreased due to the monthly payments on loans, mortgage and bonds. The Net Operating Capital had increased overall. Current Operating Result decreased slightly from the prior month and the Levy Funds received in total as of today was \$ 64.67 million; amount received in 2012 YTD was \$6.12 million.

Sabina Proto reported under the Accounts Receivable Activity Report, the accounts receivable decreased during December. The Total Revenue for the end of December 2012 was \$14,243,767 or over budget by \$114,107. The Total Operating Expense was \$ 10,351,308 or under budget by \$ 186,930. The Net Operating Result for the end of December was \$ 3,892,459 which was \$ 301,037 over budget. The Net

Result after Debt Service & Reserves: Annual Budget was \$707,091 and the actual YTD was \$ 1,008,227; this amount exceeds the budget by \$301,137.

Sabina Proto presented the Revenue in the Operating Statement and stated that the Commercial Revenue was over budget by \$ 55,187. She added overall there was good performance of the Percent Rent. She noted that we are caught up and over budget in the Office Rent; in the prior months we had been under budget due to the unanticipated construction impacts of the Levy Phase II. She added that one of the ATM's has not been operational for the entire 2012 year. She stated that CAM is under budget because the loss of revenue for the US Bank space. Direct utilities are under budget because of the vacancies in commercial spaces during construction; this is associated with less spending on the electricity, water and sewer expenses. She stated that Residential Revenue was over budget because of the growing occupancy; as anticipated in the second part of the year. She reported the following; Daystall Revenue was over budget overall, Surface Revenue was over budget especially on the monthly parking. Miscellaneous Revenue was over budget in Management fees, filming and other revenues, Garage Revenue was over budget by 98k. She noted that we have participating since July 1st 2012 in the AWW Parking Mitigation Program, and per agreement with the City of Seattle we receive a \$14,000 monthly fee. She added that we are up to date in collecting that fee which amounts to \$ 84,000 collected for the period July-December 2012.

Sabina Proto lastly reported that the Operating Expenses were over budget in some departments and under budget in others. She reported that we have had additional needs for temporary work in the Residential and Daystall & Farm departments. She also added that here have been some staffing vacancies in Management. She stated the following: there had been extensive repair on the fire panel in the garage, credit cards fees were over budget due to the increase in revenue, insurance rates were lower than budgeted and marketing spending increased during the holiday season. She noted that the Percent Rent spreadsheet presents the performance of the percent rent, concluding that the Percent Rent was over budget by \$97,000 YTD, \$162,000 over budget over the same period last year. She lasted reported that the Capital Reserve Status Report represents the amount contributed to the reserve, and the amount spent year to date out of the capital reserve. The Capital Reserves total was \$ 9,920,449 as of 12/31/2012. Total Capital Expenditures (budgeted) was \$1,122,149 as of 12/31/2012. The amount spent on the Waterfront Design and Development was \$494,551

Sabina Proto noted that she had spoken with US Bank and has placed pressure with the bank and they told her they have agreed to reduce the merchant transaction fees by 50 percent. She added that the bank noted that many of the transactions from the parking garage were from business credit cards. She stated that she will continue to report on this issue.

Gerry Kumata inquired what the surplus in the budget from 2012 would be allocated to for 2013.

Ben Franz-Knight noted that next month there will be a discussion on the allocation of the surplus budget from 2012; this would be followed by a resolution to approve the allocation of budget funds.

IV. Checking Account Activity Report

The Checking Account Activity Report was distributed to Dianna Goodsell, Administrative Services Coordinator.

V. Presentations and Discussion Items

A. Budgetary Review of Proposed Spending Resolutions

Ben Franz-Knight noted that all the committees member besides Ann Magnano were in attendance at the Asset Management meeting the night prior where the resolutions were reviewed, He briefly discussed Proposed Resolutions **13-04**: Additional Funds for Reconfiguration of Soames Dunn Interior and Retail Spaces and Proposed Resolution **13-05**: Approval of Contract Authority for Specialty Door Inc. and Amendment to Resolution **12-44** - TI Reimbursement for Chocolate and Ice Cream. He noted that both of the resolutions were approved unanimously at the Asset Management Committee.

B. Update on the NMTC LaSalle Commercial Exit Process

Ben Franz-Knight noted that Sabina Proto has done an excellent job throughout the process for the Exit Process for the NMTC. Ben had Sabina Proto report on an update for the NMTC LaSalle Commercial Exit Process and share the positive outcome from the process. She noted that the PMPDA received \$ 79,000 out of the process; there was a reserve set up several years ago before closing on the deal which was with the Pike Place Investment Fund. She noted that we paid \$106,000 and gained \$79,000 equaling a net result of \$27,000 from the deal. She added there are two more entities that still need to be dissolved. The first entity that needs to be dissolved is Pikes Place Investment Fund which the PDA is the sole owner of that fund. The second entity is Pike Place Market funding LLC in which the PDA owns 39.74% and the Senior Center owns 60.26%. She noted that based on the operating agreement between the PDA and Senior Center, during the dissolution of the Pike Place Market Funding LLC, the PDA will pay the Senior Center only one dollar for the return of its Capital Contribution.

Bruce Lorig inquired about the how the CAUT and COMA charges are calculated in commercial; he was interested in reviewing calculation of CAUT and COMA rates in the near future.

VI. Other Reports and Action Items

None

VII. Items for Consent Agenda

None

VIII. Public Comment

None

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 5:08 p.m. by Bruce Lorig, Vice-Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator