



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES – January 31st, 2013

Elliott Bay Room

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

Staff Present: Ben Franz-Knight, Tamra Nisly, Kelly Lindsay, Emily Crawford, Jennifer Maietta, Matt Holland, Zack Cook, John Turnbull, Joe Paar, Dianna Goodsell

Others Present: Howard Aller, Andrew Higgins, Haley Land, Gerry Johnson, Joan Paulson

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 December 20th, 2012 Meeting Minutes.

The minutes were approved by acclamation

II. Public Comment Including the Market Community

Haley Land noted that he attended the public meeting last night regarding the MOU between the City of the Seattle and the Pike Place Market PDA. He thanked the PDA Council and PDA for holding an additional meeting. He thought the level of the questions that were asked were thoughtful and suggestive appropriately to the MOU document. He stated that the questions had elicited responses directly from the Council members. He noted that the next stage in the PC-I North design process will matter as much as the previous stage with the public. He hopes the council is as receptive to this process like it has been in the past.

Howard Aller thanked the PDA and Council for the extra meeting. He noted his appreciation for the format of the meeting and question and answer section.

III. Reports and Information Items

A. Council Chair Report

Jim Savitt presented the Council Chair Report. He stated that key issue for the evenings meeting would be the MOU between the Pike Place Market PDA and the City of Seattle and the voting on the approval of the MOU. He noted that there would be an important meeting for the Waterfront Redevelopment Committee on February 5th and encouraged the Council and public to attend. He stated that the WRC February 5th meeting would include a discussion on the PCI-North Project timeline leading up to construction. He stated that next month there would be an important set of questions for the next steps for PCI-North and possibly a resolution for additional design spending authorization with Miller Hull. He noted that next month there would also be a discussion on the Farm Program and how to proceed with the issues and strategies of the Program. He briefly reviewed the future key issue items for the March PDA Council meeting, including a review of the PDA Trademark Policy and the 2013 Daystall Rules

Review. He lastly noted that he had appointed a Nominating Committee which included PDA Council members Jackson Schmidt, Bruce Burger, Gloria Skouge and himself; they would be working on recommendations for next year's Committee Chairs and Committee Members as well as a replacement for Gerry Kumata's PDA Council position.

B. Executive Director's Report

Ben Franz-Knight presented the Executive Director's Report. He had noted that there was a written report in the packet and elaborated on the success of the Holiday Season and Campaign. He added that the Market has entered into a slower season which will be more challenging up to March. He noted separately that there was a delay in the elevator contractor report due to the effects of Hurricane Sandy on the East Coast; the project would be delayed roughly one month. He discussed briefly about the Urban Renewal Plan and the sun setting of the plan in 2013. He noted at the previous Executive Committee meeting that the next steps to address the sun setting of the Urban Renewal Plan would involve significant staff and legal support to work through all the documents; the City Of Seattle would take on this work with their staff. He lastly reported on summary from the public meeting held the night before regarding the MOU between the Pike Place Market PDA and the City of Seattle. He distributed a summary of the public comments from the MOU public meeting, which has also been included with the minutes.

C. Committee Chair Report

None

D. Other Reports

None

IV. Key Issues Presentation and Discussion:

A. MOU between the Pike Place Market PDA and the City of Seattle Concerning Redevelopment of the PC-I North Site

Ben Franz-Knight provided an overview of the Memorandum of Understanding (MOU) document between the City of Seattle and the Pike Place Market PDA. He noted that Gerry Johnson from the Central Waterfront Committee would be coming to the meeting to walk through Proposed Resolution 13-07 PDA Council; Approval of MOU between the Pike Place Market PDA and the City of Seattle. Ben Franz-Knight briefly overviewed Proposed Resolutions 13-03 and 13-08 with the Council.

Gerry Johnson reviewed Proposed Resolution 13-07 and the structure of the document with the Council.

There was a discussion period that followed.

Resolutions 13-03, 13-07 and 13-08 were presented in reverse order to the Council.

B. **Action Item:** Proposed Resolution **13-08:** Authorization to Engage Financial Analysis Consultant for PC-I North/ New Municipal Market

Ben Franz-Knight introduced the resolution which states that in order to maintain the viability of the Pike Place Market the PMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-IN that may directly affect the future of the Market, the PMPDA has determined that Financial Analysis Consulting services are necessary to establish a baseline pro-forma financial plan based on the PCIN Concept Design approved by the PDA Council with Resolution 12-77; and, the PMPDA solicited bids for Financial Analysis Consulting Services in accordance with its Purchasing Guidelines and the Seneca Group was identified as the best qualified to address the needs specifically related to development of a baseline pro-forma financial plan based on the PCIN Concept Design and conduct sensitivity testing; and, the PMPDA and is now ready to enter into a contract with the Seneca Group in an amount not to exceed \$16,000 for Financial Analysis Consulting Services for PCIN; and,

NOW THEREFORE, BE IT RESOLVED that the PDA Executive Director or his designee, to enter into a contract with the Seneca Group for Financial Analysis Consulting Services for PC-IN, for an amount not to exceed \$16,000; and, The funds for this project will be drawn from the PDA CRRF – Capital Reserve and Replacement Funds.

Jackson Schmidt moved, John Finke seconded

Jackson Schmidt noted to the Council that Proposed Resolution 13-08 was authorizing the spending of the money but not directing the spending of the money.

Bruce Lorig noted that he believed there was not enough money authorized for the cost of the Financial Consultant for the financial analysis of PCI-North. He proposed an amendment to increase the authorization of funds to Seneca Group in an amount not to exceed 50k.

Ben Franz-Knight noted that the authorization of 50k for the Financial Consultant would require us to go through a different procurement process in the proposal; the amount authorized would have to be under 35k.

The amount was changed to \$34,999 in Bruce Lorig's motion. David Ghoddousi seconded the motion.

Matt Hanna explained his view on the process with the consulting work. He noted that this will be a preliminary attempt to get some sense of pro-forma.

Bruce Lorig noted that the design will be based on this pro-forma from Seneca Group. He inquired what the process would be after exhausting the 35k with the Consultants. Ben Franz-Knight noted that we would have to go through a different procurement process then if needed.

John Finke noted that this will be a reiterated process and thought the increase in the authorization of funding was the right idea while authorizing additional funds for Miller Hull to to work collaboratively with the Financial Consultant.

Patrick Kerr noted his concerns with the authorization of spending money with the financial consultants; he feels that we are spending money for an answer we already know with the financial viability of the PCI-North Project.

Jackson noted that a lot of the discussion tonight should be appropriate for Tuesday. He noted that we need someone to give us objective numbers, targets to look at. He is in favor of increasing the amount for the consultant. The scope of work sounds greater than what we think.

Matt Hanna noted that he hopes to pay Seneca Group for their time for the WRC meeting scheduled for February the 5th. He wants to make sure there is a more accurate scope of services before voting on the resolution. He added that he would like an opportunity to talk with Seneca Group regarding the scope of work and their services.

John Finke proposed a friendly amendment to Bruce Lorig's motion to include that the PDA Council authorizes the cost and scope of services to be as directed and refined by affirmative vote by the Waterfront Redevelopment Committee. Bruce Lorig and David Ghoddousi accepted the friendly amendment.

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

Against:

Abstain: James Savitt

The amendments passed with a vote 11-0-1

The PDA Council voted on the Proposed Amended Resolution 13-08.

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

Against: Patrick Kerr

Abstain: James Savitt

Resolution 13-08 passed with a vote 10-1-1

Action Item: Proposed Resolution **13-07:** PDA Council Approval of MOU between Pike Place Market PDA and the City of Seattle

Gerry Johnson gave an overview of the resolution. This resolution was introduced last.

Ben Franz-Knight introduced the resolution which states that the Pike Place Market Preservation and Development Authority (“PPMPDA”) has been actively engaged in the prospective redevelopment of the PC-IN site in conjunction with emerging plans for the redevelopment of the central waterfront by the City, as reflected in four resolutions adopted by the PPMPDA Council:

- Resolution 11-77 that established priority uses for the development of the PC-IN in the context of the central waterfront redevelopment;
- Resolution 11-102 that adopted a preliminary building program for the PC-IN development project;
- Resolution 12-31 that authorized negotiation of a memorandum of understanding with the City addressing respective development roles, timelines and funding for the PC-IN project; and
- Resolution 12-77 that approved the PC-IN Concept Design and directed its staff and architects to continue to work with the City’s staff and architects to achieve integration with the overlook walk element of the central waterfront plan in ways acceptable to the PPMPDA; and

WHEREAS, consistent with the guidance provided by the PPMPDA Council-adopted resolutions, the PPMPDA has been negotiating with the City a Memorandum of Understanding Concerning Redevelopment of the PC-I North Site Within the Pike Place Market Historical District (the “MOU”); and

WHEREAS, the proposed MOU has been submitted by the Mayor to the City Council for its review and approval; and

WHEREAS, the MOU is consistent with and satisfies the requirements of the PPMPDA as reflected in the earlier resolutions and other PPMPDA Council priorities and instructions, including the following:

- Establishes the principle that the PC-IN site will be recovered by the PPMPDA for use by the Market for traditional Market purposes;
- Secures approval for a baseline design of a proposed PC-IN development acceptable to the PPMPDA that also will be a signature feature of the City’s central waterfront project resulting from a highly successful collaboration between the City’s waterfront and the PPMPDA’s respective design teams;
- Secures City funding to advance design of the development project;
- Establishes a path for recovering the PC-IN for redevelopment for traditional Market uses even if the waterfront project as presently conceived and funded does not proceed;
- Lays the groundwork for future contractual obligations between the City and the PPMPDA to proceed with development of the site; and

WHEREAS, the PPMPDA assumes certain obligations under the MOU, such obligations are consistent with the PPMPDA’s own interests and needs. Such obligations include:

- Continuing to work on evolving design supported by the City funding provided under the MOU, but contingent upon the availability of funding from the SR 99 tunnel project for replacement of parking that will be lost when the Alaskan Way Viaduct is demolished;
- Accepting the goal that construction begins no later than June 30, 2014 in order to ensure that the below street (Western Avenue) level replacement parking included in the PC-IN project will be available prior to demolition of the Viaduct for both Market and waterfront use;
- Proceeding to negotiate a binding Development Agreement under which design and eventually construction of the project will proceed. As prescribed in the MOU, such Development Agreement will include, among other matters:
 - An evolved, mutually acceptable PC-IN project design;
 - Provisions addressing possible use of a portion of the PC-IN site for waterfront project construction staging, if the parties so determine;

- An overall budget for completion of the project, consistent with the design, including identification of PPMPPDA funding sources, subject to qualifications regarding the ability of the PPMPPDA to fund or finance its portion of project costs are included. City commitment to provide additional funds for construction of the project (up to a total of \$40 million including the \$7 million committed under the MOU) is contingent upon successful formation of a local improvement district to provide funds for the central waterfront project;
- A detailed project schedule; and
- Provision for transfer of ownership of the PC-IN site to the PPMPPDA; and

WHEREAS, the MOU also specifically discusses project fallback options in the event the currently envisioned central waterfront project is abandoned or substantially curtailed or is rendered not feasible for lack of funding. If City funding is eliminated or reduced such that the PC-IN project is not feasible or the PC-IN project is not undertaken within five years after the effective date of the MOU, the MOU nevertheless provides for the conveyance of the PC-IN site to the PPMPPDA, subject to certain acceptable use restrictions and City approval of the design concept for the successor project; and

WHEREAS, the MOU adopts as the baseline design for the PC-IN project the PC-IN Conceptual Design approved by the PPMPPDA Council and otherwise satisfies the requirements of the PPMPPDA Council's PC-IN related resolutions adopted over the course of the past two years; and

Now, therefore, BE IT RESOLVED that

- I. The proposed MOU attached hereto is approved and the Executive Director is authorized to execute it (or a substantially similar version) on behalf of the PPMPPDA.

Bruce Burger moved, Matt Hanna seconded

There was a brief discussion that followed.

Gloria Skouge moved, John Finke seconded

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

Against: 0

Abstain: 0

Resolution 13-07 passed unanimously

Jim Savitt gave thanks to Gerry Johnson and all his work and time. He also thanked everyone on the Council.

Action Item: Proposed Resolution **13-03:** Authorization for Additional Contract Authority - Miller Hull - PCI-N Design

Ben Franz- Knight introduced the resolution which states that the PPMPPDA has determined that Architecture services are necessary for Design and Development of plans for PC-IN and integration with the Central Waterfront Design framework; and, the PPMPPDA conducted a public process and issued a Requests for Qualifications (RFQ) for Architectural Services in accordance with its Purchasing Guidelines and received six (6) proposals, and conducted interviews of 4 finalists, Miller Hull was identified as the best qualified to address the needs specifically related to Design and Development of PC-IN, integration with the Central Waterfront Design effort; and, the PPMPPDA has contracted for Design services for PC- I North with Miller Hull for an amount not to exceed \$350,000 as authorized by Resolution 12-30; and, the PPMPPDA and is now ready to amend the contract with Miller Hull in an amount not to exceed \$25,000 for further design work for PC IN. It be requested that the PDA Council authorizes the PDA Executive Director or his designee, to enter into a contract amendment with Miller Hull for Architectural Services for PC-IN, for an amount not to exceed \$25,000. The funds for this project will be drawn from the PDA CRRF – Capital Reserve and Replacement Funds.

Jackson Schmidt moved, Bruce Lorig seconded

There was a brief discussion that followed.

For: John Finke, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Gerry Kumata, Jackson Schmidt, Betty Halfon, Bruce Lorig, Ann Magnano
Against: Patrick Kerr
Abstain: James Savitt

Resolution 13-03 passed with a vote 10-1-1.

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

A. Consent Agenda

Action Item: Proposed Resolution **13-01:** Authorization for Added Contract Authority - Davidson-Macri - PC-I North Potholing

Action Item: Proposed Resolution **13-02:** Authorization for Non-Exclusive Trademark Licensing Renewal Agreement with Pike Place Chowder

Action Item: Proposed Resolution **13-04:** Additional Funds for Reconfiguration of Soames Dunn Interior and Retail Spaces

Action Item: 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

Action Item: Proposed Resolution **13-06:** Lease Proposals - January 2013

Motion to approve the consent agenda

John Finke moved, Gerry Kumata seconded

For: John Finke, Ann Magnano, Bruce Lorig, Gloria Skouge, David Ghoddousi, Matt Hanna, Patrick Kerr, Bruce Burger, Jackson Schmidt, Gerry Kumata, Betty Halfon
Against: 0
Abstain: James Savitt

Consent agenda passed with a vote 11-0-1.

B. New Business

Action Item: Proposed Resolution **12-81:** Authorization for Continuation and Expansion of Pike Place Market Express-Branded Satellite Farmer's Market at City Hall Plaza, South Lake Union and Two Additional Locations in Summer 2013 and Beyond

Ben Franz-Knight introduced the resolution which states that in ongoing efforts to support Washington state farmers and enhance recruitment of farmers who may sell at *Pike Place Market Express*-branded satellite markets, as well as extend the brand of Pike Place Market the Pike Place Market Preservation Development Authority (PDA) has worked with the City of Seattle to produce a weekly farmers market at City Hall Plaza (600 4th Avenue) on Tuesdays in June through October since 2009 and, the Pike Place Market Preservation Development Authority (PDA) has worked with Lake Union III, LLC and Amazon Corporate, LLC to produce a weekly farmers market in the South Lake neighborhood at Van Vorst Plaza (410 Terry Avenue) on Thursdays since 2011 and, these markets have proven to be popular with both consumers and farmers, with farm participants achieving strong daily sales and regular customer demand and, additional opportunities within the greater Downtown Seattle Area may exist for strategic expansion of this program and, marketing and daystall program staff shall update the PDA Council annually on the status of vendor sales, attendance counts, and operational issues related to all *Pike Place Market Express*-branded satellite market locations and, these satellite markets are being developed as a supplement to the Pike Place Market's farm sales activities and Pike Place will continue to be the center of focus for farmer-related recruitment and activity in keeping with our "Meet the Producer" mission.

NOW, THEREFORE, BE IT RESOLVED that the PDA Council authorizes the Executive Director or his representative to continue the execution of between the Pike Place Market Preservation Development Authority, the City of Seattle's Fleets & Facilities Department to create and manage a Pike Place Market Express-branded satellite farmers market at City Hall Plaza between June to October and,

BE IT FURTHER RESOLVED that the PDA Council authorizes the Executive Director or his representative to continue the execution of between the Pike Place Market Preservation Development Authority, Lake Union III, LLC and Amazon Corporate, LLC to create and manage a Pike Place Market Express-branded satellite farmers market at Van Vorst Plaza between June to October and,

BE IT STILL FURTHER RESOLVED that the PDA Council authorizes the Executive Director or his representative to identify up to two additional opportunities for expansion of the Pike Place Market Express-branded satellite farmers market program at a location within a 2.5 mile radius of the Pike Place Market for operation between June and October.

Ann Magnano moved, Gloria Skouge seconded

There was a brief discussion that followed.

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

Against: 0

Abstain: James Savitt

Resolution 12-81 passed with a vote 11-0-1.

- C. Other
None

VI. Further Public Comment

Joan Paulson commented on the 2013 Annual Plan, noting that the document mentioned the term "Perseveration" only 5 times and the term "Development" 12 times. She stated that there needs to be emphasis with the priorities of the Pike Place Market PDA and an emphasis on perseverance and maintenance in the Market. She commented on the parking plan in the 2013 Annual Plan document and stated that we are making incremental decisions; there needs to be a greater balance. She lastly commented on the sun setting of the Urban Renewal Plan and that there was no mention of the sun setting of the plan in the 2013 Annual Plan.

Haley Land inquired about the financial analysis for the PC-1 North project and the affirmation of the projects financial viability after completion of the analysis. He also commented on the Satellite Markets and noted the need for a multi-approach strategy for the Farm Program.

Howard Aller reminded the Council of the priorities of the Charter. He applauded the decision with continuation and expansion of the Satellite Markets. He noted that we are here to provide food, residential, social services and retail to the community.

VII. Other Reports and Action Items

None

VIII. Concerns of Council Members

None

IX. Adjournment

The meeting was adjourned at 5:43 p.m. by James Savitt, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator