



**Pike Place Market Preservation and Development Authority (PDA)**

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**WATERFRONT REDEVELOPMENT COMMITTEE (WRC)  
Meeting Minutes**

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**Thursday March 7<sup>th</sup>, 2013  
5:00 p.m. to 6:00 p.m.  
Elliott Bay Room**

**Committee Members Present: Jackson Schmidt, Bruce Lorig, Matt Hanna, Patrick Kerr, John Finke**

**Other Council Members Present: David Ghoddousi, Betty Halfon, Ann Magnano**

**Staff Present: Ben Franz-Knight, Lillian Hochstein, Dianna Goodsell**

**Others Present: Mike Hassenger, Mike Stanley, Bob Messina, Howard Aller, Haley Land, Ernie Sherman, Lisa Connolley, Gerry Johnson**

The meeting was called to order at 5:01 pm by Jackson Schmidt, Chair.

**I. Administrative**

- A. Approval of the Agenda  
The agenda was approved by acclamation.
  
- B. Approval of the February 21<sup>st</sup>, 2013 Minutes  
The minutes were approved by acclamation.

**II. Announcements and Community Comments**

None

*Matt Hanna entered in at 5:02pm*

**III. Key Issues and Discussion Items**

- A. Pro-Forma Financial Model
  - I. Discussion of "What-ifs" for Sensitivity Analysis  
Mike Hassenger from Seneca Group provided an overview of the Sensitivity Analysis of the Pro Forma Financial Model for the PC-I North project. A copy of the overview was included with the meeting minute's record. The overview included the sensitivity analysis for the pro forma financial model and potential what if scenarios. A summary of the overview is as follows:

Sensitivity Analysis:

- 1. Reviewed assumptions with WRC and Council
- 2. Reviewed draft financial model with Council
- 3. Refining baseline cash flow based on sources and schedule
- 4. Now time to identify "what if" scenarios

Potential What If Scenarios

- 1. What if the garage performs less than the baseline?

- a. Lower usage than 90% of Market experience
- b. Fewer Stalls
2. What if various sources are less than the baseline?
  - a. What is the Market's response to each reduction?
  - b. Housing
  - c. Philanthropy
  - d. LID
3. What if public space operating costs are higher?
4. Other Ideas?

There was a discussion that followed

Bruce Lorig noted that we need to realistically figure out a number for the parking garage spots.

Matt Hanna noted it would be interesting to see how the garage performs with adding debt; what is the highest amount of debt we can go to make the project a break-even proposition.

John Finke noted that we may need to look at other mixed housing funds; homeless and substance abuse housing could be an option to consider in terms of competing for housing funds. He noted there is a policy question and we need to decide what type of housing we want on PC-I North.

Bruce Lorig thinks we need to do research about the realistic housing options for PC-I North and what funding we could receive for housing.

John Finke noted that the City still has levy funds for affordable housing. He noted the possibility in exploring philanthropy opportunities with the Market Foundation regarding artist housing.

There was a brief discussion regarding Philanthropy funds for the PC-I North project

John Finke noted that that the figure is dependent on what uses are for the space. He added that we need to have a conversation with the Market Foundation regarding Philanthropy funding.

Lillian Hochstein noted that the housing component has some philanthropy and an opportunity for civic pride; there are possibilities to raise funds with bricks or tiles.

There was a brief discussion on the LID and the possible scenarios of it fails and its effect on the PC-I North project.

John Finke noted that we would need to regroup and figure out what to do if for some reason the LID fails. He also added that we need to think about the possibilities of receiving less LID funds from the City.

Bruce Lorig noted that we would need to expand the retail spaces in PC-I North to increase the cash flow. He noted that we should run the pro forma with the assumption that we only get 30 million from the LID.

Jackson Schmidt noted that he would like to see pro-formas with 3-4 levels of retail on PC-I North.

Ben Franz-Knight discussed the next steps for PC-I North which included a brief discussion on funding source assumptions with Mike Hassenger at the next Finance Committee meeting and an update from Miller Hull and Seneca Group at the March 21<sup>st</sup> Waterfront Redevelopment Committee meeting. He noted Miller Hull would be discussing design refinement moving into the schematic phase for PC-I North and Seneca Group would be providing an update on the financial sensitivity testing for the pro forma financial analysis and a review of the refined baseline model.

#### **IV. Reports and Action Items**

##### **A. Report from Stakeholders Group**

Haley Land gave a very brief report from the Stakeholders Group. He noted that the group would be meeting next week.

**V. Resolution(s) to be Added to Consent Agenda**

None

**VI. Public Comment**

Joan Paulson provided a few comments to the committee. She noted her concern over the operation of the parking garage during the project phasing. She noted that we need to look closely at the phasing of the viaduct and construction with the PC-I North project and the impacts to the Market directly.

Howard Aller stated that there is a need for low rent senior housing in the Market which needs to be addressed in PC-I North.

Ernie Sherman commented on an observation he had made regarding the PC-I North project. He noted that it would seem difficult to make the PC-I North project work without having to place a lot of the Market's equity. He added that the project needs to go higher.

*Closed Session started at 6:02pm*

**VII. Closed Session**

- A. WSDOT Parking Mitigation - 1531 Western Avenue (*Closed Session Per ( RCW 42.30.110(l)(b))*)  
The Committee discussed the WSDOT Parking Mitigation agreement for 1531 Western Avenue.

*Closed Session ended at 6:16pm*

*Open Session started at 6:17pm*

**VIII. Concerns of Committee Members**

None

**IX. Adjournment**

The meeting was adjourned at 6:18 p.m. by Jackson Schmidt, Chair

Meeting minutes submitted by:  
Dianna Goodsell, Administrative Services Coordinator