



Pike Place Market Preservation and Development Authority (PDA)

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

**Thursday March 21st, 2013
5:00 p.m. to 6:00 p.m.
Elliott Bay Room**

Committee Members Present: Jackson Schmidt, Bruce Lorig, Matt Hanna, Patrick Kerr, Gloria Skouge

Other Council Members Present: Betty Halfon

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

Others Present: David Miller, Brian Court, Mike Hassenger, Bob Messina, Howard Aller, Jonny Hahn, Shawn Roberts,

The meeting was called to order at 5:00pm by Jackson Schmidt, Chair.

I. Administrative

A. Approval of the Agenda

There was a discussion regarding an Owner's Representative Concept added under Section IV, Reports and Action Items.

The agenda, as amended, was approved by acclamation.

B. Approval of the March 7th, 2013 Minutes

The minutes were approved by acclamation.

II. Announcements and Community Comments

None

III. Key Issues and Discussion Items

A. Design Refinement - Schematic Phase

Ben Franz-Knight briefly reported that Lillian Hochstein, the Market Foundation Executive Director and he and recently spent some time in Olympia with the State's Senators and Legislators regarding the housing component for PC-I North. He noted there were productive conversions from the trip to Olympia along with great interest for the project.

Brian Court from Miller Hull provided a summary of the design work completed to date with the PC-I North project including the typical project process and schedule. He noted that David Miller had been down in Mexico looking at public market models including the Guanajuato, Coyoacan, Oaxaca and San Pablo Oztotepec Markets. He noted that Schematic design is the next phase which would include the GC/CM selection process. David Miller briefly reviewed several images from his trip to Mexico regarding various market layouts.

Ben Franz-Knight briefly reviewed the PPM PC-I North timeline with the committee. A copy of the PPM PC-I North timeline reviewed was included with the meeting minute's record. He noted next month the project timeline would be updated with the sources of funding incorporated into the timeline. He also noted that finding a GC/CM partner is in progress and that an agreement is near with WSDOT.

B. Financial Sensitivity Testing

Mike Hassenger from Seneca group presented the PCI-N Development Summary of Sensitivity Analysis. A copy of the Financial Sensitivity Testing Analysis was included with the meeting minute's record. The Analysis included a baseline with assumptions of Uses, Sources and Operations and operating cash after debt. Under the baseline there were several various scenarios to test out the model and determine how each of the scenarios affected the baseline and operating cash after debt. Various scenarios to test the sensitivity of the model included factors of testing debt capacity, operating costs and project delay. He concluded that the primary takeaway from the analysis was that the debt capacity for the Project falls in a very narrow range; if we start combining the effects of these scenarios, the window of debt capacity becomes even narrower for the PC-I North project.

There was a discussion that followed

Jackson Schmidt inquired about the next steps for Seneca Group. He wondered if it would be useful to combine the effects of the scenarios from the various sensitivity analysis outcomes to create a worst case scenario.

Bruce Lorig noted that it seems that the model was run with individual scenarios for the sensitivity testing for the PC-I North project. He would like to have the financial model run with mixed scenarios. He also noted that the next step is to work on programming for the project and then refining the financial analysis.

IV. Reports and Action Items

A. Discussion of Owner's Representative Concept

Jackson Schmidt discussed the Owner's Representative Concept with the Committee. He noted that the PC-I North building process is very complicated and added that it would be beneficial to have an outside representative for the project process. Jackson Schmidt proposed in authorizing staff in putting forward an RFP and going through the process in hiring an Owner's Representative for the PC-I North project. Ben Franz-Knight noted that there would be a resolution to follow in the future regarding the authorization for spending for the Owner's Representative.

Matt Hanna moved, Bruce Lorig seconded

For: Jackson Schmidt, Patrick Kerr, Bruce Lorig, Matt Hanna, Gloria Skouge

Against: 0

Abstain: 0

The motion passed unanimously

Ben Franz-Knight reported that Joe Paar would be officially leaving the PDA in June. He added that Joe is moving onto a number of exciting projects on his own.

B. Action Item: Proposed Resolution 13-14: Authorization for Additional Contract Authority - Miller Hull - PCI-N Schematic Design

Ben Franz-Knight introduced the resolution which states that in order to maintain the viability of the Pike Place Market the PPMPPDA 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 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 Request 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-1N, integration with the Central Waterfront Design effort; and, the PMPDA has contracted for Design services for PC-1 North with Miller Hull for an amount not to exceed \$350,000 as authorized by Resolution 12-30 and issued an amendment to increase contract services by \$25,000 as authorized by Resolution 13-03; and, the PMPDA and is now ready to amend the contract with Miller Hull in an amount not to exceed \$450,000 for schematic design work for PC1N; and, NOW THEREFORE, BE IT RESOLVED that the PDA Council authorizes the PDA Executive Director or his designee, to enter into a contract amendment with Miller Hull for Schematic Design Services for PC-1N, for an amount not to exceed \$450,000; and, 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

Patrick Kerr inquired about the next steps for Miller Hull and what work they will accomplish with the Schematic Phase.

David Miller discussed an overview of the work to be completed during the Schematic Design phase for PC-1 North.

For: Jackson Schmidt, Bruce Lorig, Matt Hanna, Gloria Skouge

Against: 0

Abstain: Patrick Kerr

Resolution 13-14 was passed with a vote 4-0-1

C. Report from Stakeholders Group

Haley Land was not present for the committee meeting. He included a letter with the meeting minute's record regarding a report from the Stakeholders Group.

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

None

VI. Public Comment

Joan Paulson noted her concerns with the PC-1 North project and processes. She stated that she had liked the idea of looking at other Market models. She noted that the Goodwin Book needs to be a resource for the project. She lastly agreed with Patrick Kerr's comment in terms of figuring out programming of the PC-1 North space before moving into Schematic Design.

VII. Concerns of Committee Members

None

VIII. Adjournment

The meeting was adjourned at 5:50 p.m. by Jackson Schmidt, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator