



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING AGENDA – JULY

Thursday, July 28th, 2011

4:00 p.m. to 6:00 p.m.

PDA Conference Room

Council Members: Patrick Kerr, Matt Hanna, Gloria Skouge, Jill Andrews, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce Lorig, Jackson Schmidt

Staff Present: Ben Franz-Knight, Scott Davies, Teri Wheeler, Erica Bates, Ryan Hostetler, Kateesha Atterberry, Matthew Holland

Others Present: Ernie Sherman, Haley Land, Sharon Mukai, Ken Johnson, Peter Steinbrueck

Jim Savitt called meeting to order at 4:00 p.m.

- 4:00 p.m. I. Administration**
- A. Adoption of Agenda
The amended agenda was approved by acclamation
 - B. Review and Approval of Minutes of June 30th, 2011
The minutes were approved by acclamation

Bruce Burger joined at 4:05 p.m.

- 4:05 p.m. II. Public Comment Including the Market Community**
- None

Matt Hanna joined at 4:14 p.m.

- 4:15 p.m. III. Reports and Information Items**
- A. Council Chair Report
Jim reported on the upcoming agenda items scheduled for the meeting. He welcomed the new Council member, Jill Andrews, who was elected to serve out the remainder of Theresa Alexander's term. Jim also noted that David Ghoddousi was re-elected for an additional four year term. Jim commented on the recommendations regarding the AWWRP Final EIS. Jim added that the first action item on the agenda will be the review of the EIS study and it will be up to Council to approve them or give Ben and PDA staff alternate recommendations. Jim added that Ben and PDA staff has issued a listing of staff recommendation regarding the waterfront and removal of the AW Viaduct. Jim noted that Pat Kerr will also be providing pictures to assist with the development of design projections. There will be no action item regarding this. Jim commented on the presentation of the guiding principles and that Council will need to vote on how the Council and staff should proceed. The guiding principles for PC-I North will also be on the agenda, but it may need to be rescheduled for the next Full Council meeting. In addition to PC-I North there will be a preliminary analysis of Non-Levy uses of funds and Capital Projects during the August meeting. The in-depth analysis will include a timeline and detailed financial costs associated with the projects.

Jim reported on the Executive Director's evaluation is underway and will be headed by a subcommittee of the Executive Committee. This evaluation will be done in accordance with the budget process and will be completed by October. Other upcoming events will

be the scheduling of the Council Retreat to be held on September 23rd or October 14th. Jim will be distributing an email to confirm the dates that work best for the Council. The retreat will be on a host of organizational issues including how Council wishes to compose itself, what committees should we have, the roles of the committee and issues regarding the possible hiring of additional PDA staff. Other key issue items upcoming for Council will be a Farm review, parking review, trademark issues review, and the uses and management of Pike Place.

B. Executive Director's Report

Ben discussed the ED report and stated that July has been a very busy month in the Market with large summer crowds despite the cooler than normal weather. Farm days on the Cobblestones are in full swing as well as our two satellite markets – South Lake Union and City Hall. On July 24, 2011 we hosted the 3rd Annual Fruit Festival complete with pie eating contests, Zucchini 500 Races and Culinary Master of the Market chef competition.

On July 11th we presented our annual Levy and Renovation update to the Seattle City Council. We reviewed the progress to date, shared highlights and key accomplishments and provided a summary of expenditures. The City Council expressed their appreciation and commended our efforts and progress to date.

Phase II renovation is complete with a few minor punch list items remaining. Gary's Tex Mex is the last remaining business to reopen in the Sanitary Market. Jacks Fish reopened on July 16th selling fish and chips and should have his front cases up and running within the next week.

Phase III renovation planning is ongoing for the Economy, Soames Dunn Building and Stewart House. The public spaces and occupied commercial spaces in the market will be free from construction activity during the months of July and August to allow the Market to function at full capacity during the peak summer months. Renovation work in the Stewart House started on July 15th and initial work in the Economy Building on the second floor is also underway. Starting on September 6th, Phase III work will ramp up to full force through the end of February 2012.

Over the last few months we have been tracking the progress of new food vending legislation that was being considered by the City Council Committee on the Built Environment. In July we worked closely with City Staff and City Council to include language in the legislation that protects the Pike Place Market and respects our existing regulatory framework.

PDA Staff and consultant Peter Steinbrueck continued to engage with City Staff and WSDOT Staff to review plans for Viaduct demolition, address concerns related to the Final EIS for the Alaskan Way Viaduct Replacement. We also continue to play an active role in the Waterfront Design and Planning process.

The following ED report provides a summary of some of the key activities over the last month. The report also includes key operating metrics for commercial food and mercantile tenant sales as well as daystall attendance. Several charts are also attached highlighting sales trends market wide.

**Commercial Tenant Sales
Compared to Previous Year**

Year to Date Sales (May 2011):	-3%
Restaurants:	-2%
Food:	-4%
Mercantile:	-5%

Operating Income After Required Reserves and Debt Service:

Annual Goal: \$896,875

Year to Date: June 2011: \$ 365,266

The direct impacts of having a large number of businesses either closed or relocated due to renovation is reflected in overall sales compared to May of 2010, however, businesses that remained opened continued to perform well. The impacts due to business closures were anticipated in the PDA budget forecasts. We anticipate a significant increase in gross sales reports in June and July as Phase II businesses reopen. Overall revenue is 6.3% over PDA budgeted projections through June.

Ben noted that the Farm attendance continues to be impacted by unseasonably cold and wet weather.. On the craft front, having a high number of senior craftspeople on leave continues to add to lower attendance than in 2010. We will look at increasing the number of artists when we conduct craft screenings in the fall.

Change from 2010

	Craft	Farm
June	- 3.92%	-9.21%

Ben stated that the Garage revenue continues to trend in a positive direction with revenue through June up 21% over 2010. The surface parking area lots are up 37% year to date compared to 2010 and June gross revenues of just over \$73,000 are the highest surface lot single month total we have seen to date.

Ben commented on the annual PDA Audit that was completed in June with Peterson Sullivan issuing an unqualified clean opinion. The Audit was reviewed and approved by the Finance Committee in June. The State Audit is underway and should be completed by early August..

Staff has begun the 2012 Budget Planning process including a mid-year budget review. A mid-year review along with recommendations for minor budget adjustments will be presented to the Finance Committee in August.

The third draw for QB2 has been submitted in the amount of \$229,356.58, the next significant draws will occur once the Stewart House work has begun. The current project and disbursement schedule shows a majority of the funds will be drawn down by November 2011 with the remainder of the Stewart House work funded by the Levy.

Ben stated that the Phase II Renovation is complete in the Corner, Sanitary, Triangle and 1st and Pine buildings. All basement storage has been restored, cooler hook-ups are nearing completion, the new restrooms in the Sanitary are open and the new elevator in the Corner market is up and running. Gary's Tex Mex is the last remaining tenant to reopen. On July 11th we presented an annual summary to the City Council of Levy work completed to date. The report was well received and has also been posted on our website along with regular progress updates and photos.

Planning work for Phase III continues and includes the Economy Building Stewart House re-clad and Soames Dunn renovation work. Phase III work will commence in earnest after Labor Day. Isolated work has begun in the Stewart House Courtyard and 2nd floor of the Economy Building. Work will also begin in the basement of the Economy Building in early August.

Ben reported that the PDA continues to promote the 2011 Farm Season campaign, which features new, creative art for banners, bus sides, print ads, online ads such as Facebook and a direct mail piece promoting Farm Days on the Cobblestones. Marketing also provided extensive support for the 3rd Annual Fruit Festival including the in-house creation of a poster utilizing the art of Market Artist Betsy McPhaden

Marketing staff met with Copacino-Fujikado to discuss ways to maximize our website for mobile use in preparation for next year's budget. Finally, we were prominently featured in the new "West Edge" visitor map and guide and will continue to work closely with our downtown partners to promote the Market.

Despite several cold and wet weeks in early July the Satellite Markets at City Hall and South Lake Union are doing well.

Farm Days on the Cobblestones continues to feature weekly guest chef demos and farm direct produce on Pike Place between now and September 25th. Our newly painted Farm truck dubbed "Harvey" received final touches in July including the addition of the Pike Place Market logo on the cab doors. The box truck was painted on the sides and back by local artists, Joey Nix and Jeff Jacobson, and features market inspired themes and the "Meet the Producer" sign. New collateral including a "Market Fresh newsletter and a map showing the location of all of our farmers has been created will be distributed from an information during Farm Days on the Cobblestones.

This year's Fruit Festival was a huge success with families and kids enjoying pie eating contests, Zucchini 500 races and the crowning of this year's Culinary Master of the Market – Chef Branden of Place Pigalle.

The residential occupancy remains high with a vacancy rate of approximately 2.9% for units not being held due to renovation. A number of residents in subsidized Sanitary units have returned and we are in the process of reviewing applications for market-rate units.

Residential staff has continued to work closely with Turner construction to coordinate the temporary relocation of Stewart House residents during Phase III. Three tiers of residents are being relocated to vacant units in the Stewart House and Livingston Baker in groups of 6-8 between August and December 2011.

Within the Market Community we continue to actively engage on all levels with increased awareness of our daystall community through the evolving guest bell ringer activities, regular meetings with MHC including recent updates on the Waterfront and regular presentations to the Constituency including renovation. We also continue to hold regular public renovation update meetings now with a focus on Phase III work. We also responded to several media-inquiries related to the Food Vending Legislation. Finally, this months PDA Council Packet includes recent articles or interest featuring the Market.

C. Committee Chair Report

D. Other Reports

4:30 p.m.

IV. Key Issues Presentation and Discussion:

A. Viaduct Demolition, Waterfront Design and Guiding Principles – Development Priorities

I. Viaduct Demolition – Environmental Impact Study Update

Ben reported on the Viaduct Demolition and stated that PDA Staff along with consultant Peter Steinbrueck continue to engage directly in the Waterfront design process and the Alaskan Way Viaduct Replacement project consistent with the three general roles reviewed and approved by the PDA Council in March and April 2011:

- **Contributor:** to the design of Parks, Open Space, strong Pedestrian access.
- **Developer:** of a strong mix of commercial uses consistent with the Market – retail, vending, parking.
- **Manager/Governance:** of housing, social service programs and public service programs.

We have been actively engaged in the role of contributor and we are beginning the process of identifying more specific opportunities as developer. The PDA's role in management/governance of space will begin to take shape as the public space functions are more clearly defined further along in the design/development process.

The following report contains recommendations regarding the **Final EIS for the Alaskan Way Viaduct Replacement Project** issued by WSDOT in July 2011, analysis, issues and recommended actions. In addition, consistent with our role as contributor to the **Waterfront Design process** the report presents a summary of concerns identified to date, followed by a proposed set of **Guiding Principals** for Market adjacent spaces and PCI N. Finally, as we proceed forward in identifying specific opportunities as a developer of existing and new space staff has developed, for consideration by the PDA Council, a set of **Priorities for PCIN** and future potential developable space in general along with recommended ranking of the priorities based on current need and historic priorities.

Ben gave some background to the work that staff has done and noted that the Final EIS for the Alaskan Way Viaduct Replacement Project was published in July and the Federal Register notice was published on July 15, 2011. There is a 30 day period to provide final comments on the EIS before the Record of Decision (ROD) is recorded on August 15, 2011.

On December 10, 2010 we submitted a letter providing comments on the Supplemental Draft EIS (SDEIS) focused in two broad areas: Impacts to the Market due to traffic diversion and construction staging in the North and South Portals and Impacts related to the demolition of the Viaduct. In addition, we requested that additional study be undertaken to consider potential impacts and appropriate mitigation measures for the Market Historic District under Section 106 of the National Historic Preservation Act and Section 4(f) of the Department of Transportation Act of 1966. Itemized responses to our December 10, 2010 letter are attached (attachment A).

Some progress has been made and on June 15th Peter Steinbrueck and I met with representatives from WSDOT and Bob Chandler from SDOT to discuss the issues and Market concerns relating to the Viaduct Demolition. I also conducted a site-Walk with WSDOT Project Manager Matt Preedy who is overseeing the Viaduct Demolition. We reviewed a number of potential impacts and discussed possible on-site mitigation measures including parking lot impacts, traffic and noise impacts and demolition durations. We will continue to coordinate closely with WSDOT and City Staff as plans and dates for actual demolition activity are further refined.

We have posed initial questions to WSDOT and SDOT regarding any future EIS process and other alternatives for the Alaskan Way connector that might be considered and have been informed that the currently proposed configuration was decided several years ago and is explicitly referenced in the agreements between the City and State. However, there will be some form of environmental review of the Waterfront pending more formal development of plans and funding sources. We are consulting with a land use attorney to understand if comments on this issue are appropriate and meaningful in the context of the Viaduct Replacement EIS or should wait for a future "arterial street EIS". We will provide an update to the full council on this issue as soon as we have more information.

Ben and Peter discussed the outstanding issues and recommendations and gave a brief overview of the final comments on the AWW EIS.

Below is an outline of outstanding issues we have identified that we propose including in final comments on the AWW EIS and will also include comments, as appropriate, on the future arterial/connector street following the meeting with SDOT and consultation with a land use attorney.

1. Parking and Traffic – confirm impacts to parking through the permanent loss of parking in two surface lots – Lenora and Blanchard as well as the long-term impacts to access to our parking garage from the waterfront that begin with demolition of the viaduct and don't fully resolve until substantial completion of waterfront

improvements and construction of the arterial/connector all of which will take several years following the viaduct demolition.

2. Historic Resources – reassert our belief that the Market is a valuable historic asset and that the Historic, Cultural and Archaeological Resources assessments included in Appendix I, while acknowledging the presence of the Historic District, take too brief a look at the potential long-term impacts to the Market that begin with the Viaduct demolition, therefore, the bored tunnel alternative does pose construction impacts contrary to the finding in Exhibit 6-1 of Appendix I that there are “no construction effects.” It should be acknowledged that specific details of the actual demolition efforts are unknown at this time, however, the commitment has been made to maintain ongoing communication and implement all appropriate mitigation measures to protect the Market Historic District.
3. Resident, Social Service and Business Impacts – Note the importance to minimizing demolition impacts to market residences, businesses and social service functions in the market including the Childcare playground and foodbank.
4. Comments regarding the proposed location and configuration of the AWW connector street consistent with land use attorney recommendations and clarification received from additional meetings with SDOT.

Recommendation and Next Steps

Staff recommends that the PDA council support submitting comments on the Final EIS including the issues identified above.

2. Waterfront Development & Planning

On June 31, 2011 City Staff Marshall Foster and Steve Pearce presented the PDA Council with an overview of the Waterfront design progress and process. The PDA Council expressed a number of concerns and directed staff to return with a summary of the concerns and recommendations for next steps.

Following is a summary of the key concerns identified in the June 29, 2011 memo to the Full PDA Council as well as the discussion at the June 30 PDA Council meeting.

- Lid Concept – large expanse of park space on top – need to explore 24/7 activation of the space, maintenance, management and public safety.
- Approximately 600ft of vehicle tunnel under the lid - Potential hostile, isolated environment. Streetscape consistent with “Complete Streets “ design criteria for new arterials.
- Need to capitalize on the opportunity to connect to Belltown at street level.
- Challenge of activating commercial spaces within folds – PCIN in particular needs serve and support Market uses.
- Costs – what are the actual costs of proposed conceptual framework?
- Alternatives – are there alternatives to the lid concept that can or will be explored?
- Urban Agriculture – can you program urban agriculture components into the design and public space that actually function without creating fallow land for much of the year given the limited growing season in the Pacific Northwest? Are interior (greenhouse/glasshouse) spaces viable?
- Need to consult retailers to gauge viability of spaces created by fold/lid concept.

Recommendations and Next Steps

Staff will continue to work with the City of Seattle, SDOT and the Waterfront design team to address and resolve these concerns in advance of the next presentation of design evolution in October 2011. We will continue to provide updates and seek guidance from the PDA Council on an ongoing basis.

It was proposed that staff prepare additional comments pertaining to both the information presented by Ben and to the insufficient EIS. Jackson expressed a primary concern that the PDA retains legal recourse and the right to object to the extent of the environmental review. (*Not an action item.*)

Patrick Kerr moved, Jackson Schmidt seconded.
Motion carried.

3. **Guiding Principles for PC-1 North – Planning & Approval**

Ben and Peter discussed the Guiding Principles and stated that responses to initial Waterfront design concepts staff recommends that the PDA Council establish a set of guiding principals for the PCIN site as well as other Market adjacent space to assist and support further refinement of the Waterfront Design. The proposed guiding principles incorporate the concerns indentified at the June 30 meeting, the new opportunities presented in the development of public space between the Market and the Waterfront and the decades of study and exploration of options for PCIN.

Residential Connections

- Better connect the market with the Belltown community through a green multimodal streetscape between the two park areas below on AW Surface (AWS)
- Maximize Open Space, Pedestrian Access
- Street Design: Design for future AW surface in conformance with the city's "Complete Streets" design criteria for new arterials.
- Explore opportunities for additional low-income residential on parcels north of the market cleared following viaduct demolition.

PCIN Priority Uses

- Retain use of much of the PCIN site for market related priority uses, including parking, storage, social services, housing, pre-school play area, etc.
- Compliment and enhance Market commercial and retail operations
- Increase storage, both dry storage and cold storage
- Improve west facing presentation of the Market

24/7 – 365 Activation

- Program space to serve a diverse set of users including active and passive recreation, retail, events and residential to facilitate 24/7 activity year around.
- Design space that is accessible and inviting in inclement weather and winter months.
- Explore creation of a large public plays cape area for children and adults serving Belltown and all downtown area families.

Financial Viability

- Indentify balance of commercial and residential uses to support public open space and ensure year around activity.
- Increase Parking, maintain and improve vehicle access.
- Insure sustainable and appropriate long-term role of PPM PDA with the Waterfront.
- Support and enhance the economic vitality of the Market.

Preservation and Sustainability

- Preserve Views
- Preserve Market spirit and sense of arrival "in" the Market. Preserve integrity of Market Historic District.
- Integrate urban agricultural and/or greenhouse/glasshouse spaces to support demonstration farm space, Market education, dynamic use and provide sustainable renewable landscapes.

Staff recommends that the PDA Council adopt the above guiding principles and direct staff to communicate these principles to the Waterfront design team, City Staff and City Council.

Proposal to adopt Guiding Principles as set forth by Ben, on the understanding that further discussion to articulate specifics would be arranged for a future meeting.

Bruce Burger moved, Ann Magnano seconded.

For: 9

Against: 0

Abstained: 1 (Jill Andrews abstained.)

Motion carried.

Patrick Kerr introduced a number of slides and photos that detailed areas of interest for the PDA and PDA Council for development and improved uses.

5:10 p.m.

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

A. Consent Agenda

Action Item: Proposed Resolution **11-52:** Authorization for Contract Authority - Phase II - Corner Market Building Meat Market T.I.

Action Item: Proposed Resolution **11-53:** Authorization for Contract Authority – Pike Place Market Senior Center - Consulting Agreement

Action Item: Proposed Resolution **11-55:** Authorization for Contract Authority – Storage Pod rental for relocated Stewart House Residential Tenants

Action Item: Proposed Resolution **11-56:** Authorization for Contract Authority – Furniture Rental and Mattress Purchase for relocated Stewart House Residential Tenants

Action Item: Proposed Resolution **11-57:** Authorization for Contract Authority – Hazardous Material Survey, Testing, and Consulting Work

Action Item: Proposed Resolution **11-60:** Lease Proposals – June 2011 for Bottega Italiana, Christopher’s Lamp, and Sotto Voce

Action Item: Proposed Resolution **11-61:** Authorization for Contract Authority – NMTC2 Floor, Plumbing, and Electrical work - BN Builders Amendment

Action Item: Proposed Resolution **11-62:** Authorization for Contract Authority – NMTC2 - Mr. D’s Interiors Buildout - BN Builders Amendment

Action Item: Proposed Resolution **11-63:** Authorization for Non-Exclusive Trademark Licensing Renewal/Agreement with Ingram Books Inc. d/b/a Graphic Arts Books

Action Item: Proposed Resolution **11-64:** Authorization for Non-Exclusive Trademark Licensing Renewal/Agreement with Chukar Cherries

Action Item: Proposed Resolution **11-65:** Authorization for Non-Exclusive Trademark Licensing Renewal/Agreement with Sasquatch Books

Action Item: Proposed Resolution **11-66A:** Lease Proposals – July 2011 for BB Ranch, Washington CASH/Ventures, Healthy Bodies, and Moon Valley

Action Item: Proposed Resolution **11-66B:** Lease Proposal – July 2011 Mt Townsend Creamery

Ann Magnano moved, Patrick Kerr seconded.
Passed by acclamation.

B. New Business

Action Item: Proposed Resolution **11-67:** Authorization for PDA Staff to Conduct a Needs Analysis Study on Potential Land Acquisition for Pike Place Market Farmers and Recommendation to the PDA Council

Jackson Schmidt moved, Bruce Burger seconded.

For: 9

Against: 1 (Patrick Kerr voted against.)

Abstained:

Resolution passed.

Action Item: Proposed Resolution **11-69:** Authorization for PDA Staff to Conduct a Needs Analysis on a Potential Commercial/Demonstration Kitchen for Pike Place Market and Recommendation to the PDA Council

Jackson Schmidt moved, Ann Magnano seconded.
For: 10
Against: 0
Abstained: 0
Resolution passed unanimously.

C. Other

5:35 p.m. VI. Further Public Comment

Haley Land commented on the proposed Waterfront development and the involvement of the PDA. He also commented on the upcoming calendar for potential bell ringers.

Ernie Sherman commented on the motion that past regarding the Farm program and stated he was in total support of it.

Closed session at 5:40 p.m.

5:40 p.m. VII. Reports and Information Items (cont'd)

A. C. Binder – Retirement Fund Question (*Closed Session Per (RCW 42.30.110(1)(b))*)

B. D. Malinski – Pending Litigation (*Closed Session Per (RCW 42.30.110(1)(b))*)

5:55 p.m. VIII. Concerns of Council Members

Open session at 6:14 p.m.

6:15 p.m. IX. Adjournment

Meeting was adjourned at 6:15 p.m.