



PDA Council Meeting Minutes

Thursday, November 19, 2015
4:00 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: Matt Hanna, Patrick Kerr, Gloria Skouge, David Ghoddousi, Ann Magnano, Patrice Barrentine, James Savitt, Betty Halfon, Rico Quirindongo, John Finke, Colleen Bowman, Ray Ishii

Staff Present: Ben Franz-Knight, Sabina Proto, Lillian Sherman, David Dickinson, Emily Crawford, Sue Gilbert Mooers, James Cornell, Dianna Goodsell

Others Present: Chris Paris, Hollis Clark, Sharon Shaw, Howard Aller, Bo Zhang, Joan Paulson, Colleen Bowman, Sharon Mukai, Nancy Sherman

The meeting was called to order at 4:00p.m.by Matt Hanna, PDA Council Chair.

I. Administration

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

- B. Approval of the September 24, 2015 PDA Council Meeting Minutes and the October 20, 2015 Special PDA Council Minutes

The September 24, 2015 PDA Council Meeting Minutes and the October 20, 2015 Special PDA Council Minutes were approved by Acclamation

Jim Savitt entered into the meeting at 4:02p.m.

II. Announcements and Community Comments

Joan Paulson commented on the budget process highlighting the importance of the PDA's ordinance obligations. She said there is not enough measurement to evaluate the overall effectiveness of the budget in relationship to what it required for the PDA'S ordinance obligations.

Kate Martin, Director for Initiative 123, Alaskan Way Elevated Park and other amenities had asked the PDA Council if she could have the opportunity to present the proposed intuitive to the Board in the near future.

Patrice Barrentine entered into the meeting at 4:05p.m.

III. Reports and Information Items

Rico Quirindongo entered into the meeting at 4:06p.m.

A. Council Chair Report

PDA Council Chair Matt Hanna presented his monthly Chair Report to the PDA Council. He provided an overview of the meeting's agenda items including the final approval of the 2016 Budget and review of pending approval of a Trademark Licensing Agreement with Aegis Senior Communities LLC.

B. Executive Director's Report

Ben Franz-Knight said that there was a detailed written ED Report included in the PDA Council packet for November. He highlighted a few items in the ED Report including the recent Gum Wall maintenance project. He provided an update on the MarketFront Project including the recent archeological work. He noted that there were ten features that were discovered, resulting in an additional three weeks to our construction schedule. The three week schedule impact would end up being an additional 540,000 in funds. The substantial project completion date was originally scheduled for December 2nd, now with an anticipated date of substantial completion on December 23rd. He reported that the shoring work was almost complete with Sellen most likely finishes the lagging.

C. Committee Chair Report

None

D. Other Reports

None

IV. Key Issues and Presentations

A. 2016 Budget Presentation

Ben Franz-Knight provided a brief overview of the written summary that was included with the proposed 2016 Budget. He noted that the resolution to approve the 2016 Budget would come back to the Full Council for final approval at the end of the month. He discussed a few overarching priorities for the budget including maintaining a conservative approach in 2016. He stated that this is a budget that does not include any significant new initiatives. He explained the reasoning for the conservative approach to the 2016 Budget noting that it is not because we are not aggressive or not pursuing every opportunity but fundamentally because of us opening a new building in 2017. He noted that now is not the time to take upon any significant new work until this building is operational; we would continue to refine all of our operations and support all of our programs while maintaining a high level of performance of existing work.

Action Item: Proposed Resolution **15-76:** Adoption of the 2016 PDA Operating and Capital Projects Budget

Ben Franz-Knight introduced Proposed Resolution 15-76 which states that the PDA is a public corporation responsible for the efficient development and operation of the Market and for the effective provision of services designed to preserve and promote the economic health of the Market and its tenants consistent with the Urban Renewal Plan,

the Historic District Ordinance and Guidelines, the PDA Charter, deed restrictions, and other City and State ordinances and laws; and, whereas, as a public corporation, the PDA operates on a non-profit basis, where any excess of revenues over expenditures is reinvested in the Market; and, whereas, the PDA desires to communicate to the Market community and the public the bases for its financial, operational and other policy and program decisions; whereas, except for HUD contract rents, the PDA's operations are not subsidized by public funds and rely on rental and miscellaneous income for its total operating and capital revenues; and, whereas, the Budget schedule and summary were made available to tenants; the PDA Council's Finance & Asset Management Committee conducted working sessions, considered public testimony, and suggested amendments to the 2016 Proposed Budget; and has recommended adoption of the 2016 Budgets; and whereas, the 2016 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2016 based on the 2015 Final Operating Statements.

Now, therefore be it resolved, that the PDA Council does hereby adopt the 2016 PDA Operating and Capital Budgets as outlined in the 2016 Budget Document attached hereto as Exhibit A,

And be it further resolved, that the PDA Council affirms its established budget, revenue and operating policies as follows:

(1) All tenant sectors of the Market bear a responsibility for PDA costs incurred to serve the Market's operating and capital needs as a whole, and to fulfill the public interest purposes of the PDA, to preserve and promote the traditional character of the Market;

(2) The PDA Council recognizes that external economic conditions and competitive pressures affect Market businesses and residents and attempts to prudently and sensitively take these factors and their potential effects into account in setting revenue estimates and requirements and in conducting its property management responsibilities in the course of the year;

(3) The Market is operated as an integrated whole with services distributed in accordance with ongoing maintenance and operations requirements, current and future capital needs, and needs for response to critical or emergency demands. The flexibility created by operating the Market as a whole, instead of as independent and exclusive separate and individual buildings or tenant groups, enables the PDA to maximize efficiency and responsiveness to community-wide and Market-wide needs, while still providing attention to individual tenant needs.

This operating mode, combined with the PDA's fulfillment of Charter-mandated public interest and preservation objectives, does not lend itself to a strict relationship between costs and revenues from individual buildings or between costs and revenues from individuals or groups of tenants. While costs and revenues can be estimated for subgroups of Market facilities and tenants, it is not appropriate from a policy or

operational standpoint to develop the budget and operate the Market on a strict cost center basis.

Betty Halfon moved the proposed resolution, Ann Magnano seconded the motion. Moved the proposed resolution, seconded

For: Gloria Skouge, David Ghoddousi, Ann Magnano, John Finke, Ray Ishii, Betty Halfon, Jim Savitt

Against: 0

Abstained: 0

Resolution 15-76: Adoption of the 2016 PDA Operating and Capital Projects Budgets had passed unanimously by the Council by a vote of 12-0-0.

Ben Franz-Knight introduced Proposed Resolution **15-76**: Adoption of the 2016 PDA Operating and Capital Projects Budget which states that the

B. Pike Place Market 2015 Strategic Issues - Market Craftspeople

David Dickinson presented on the last item identified for the 2015 Strategic Issues

We were not recipients for the 4Culture grant but do want to look at options in funding a demonstration studio/art program alike

Hildt Licata will be up for renewal in 2018 -we are required in 2017 to recommend our changes. Good news is that new project will be online so we can test what changes need to be made

Questions –

Colleen asked about what location(s) we were exploring for the art program space

Ann Magnano asked about how many T-Shirt vendors there were

Jim Savitt – what were the reasons people were not accepted through the screening process. David D spoke of some of the reasons including meeting the handmade guidelines. He was curious about the number of applicants (250 +). He asked he made up the screening committee – David D provided a background on the committee.

Ann M – How feasible would it be to get back to one page of Daystall Rules?

John Finke, when he first started on the PDA Council, the daystall rules process was very extensive, moreso the budget process. It is a lot smoother now which is a good sign.

Jim Savitt asked about the documentation of the craft screening process. David said there was not a document but explained the existing process. Jim noted that this process is

more subjective than what he had thought. He had asked if there was a no/yes list of products that were considered ahead of time.

Matt asked about what concerns (ongoing) did he have with the crafts community. David D noted that his main concern was having the crafts community able to support their families and themselves. He noted that the crafts community is changing. Profitability.

Ben noted that another issue was a proliferated piece of work with some trademark use. This could be more profitable but is this is something we want.

David D also mentioned about the presence of the online sales market and how craftspeople would want to sell at home and not freezing in the cold. David said we like try to provide opportunity for both.

Jim Savitt would like to see a further analysis of the Market and the craftspeople. He would like to see this further elaborated on this. Prodcut Mix etc (go through Market Programs Committee 2016). Followup on the strategic work – better understanding of the product mix, what’s in and what’s out, better evolution. Test those assumptions (erroneous or not and proved it elsewise). There is more we can do with messaging.

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

A. Consent Agenda

Proposed Resolution **15-64**: Authorization for Contract Authority – Residential Laundry Services Contract – Ken Hainsworth Company

Proposed Resolution **15-67**: Authorization for Contract Authority – Replace Stewart House Hydraulic Valve – Schindler Elevator Corporation

Proposed Resolution **15-68**: Authorization for Contract Authority – Replacement of Residential Hot Water Tanks in Pine Building – STOP Inc.

Proposed Resolution **15-69**: MarketFront Project (PC1N) Soil Testing and Removal – PBS Engineering Services

Proposed Resolution **15-70**: MarketFront Project (PC1N) Archeological Monitoring Services – Environmental Science Associates (ESA)

Proposed Resolution **15-71**: MarketFront Project (PC1N) Construction Administration Additional Services – Miller Hull

Proposed Resolution **15-72**: MarketFront Project (PC1N) Sellen Pre-Construction Additional Services for Housing Bid Preparation and Bid Work

Proposed Resolution **15-75**: MarketFront Project (PC1N) Miller Hull Additional Services – Design Services for Signage and Interim Stair

Proposed Resolution **15-77**: Lease Proposals – November 2015

Motion to approve the Consent Agenda

For: Matt Hanna, Patrick Kerr, Gloria Skouge, David Ghoddousi, Ann Magnano, Patrice Barrentine, James Savitt, Betty Halfon, Rico Quirindongo, John Finke, Colleen Bowman, Ray Ishii

Against: 0

Abstained: 0

The Consent Agenda passed unanimously by the PDA Council by a vote of 12-0-0.

B. New Business

Action Item: Proposed Resolution **15-66:** Authorization for Non-Exclusive Trademark Licensing Agreement with Aegis of Queen Anne

Sue Gilbert Mooers introduced Proposed Resolution **15-66:** Authorization for Non-Exclusive Trademark Licensing Agreement with Aegis of Queen Anne which states that the Pike Place Market Preservation and Development Authority (PDA) is the owner of all rights, title, and interest in and to certain trademarks and graphical representations of the Pike Place Market name and trademark; and, whereas, Aegis Senior Communities LLC, dba Aegis of Queen Anne, desires to make use of the Pike Place Market name and Public Market Center sign for the sole purpose of creating a safe, familiar and therapeutic environment in the Aegis Queen Anne activity room for senior residents dealing with dementia or other challenges that limit their ability to safely travel and experience the Pike Place Market in person; and, whereas, the Public Market sign and other Market displays were made locally by Dillon Works (of Mukilteo) and have been installed in the activity room to provide a comfortable, familiar atmosphere for elderly residents; and, whereas, the PDA and Aegis have agreed that in accordance with the terms and conditions of this Agreement, Aegis of Queen Anne may use the Pike Place Market name and Public Market Center sign in the activity room at their 223 West Galer St. location and on their website with a gallery of other photos from this location for a term of 5 years; and, whereas, The Aegis agrees that they will not during the term of this Agreement, or thereafter, challenge the title or ownership of the PDA to the name or trademark or challenge the validity of this Agreement; and, whereas, Aegis agrees that they will use the terms and images related to Pike Place Market and the licensed name and trademark in a way that will reflect positively on the Pike Place Market. The PDA has the right to approve or disapprove of any potential design or marketing plans involving the marks, likenesses or trademarked name(s) owned by the Pike Place Market PDA in relation to the activity room and all related marketing of such; and, whereas, the PDA Council recognizes the promotional and community value of the activity room to the Aegis of Queen Anne residents and families, and supports Aegis in its effort to provide a familiar atmosphere for residents; and, Now, there forefore be it resolved NOW, THEREFORE, BE IT RESOLVED that the PDA Council authorizes the Executive Director or his representative to execute a non-exclusive trademark licensing agreement with Aegis Senior Communities LLC for the use of Pike Place Market trademarks in their Queen Anne activity room.

Matt Hanna recused himself from the discussion and vote regarding Proposed Resolution 15-66 noting that his law firm represents the Aegis Senior Communities LLC.

David Ghoddousi moved the proposed resolution,

David Ghoddousi asked if we did not approve the resolution what would be the repercussions.

Betty Halfon asked about the artist (designer) and what is stopping them from using the Market images elsewhere. She noted her concern with the process of obtaining the mark.

Ben Franz-Knight explained the process – the reason for this scenario (what is compelling is that the people do not get to visit the Market, physically).

Rico noted his concern about the marketing with the website, she understands the reason

Rico proposed a friendly amendment to remove the marketing of the activity room – David and Betty

Betty would like to propose a friendly amendment for a one year term annual renewal, up to 5 years, subject to confirmation by the PDA Council that the program is effective.

Ray asked if we ever have an agreement like this before and if we are setting precedent that would require us for us to do for a feature. Ray mentioned that this was a pretty nominal fee.

Jim noted that he had to disagree to what Ben had said saying he did not believe we were setting a precedent, but what we are proposing to do is not common. This is not typical kind of deal we do, besides the Microsoft commons which was for profit like this scenario.

Patrick Kerr asked what is to stop Aegis from posting billboard. Ben noted that the licensing agreement includes the terms of use.

Ann Magnano noted that with the special use and with the updated two amendments, she is in support of this. We will probably be living there one day.

Betty Halfon noted that she thinks we ask for money from the corporation

John Finke proposed changes to the fourth whereas,

...included after the 222 location, And no one else, friendly amendment accepted.

Betty Halfon, 5000 annually – Betty, David Matt discussed the point of order.

Amend the motion from Betty would need to happen regarding the 5000k

Rico noted that there was no mention of the dollar evaluation for the agreement in the resolution and how that was determined– by adding that dollar amount to it.

Jim Savitt, it is typical that resolutions do include dollars amounts and for some reason there is not an amount here.

Ben noted the reason for the lower dollar amount, he wants folks to be able to reach the Market who can not access it

John Finke will vote against it for what it is proposed, especially with the 5000k added. He would vote for a \$1500 number, \$5000 strikes him as too high.

Patrick Kerr moved to amend it to 1000k a year,

Rico asks to accept the \$1500 in year one, then re-evaluate it year after year.

Patrice Barrentine, she is used to see fees charged (reduced) year, after year- penalty for misuse upfront and lower it

John finke, in support 1000k annual each year renewal.

We are merely changing to change 5000k to 1000k

8 for the amendment frm John Finke .

Oted

For: Patrick Kerr, Gloria Skouge, David Ghoddousi, Ann Magnano, Patrice Barrentine, James Savitt, Betty Halfon, Rico Quirindongo, John Finke, Colleen Bowman, Ray Ishii

Against: 0

Abstained: 0

Resolution **15-66**: Approval of WISerg Harvester Trial location was passed by the PDA Council with a vote of 9-0-2.

Amendments include NOW, THEREFORE, BE IT RESOLVED that the PDA Council authorizes the Executive Director or his representative to execute a non-exclusive trademark licensing agreement with Aegis Senior Communities LLC for the use of Pike Place Market trademarks in their Queen Anne activity room with an annual renewal up to five years subject to confirmation by the PDA Council that the program is effective.

C. Other

VI. Further Public Comment

Howard Aller – been included in a survey with the development of third and union may include a PCC Market. Knowledge is power.

Ann Magnano, second and Pike building has been sold – she is ecstatic that has happened to help with the pedestrians.

Saturday November 28th Magic Market – Ben Franz-Knight.

Betty Halfon, got a phone call if she carried gum or not – the reason for the call is from a wedding.

Betty asked about the Christmas tree and the handicapped parking spaces (we need those spots). We need to relocate them.

VII. Concerns of Committee Members

None

VIII. Adjournment

The meeting was adjourned at 5:43pm. Matt Hanna, PDA Council Chair

Meeting minutes submitted by:

Dianna Goodsell, Executive Administrator