



Pike Place Market Preservation and Development Authority (PDA)

CAPITAL RENOVATION COMMITTEE
Meeting Minutes

Monday, March 9, 2009
4:30 p.m. to 6:00 p.m.
PDA Conference Room

Committee Members Present: Bruce Lorig, Gerry Kumata, Patrick Kerr, David Ghoddousi, Bruce Burger, John Finke
Other Council Members Present: Gloria Skouge, Jim Savitt
Staff Present: Carol Binder, John Turnbull, Tamra Nisly
Others Present: Marlys Erickson, Duncan Thieme, Ken Johnsen, Elle von Wandruszka, Dana Warren

The meeting was called to order at 4:30 p.m. by Bruce Lorig.

I. Administration

- A. Approval of Agenda.
The agenda was approved by acclamation.
- B. Approval of February 9, 2009 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Project Update

- A. MPR Reporting Discussion
Carol reported the budget portion of the Monthly Progress Report (MPR) will be updated to reflect the revised construction budget and other contracts now that some firm bids have arrived and will be added when Joe Paar returns from vacation. Bruce Lorig asked about the budget estimates for the other phases. Carol responded that Turner was working on the Schematic Design estimates for Phase 2-4 and will also be thinking about whether there were better ways to schedule this work. Ken added that this is the right time to address this.

Patrick Kerr joined at 4:34 p.m.

B. Action Item 09-20: Authorization for contract Authority – Duct Cleaning in Leland and Fairley Buildings

Carol stated that the ducts in the Leland and Fairley Buildings needed to be pressurized due to the Renovation but must be cleaned first. Bruce Lorig moved and David Ghoddousi seconded. Patrick asked for clarification regarding the process. John explained the process and added that MacDonald Miller, the Mechanical contractor, will be doing the leak testing and pressurization after the ducts are cleaned. Duncan added that when they opened the ducts to do investigative work and they were incredibly dirty and full of dust as they had not been cleaned before.

For: Lorig, Kerr, Ghoddousi, Burger, Kumata, Finke

Against:

Abstain:

Proposed Resolution 09-20 passed unanimously.

III. Allocation of NMTC Funding

A. GC/CM Contract with Turner

Ken updated the committee regarding the GC/CM contract process stating that the contract was based on previously used contracts from Seattle City projects and has proven to be a good contract. He noted that the PDA's attorneys have worked with Turner Construction's attorneys and are now finalizing the language for the construction contract and that the amounts will be attached to the document once the shoring bids are complete. Lorig asked whether a resolution was needed. Carol responded there would be a resolution once the bids were received. Lorig said that they could approve the contract and then add changes. Ken added that the contract would continue to be amended as the amounts and bids come in but the contract itself would not be changed and that any amendments would come forward as resolutions. Gerry asked if Turner will bid for work on the project. Ken answered that they will do basic general contractor work but may bid for larger projects. There is discussion regarding cost control and Ken confirmed that each invoice will be reviewed line by line by the Capital Project Manager, the architect, and himself to be certain that the work had been completed. Burger asked about protocol for approving change orders. Carol stated that it will be necessary to approve some changes between Council meetings but that a policy would be set and brought to the committee regarding what amounts can not be changed by without Council approval. There is clarification that the contracts that are approved include contingencies. It was agreed that a formal policy regarding change order amounts and approvals will be presented to Council. Lorig stated that he would like to approve the contract now before the amounts were added. Ken added that this contract had been thoroughly vetted by the attorneys and was also approved by the City. It was agreed that the PDA Council would review the contract for the next Full Council meeting. Lorig stated that the job of Council is not that of advisors in these matters as the PDA's attorneys must make the recommendation. Finke added that Council must act as the Corporation's Board rather than as the Corporation's attorney. Carol said staff would circulate the contract to Council and then if there were questions they could be answered prior to the next meeting. Ken said he would also be available to answer questions that arose and would advise that this has been a contract that has been thoroughly reviewed. It was agreed that Council members who so desired would receive a copy of the contract. Lorig also asserted that comments and questions should be addressed prior to the meeting. John made a motion that Council entered into a contract with Turner Construction. Lorig moved and Gerry seconded.

For: Lorig, Kumata, Finke, Ghoddousi, Burger

Against:

Abstain: Kerr

The motion passed.

B. Allocation of NMTC Funds

Carol handed out a list of Proposed Uses for Funds from NMTC Financing, as well as, the list of Non-Levy funded projects. She explained that the list was developed in 2008 after the levy schematic design and the levy amount proposed by the City. In addition there are additional costs coming up that were not contemplated when the schematic design was costed. These include preschool relocation, other tenant relocation and disruption costs, communications and public meetings and detour signage. Burger asked why these weren't taken out of the original budget's contingency from levy proceeds. It was noted that they could be taken out of the contingency, but it might be better to use the new funding and leave the contingency intact. Finke explained that NMTC money isn't necessarily the most flexible money as it can only be used for work in the Leland and Fairly Buildings. Ken added that this is a policy issue. Jim asked if the amounts were in addition to budgeted amounts to which Carol responded that yes they were in addition to the original cost estimate. Burger stated that he would only take \$450,000 out of the NMTC for the preschool and leave the rest until there was more information on the non levy projects. John Turnbull stated that at the last meeting he provided a calendar of what they were planning on doing with regard to development of some of the non levy concepts. Burger made a motion to recommend that \$450,000 out of the NMTC funds be allocated for the permanent relocation of the preschool and John Finke seconded. Jim asked if these changes were because of the elevator location change. Carol stated that yes the majority of these costs were due to the location of the elevator, but that the previous elevator design was not developed enough to know what the tenant impacts would be. Undoubtedly they are greater now, but we

are not comparing apples to apples. Jim emphatically expressed his concern about his perception that there was a significant budget overrun. Lorig clarified the previous motion that \$450,000 of NMTC would go to the Preschool Permanent TI contribution but that \$375,000 for the Preschool Relocation costs would come out of Levy funding, along with the other tenant and communications costs. Gerry seconded. There is further discussion regarding the amounts previously allotted to tenant disruption to which Ken explained that it is not unusual for these amounts to change as one of the hardest things to estimate are tenant impacts until the drawings are far enough along to really assess this, and added that while some costs will increase others will decrease, one example being the bid for MEP which was under by a million dollars. Lorig stated that he had wanted to proceed further with planning for this reason and Council determined that they did not want to move further along with the design process until the Levy passed. Carol commented that the initial budget was based on typical construction percentages and it was split up by building and the further along in design they move then the more they know. John stated that they should take care when creating permanent records in the meeting minutes when using the word overrun as early on the rough budget was based on rudimentary drawings and a choice was made not to have better drawings, therefore Council made a conscious choice to not know more. It is because of this that he did not want the minutes to reflect that there is an overrun when the budget was a rough estimate and the total cost is within the original estimates. Jim said he doesn't agree.

The motion was voted on.

For: Lorig, Kumata, Ghoddousi, Burger, Finke

Against:

Abstain: Kerr

The motion passed.

IV. Report on Preschool Relocation

John Turnbull reported that after the last Council meeting staff has been working with Turner, their electrical sub-contractors, and the Preschool's design team and they are close to having a revised price for the relocation. He passed out drawings of the Preschool Relocation Design and reviewed the plans in great detail noting the three spaces that would need to be updated so the children can move into them during construction. Lorig asked where the money would come from if it is more than is anticipated to which Marlys answered they will have to come back to the PDA for funding. Turnbull stated that they are ready to get started next week if given approval from the Capital Renovation Committee. Carol said this will be a change order to the Preconstruction contract with Turner. After further discussion regarding costs for the relocation Lorig made a motion to amend the previous recommendation for the Preschool relocation from a maximum of \$375,000 to \$400,000. Burger seconded.

For: Lorig, Kumata, Ghoddousi, Burger, Finke, Kerr

Against:

Abstain:

The motion passed unanimously.

V. Review of Arcade Designs

Turnbull presented sketches with ideas for how to address the Leland elevator entrance on the North Arcade. He stated that this is not a time for making decisions but is to inform the Committee of some of the possibilities. Turnbull showed three options from the least to most invasive noting that each option is affected by the sheer wall that can not be removed. He added that the entrance needs to be bright, light, secure, and there must be room for at least two strollers to get through this space. Turnbull said he also feels he can get a good functional grocery with 1000K sq ft and but it would affect the arcade area and might come at a cost to tenant space. Lorig said the design with the least impact he does not feel works. Turnbull said he will need to contact the affected tenants once a direction is given from the Committee. Carol added that some people feel as though the elevators aren't well marked now but that lends itself to part of the Market's charm.

David Ghoddousi left at 6:25 p.m.

Patrick asked when a decision needed to be made. Turnbull responded that this is not pressing. There is discussion regarding which option is best but no consensus is reached.

Burger left at 6:30 p.m.

VI. Concerns of Council Members

VII. Public Comment

VIII. Adjournment

The meeting was adjourned at 6:33 p.m. by Bruce Lorig.

Meeting minutes submitted by:

Tamra Nisly, Construction Administrator