



Pike Place Market Preservation and Development Authority (PDA)

**CAPITAL RENOVATION COMMITTEE
Meeting Minutes**

**Monday, June 2nd, 2008
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Bruce Lorig, Gerry Kumata, Patrick Kerr, Bruce Burger, David Ghoddousi

Other Council Members Present: John Finke

Staff Present: Steve Nelson, Joe Paar, Carol Binder, Tamra Nisly, Anita Neill

Others Present: Dale Wittner, Ben Kirchner, Ken Johnsen, Lee Lockhart, Rich Cardwell

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 May 19th, 2008 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Update on Project Topics

- A. Mechanical Design Status
Carol stated this report was to update the committee on the ongoing discussions with staff and SRG they are looking at different fuel mechanisms for the heating/cooling systems. There were no recommendations yet as they are, still doing research and evaluations.

Joe Paar presented an update of where they started and where they were now stating that while the concept of the hot/cold water loop system remains the same, the biggest change will be the fuel source. They were originally looking at using steam supplied by Seattle Steam but now they are looking at a boiler system that could be run with a variety of different fuel sources. Joe Paar noted that the biggest benefits to the new system would be energy conservation, cost savings, and the possible green aspects.

Joe reported that they are looking into moving the heating elements and heat pumps to the roof as it made sense to have everything in the same location allowing for easier access. The engineers are currently researching the building structures to see if the roof can accommodate and support it all. Bruce Burger wanted to know what would be the best heating medium for the Market. Joe responded that the cost of steam has increased, as has natural gas, but natural gas is one half the cost

of steam per therm. He added that two new natural gas boilers were recently installed in the Livingston Baker Building and staff likes them as they are simple and save energy. Bruce L. asked how they will decide what the best choice would be. Joe said he would present the choices in detail to them. Carol noted that the objective will not necessarily be a quick return but an investment for the long run. Gerry asked what they are looking at in terms of longevity. Joe responded that both systems had a 35 to 40 year life expectancy. Burger noted there needed to be more detailed cost analysis. Ken noted that they need to map out the options and analyze each completely. Joe informed the Committee that the third option would be to use waste vegetable oil from the restaurants. The oil would be put through a filtering system; the solids removed and kept in a warming tank then pumped to the boiler. Ultimately this option would save tenants in energy costs. Oil would still be collected in the summer but stored in a tank until needed and staff is still working on the logistics of this. Ken added that they will also need to explore tenant procedures and leases with regards to this system. Joe will keep investigating energy cost analysis and report back to the Committee.

B. Plumbing Line Replacement Status

Joe reported that over the past several weeks' staff has been working with the mechanical engineers to investigate the plumbing systems in the Leland and Fairley Buildings. They have gone into every space and evaluated all plumbing systems and determined that all restaurants using oil would have to put in grease interceptors. In addition, they scoped all main and horizontal lines and found they were in poor shape and almost all need to be replaced.

Joe stated that one option for replacement would be stainless pipe material which is more expensive than cast iron, but installation would be less expensive and easier to cut, assemble, and retrofit. Staff will be installing a sample of the stainless steel along with a sample of the cast iron piping to do a side by side comparison. Carol noted that plumbing will be a bigger cost than originally estimated but everything will balance out on the bottom line as there will savings in other areas.

Burger asked who would pay for tenants grease systems. Carol replied this has historically been a tenant responsibility as well as the heating, and cooling systems and that staff negotiate major tenant improvements in the lease terms although no levy money can be used for private benefit.

C. MCH Strategy

Carol reported that staff did not present at the MHC meeting last Wednesday but will do a briefing on June 11th regarding the Hillclimb design. They will apply for preliminary approval then go back with the detail elements for final approval when the design is more developed. The Commission has requested significant documentation for the preliminary approval, so the design has to be a ways along. Carol informed the Committee that the Mayor's office has the legislative packet for the Levy projects. Patrick noted that there were core, supplemental, and PDA projects listed in the agreement. Carol concurred and noted they are not all funded with the levy funds and that is also described in the agreement. Bruce L. asked what types of things the Historic Commission was concerned about. Carol responded that they will find out at the June 11th meeting but so far they have asked about the elevators, pedestrian access, stairs, the plaza build out, and the Sky Bridge. Gerry asked about the windows. Carol noted that they will work on the Hillclimb first then the windows but will propose windows that open for ventilation, double pane for energy conservation, some kind of shading i.e. awnings, to help control heat. She added that awnings have been used in the past and that staff will probably propose clad aluminum on higher windows and wood on lower where one would notice. The cladding will be proposed due to the high cost of maintaining wood on the higher levels. Joe noted that this dual approach has been implemented in one of the iconic historic buildings downtown now under renovation, the Arctic Building.

D. Non PDA Projects

Carol wanted to make sure as they move forward that all potential projects were included on the list of Total Market Capital Needs along with the phases that they belong in. She passed out this list for the Committee's review. Bruce B. felt they should clarify what the other projects for consideration were because he did not want people to get confused and assume these projects would be funded by the levy. Bruce L. noted that his biggest concern was a financing strategy for the Non-Levy projects. Carol noted that since the Preschool was working with their own funding they are proceeding with their design but have not submitted any revised plans recently. Ken said that the key will be to focus

on the projects that will be completed in the first phase and then work on the timing of how to go about getting the other work done. Bruce L. noted that his biggest concern was thinking through the financing of these projects.

Carol noted that staff has been looking into the use of New Market Tax Credits to leverage money for Non-Levy projects and have written this into the agreement with the City. John Finke described how the New Market Tax Credits financing worked. Bruce B. pointed out that they must decide yes or no on the projects first.

David Ghoddousi left at 5:43 p.m.

It was noted that they will need to find a way to look at these costs and define exactly what needs to be on the project list before any design work is done. Bruce B. stated that he felt that the focus should be Phase One Levy projects until after the levy passes. He added that he was concerned that it would scare off the voters and there was not be a compelling enough benefit in the next six months to proceed with design for the other phases. Bruce L. expressed his concern regarding not having a plan which included everything. He stated that he also felt that they should spend the money to work on the non levy projects before the levy vote. John suggested allotting small amount of money for one designer to investigate other ideas. Bruce B. asserted that he was strongly in favor of doing so after the Levy. After further discussion it was determined that Ken Johnsen would lay out a plan for how to proceed with Carol and come back to the Committee. It was agreed that the list of Non-Levy Items Carol reviewed with the Committee was complete.

III. Public Comment

Dale stated that he was concerned with the vertical transportation from Western to the Market. He said that was not a good access point to the Market for disabled persons and he felt that it had been sold as disabled access and it was not. Ken responded that the idea of the ramp was to provide accessibility to people who could not climb the stairs but that the ramp was not ADA compliant as it was too steep and that staff will look into how far out of compliance the ramp actually was.

Dale asked about the Daycare and the playground and said that the design seemed to always be changing. Dale stated that he spoke with Jean Kasota, the State Licensor, and that the state approved a play area for older kids on the roof and much smaller area for the toddlers on the second level and that Jean had no idea that all this was changed. Carol stated that Jean was advising, not approving when she visited last month and that while she did give a preliminary approval for the concept of the separate play areas it was preferable to have them both together. Dale asked about the electrical vault and Ken responded that it would be shielded and tested for electrical emissions and that shielding the playground would effectively eliminate all emissions.

IV. Concerns of Committee Members

Patrick Kerr stated that he was concerned about moving the PDA office to the Downunder. He felt they needed a presentation on how this will work and why bother trying to move the office when the Historic Commission has already denied one application for office space in that area. Bruce Lorig replied that they will go back to the Historic Commission and explain why the change is appropriate. Patrick stated that there were better things to focus on and that the PDA office was just fine where it is now.

Bruce Burger left at 6:08 p.m.

V. Adjournment

The meeting was adjourned at 6:09 p.m. by Bruce Lorig.

Meeting minutes submitted by:
Anita Neill, Executive Assistant