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**Pike Place Market Preservation and Development Authority (PDA)**

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**FINANCE & ASSET MANAGEMENT  
Meeting Minutes**

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**Tuesday April 20<sup>th</sup>, 2010  
4:30 p.m. to 6:00 p.m.  
PDA Conference Room**

**Committee Members Present: Matt Hanna, Gloria Skouge, Ann Magnano, Gerry Kumata, David Ghoddousi**

**Other Council Members Present: Patrick Kerr,**

**Staff Present: Carol Binder, A.V. Goodsell, Sabina Proto, Jay Schalow, Bob Beckstrom, Steve Nelson, John Turnbull**

**Others Present: Michael Temple, Michael Kelly, Darrell Strand**

The meeting was called to order at 4.33p.m. by Matt Hanna, Chair.

**I. Administration**

- A. Approval of Agenda  
The agenda was approved by acclamation.
- B. Approval of March 16<sup>th</sup>, 2010 Minutes  
The minutes were approved by acclamation.
- C. Announcements and Community Comments

**II. Review of Financial Statements for March 2010**

**A. PDA Operating Statements**

Sabina updated that the financials looked good as of the first quarter. There has been an increase in work in progress due to Levy projects. Capitol Section has a consistent increase. The Levy funds so far total \$4.7 million (in 2010) and are recorded in the work-in-progress account. Overall, \$24 million has been collected. Discussion ensued about the bond issuance costs, which is tied to all of our bond issues and is amortized annually. Discussion also ensued as to recording assets at cost or market value. Carol noted that historic cost is required by accounting principles, but that may be changing in the future.

Sabina reviewed the operating statement. The Commercial base rent is over budget as is percent rent. Residential is under budget due to vacating residents in the Sanitary. LB vacancy is a bit higher than originally budgeted, so rents have been reduced to increase occupancy. Daystall is doing well due to positive craft and farm participation. Surface revenue has been consistent. She noted that miscellaneous revenue includes the interest payment on the NMTC transaction of 2009. Carol included that other revenue sources, such as the recent major filming in the Market, add to funds. Sabina reviewed the expenses and most areas are under budget. We are looking into the utility costs and the problem seems to be trending as the actuals are similar to previous years.

David Ghoddousi joined at 4:38 p.m.

**B. Component Unit Financial Report**

Sabina presented the consolidated financial report for LaSalle Senior Housing and QALICB for the end of the first quarter.

**III. Checking Account Activity Report**

The checking account activity report was submitted for inclusion to the minutes.

**IV. Insurance Renewal – Mike Temple + Michael Kelly (Gallagher) See attachments**

Mike and Michael shared good news for the budget. The annual insurance placement was coming in lower than the previous year. The insurance for Property and Liability were renewed with Liberty Mutual. Several other agencies declined offers for various reasons but others did respond. New coverage has been added to cover Tenant Discrimination. The Committee raised questions about our earthquake coverage and new construction. Mike suggested picking new number with committee about earthquake coverage. He also suggested that the committee should decide on appropriate pricing / policy and consider that earthquake models are changing. New limits will be address when construction is completed. Matt moved to push forward with this process and Mike will get back to us with a quote on an additional ten million of coverage.

**V. Other Reports and Action Items**

**A. Action Item: Proposed Resolution 10-22: Annual Insurance Renewal and premium authorization**  
Carol noted the increase of premiums and cost.

David Ghoddousi moved and Gerry Kumata seconded.

For: Matt Hanna, Gloria Skouge, Ann Magnano, Gerry Kumata, David Ghoddousi

Against:

Abstain:

Proposed resolution **10-22** passed unanimously.

Carol mentioned she would make sure the resolution was referenced correctly for the various entities and named insured.

**B. Action Item: Proposed Resolution 10-21: Authorization for Contract Authority – Repair Roof Leaks in North Arcade**

Bob presented the North Arcade Leak Repair Project, which includes the new ridge cap replacement, metal fasteners, and additional repairs around the City Fish sign. He noted that there was a large variance in the four bids for the 12,000 sq. feet project, ranging from \$13,000- \$29,000. Northwest Roofing solutions won, due to lower overhead costs. He has reinforced that new work has not been completed in over 10 years and it is time. Steve added that there have been wide ranges in bids lately.

David Ghoddousi moved and Gerry Kumata seconded.

For: Matt Hanna, Gloria Skouge, Ann Magnano, Gerry Kumata, David Ghoddousi

Against:

Abstain:

Proposed resolution **10-21** passed unanimously.

**C. Staff Reports**

**a. Parking Automation Update**

Carol referenced the parking consultant report in the packet which was used as the basis for many of our decisions regarding the recent parking changes in operations and cash handling with the new automated system. Other items such as security cameras at APMS and exits will be implemented. The group reviewed and discussed the historic financial information with

comparisons to previous recessions. The new parking system startup was rough and there was some loss of revenue during part of March, due to several setbacks, but daily receipts in April appear to be back up to a normal level Matt inquired as to the bond payments and how long they continue, as well as inquired as to our relationship with the City relative to the garage. Carol explained some of the terms of the original development and bond agreements, and indicated that it may be time to revisit and confirm some of those terms.

Ann Magnano left at 5:31 p.m.

- b. **Capital Project Review – see attachments**  
Steve updated the committee on the status of most of the budgeted capital projects. There are 10 projects currently being bid and four new projects in planning. Some projects will be delayed due to Renovation work. He also noted that they are trying to get Turner to do some work. Steve reviewed the list in some detail and described the schedule of when much of this work is planned. The larger projects are bid or being bid and the rest are smaller maintenance type work like painting and repairs.
- c. **New Markets Tax Credit Update**  
Carol updated the committee on the NMTC negotiations and stated that we are still proceeding with a financing, but the total may be less, because the funds need to be spent within a 12 month period. Our Phase II budget is approximately \$23 million and our additional projects may bring this up to \$30, but we may not be able to complete them within the time period. This timing seems to be an issue with some of the CDE's. At this point 2 are pretty committed to our project and 2 others indicating some interest. We would want to close by the end of June, so the Council would have to approve at their June meeting. Carol will continue to pursue and update the Council. Having multiple CDE's adds complication but the transaction would be basically the same as our previous one.

**VI. Items for the Consent Agenda**

Roof repair and contracts, proposed resolution 10-21 was added to the consent agenda.

**VII. Public Comment**

None

**VIII. Concerns of Committee Members**

None

**IX. Adjournment**

The meeting was adjourned at 6:01 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:

A.V. Goodsell, Office Coordinator