



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

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**FINANCE & ASSET MANAGEMENT  
Meeting Minutes**

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**Tuesday, January 20<sup>th</sup>, 2009  
4:30 p.m. to 6:00 p.m.  
PDA Conference Room**

**Committee Members Present: Jim Savitt, Ann Magnano, Gloria Skouge, Bruce Lorig, Matt Hanna, Theresa Alexander, David Ghoddousi**

**Other Council Members Present:**

**Staff Present: Tyler Jameson, Tracy Roueche, Carol Binder, Sabina Proto, Anita Neill, Steve Nelson, John Turnbull**

**Others Present: Ellen von Wandruszka, Judy Hurley, Tom Graham**

The meeting was called to order at 4:31 p.m. by Jim Savitt, Chair.

**I. Administration**

- A. Approval of Agenda  
Resolution 09-04 and 09-05 were added to the agenda.  
Bruce moved and Ann seconded  
The agenda, as amended, was approved by acclamation.
- B. Approval of December 9<sup>th</sup>, 2008 Minutes  
The minutes were approved by acclamation.
- C. Announcements and Community Comments

**II. Review of Financial Statements for December 2008**

- A. PDA Operating Statements

Matt Hanna joined at 4:34.

Sabina reviewed the financial statements for December 2008. She noted that the December financials included in the packet were preliminary until after the books closed and were reviewed and finalized in February's Finance meeting. Sabina continued to report; the major change in the balance sheet was due to the restricted cash due to payments on the principal and interest on the PDA 1996 bond. Carol noted that due to the advantageous interest rates the PDA was working with the City to have the bonds re-issued through the City instead of the PDA and that this provide significant savings to the PDA.

Sabina continued to review the operating statement; there was nothing unusual to report on the accounts receivable, revenue would stay the same but the expenses would change after the year end closing. In revenue; percent rent was doing well and above budget, residential was doing well and was

in good shape, Daystall was under due to late start of the farming season the surface parking revenue was ok but the garage was under mostly due in part to the high gas prices in the summer, the weather conditions and poor economy in the winter months. In general the miscellaneous revenue was doing well with the exception of the investment and interest. Expenses were also reviewed and significant variances from budget were explained. Overall we are under budget in expenses due primarily to staffing categories.

Ann questioned when the capital program expenses would be reimbursed with levy funds. Carol explained the reimbursement process and noted that it would be completed before the closing the 2008 books.

Sabina reviewed the percent rent sheet and noted it was above budget until November and December but still above budget for the year.

Jim questioned the amount put into the CRRF capital reserve fund. Sabina noted that the amount that was budget was put in monthly and any surplus would be added at years end when the books are closed in February.

**B. LB Operating Statements**

Carol reviewed the Livingston Baker second quarter financial statements. She noted that there was nothing unusual to report on the balance sheet. The purchase processes was still being worked on, currently working with HUD to move current tenants to section 8 vouchers and continue with the purchase process.

**C. LaSalle Sr. Housing**

Carol reviewed the LaSalle third quarter financial statements. She noted that there was nothing unusual to report on the balance sheet and was operating to full capacity. The operating statement was set up to operate on a net cash flow.

**III. Checking Account Activity Report**

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

**IV. Other Reports and Action Items**

**A. ACTION ITEM: Proposed Resolution 09-01: Minimum Operating Reserve (MOR) Policy.**

Jim noted concern for the wording of the proposed resolution. In particular the 'Be it resolved' ...the minimum operating reserve (MOR) will only be used to support adopted service levels when there is a shortfall in projected revenue... He felt that this statement limited the use to only if there was a shortfall in revenue and that it should be revised to state that this fund was to be used if there was an emergency as well. Additionally, there was a need for clarification if the PDA was to come to the Council before or after the funds are spent. Jim would like to see the process laid out more clearly in the resolution so anyone could understand it.

After discussion regarding the wording of proposed resolution 09-01 and 09-02 it was decided that they would be tabled until they were carefully scrutinized and edits were made. Carol would send the proposed resolutions to Jim for review and he would in turn send to the committee for their suggestions. Then the proposed resolutions, with changes, would be brought to the February Finance meeting for further review.

Proposed Resolution **09-01 and 09-02** were tabled until after further review and discussion at next months Finance meeting.

**B. ACTION ITEM: Proposed Resolution 09-02: Capital Repair and Replacement Fund (CRRF) Policy and Contribution**

Proposed Resolution **09-02** was tabled until after further review and discussion and next month Finance meeting.

C. **ACTION ITEM:** Proposed Resolution **09-03:** Authorization for Contract Authority – Sanitary Deck Design.

Carol gave an overview of the Sanitary deck. She noted that the deck was a roof for the commercial tenants and the residents use it as an outdoor community common area. The deck has been resurfaced numerous times but was now in need of repair to permanently stop the leaking to the tenants below. It was submitted to be a levy project but there was an urgency to get the design phase completed immediately and complete the construction during the levy renovations.

Theresa moved and David seconded.

Tyler reported that a public RFP process was submitted in October of last year. From that process the architect Corner Stone was selected for their background and knowledge in waterproof designs.

Theresa questioned if the design phase was necessary and if the deck could be resealed again. Steve responded that due to numerous attempts at repairs the deck it now had major design flaws and was in desperate need of a complete overhaul.

There was a discussion regarding the high cost but was deemed necessary due to the complex design since the area served as a roof and a common area deck. Steve noted that the cost estimate was all inclusive of investigative work, design, construction administration but not the construction. There was further discussion regarding the cost and it was decided that the wording in the therefore be it resolved would be amended to include that the work included, but not limited to all design, investigation and construction administration work.

Jim noted, and it was agreed, that a recital template would be created and used for all future proposed resolutions that were included in the levy projects.

Theresa moved and David seconded the proposed resolution as amended

For: Jim Savitt, Ann Magnano, Gloria Skouge, Bruce Lorig, Matt Hanna, Theresa Alexander, David Ghoddousi

Against:

Abstain:

Proposed Resolution **09-03** passed unanimously.

Theresa requested that the construction crew be sensitive to tenants' belongings and plantings as it had been a problem in the past.

D. **ACTION ITEM:** Proposed Resolution **09-04:** Authorization for Contract Authority – Garage Parking Controls Automation System Design – PCI Parking Garage.

Carol briefly reviewed the resolution. She noted that the current garage ticketing system was continually breaking down and spare parts were difficult to locate. This resolution for the re-design and upgrade to a more automated system for the garage. She noted that the garage reserve would be used for this project.

Steve noted that the request for qualifications had been sent out and Walker, a California firm that specialized in garage controls, was selected. They would come to Seattle to create the design, assist with the bid process and start up of the newly installed system.

David moved and Bruce seconded.

Theresa questioned why the proposed resolution, 09-04, being pushed through the Committee as a walk on instead of including in the packet for review before the vote if it was not an emergency. Carol replied that it was necessary to receive all bids to ensure the best cost and not all bids were received prior to the packet being sent out.. Additionally, it was urgent to repair the failing garage equipment to avoid the loss of revenue every time the current system breaks down which was often.

Theresa noted her objection to walk on proposed resolutions if they were not an emergency. Jim replied that walk ons were not desirable, they may sometimes be necessary. Bruce Lorig stated that our process being dependent upon the meeting schedule was contributing to the problem. It was decided that all resolutions should be included in the packet for review even if they were incomplete then bring the completed resolution to the committee.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Bruce Lorig, Matt Hanna, Theresa Alexander, David Ghoddousi

Against:

Abstain:

Proposed Resolution **09-04** passed unanimously.

- E. **ACTION ITEM:** Proposed Resolution **09-05:** Authorization for Contract Authority – Relocation of Madame Lazonga’s Tattoo – Relocated to 1527 – 1529 Western Avenue.

Carol noted that it was urgent to have the tenant be moved from her current location by April 1<sup>st</sup> otherwise the renovation project would be delayed.

Tyler reviewed the resolution and the bidding process involved. The current location of Madame Lazonga’s Tattoo parlor would be obstructed by the renovations and needed to be moved to the former Two Angles space. Upgrades were necessary for the unoccupied space and were to be installed to fit her, and any future tenants, needs. Carol noted that costs would be recovered from the levy funds.

Ann moved and David seconded.

Matt questioned what the PDA should expect to be refunded by the tenant. Tyler noted that the details were still in negotiations but John pointed out that a certain amount would be mitigated to the tenant for vacating their current space and the remainder would be paid by the tenant. There was a discussion regarding the details of the arrangement, it was decided to amend the proposed resolution to include that this proposed resolution was authorized contingent upon an agreement in the contract to state that funds are agreed to be paid by the tenant and a maximum of \$50,000 was to be non-reimbursed expenses.

Ann moved and David seconded the amended resolution.

Jim questioned why the renovation A & E code was being used for this project. Carol responded that all renovation projects fell under the A & E code under the general ledger but were further separated out cost codes under that general umbrella. Jim suggested changing the name of that cost code in the general ledger to renovations projects.

For: Jim Savitt, Ann Magnano, Gloria Skouge, Bruce Lorig, Matt Hanna, Theresa Alexander, David Ghoddousi

Against:

Abstain:

Proposed Resolution **09-05** passed unanimously.

- F. Staff Reports

- i. LB Purchase Update

Already given above.

- ii. New Markets Financing

Carol reported that New Markets Tax Credits were being obtained for additional funding for the levy and non-levy projects. In order for the PDA to obtain these funds, a commercial bank bridge loan would be obtained to leverage these funds. She handed out and reviewed a diagram of a flow chart of the process. She noted that PDA would obtain a bridge loan from the bank which then goes through the investment fund and down to the LeLand Fairley building renovation costs. The

US Bank was the equity investor and would get tax credits in return. Carol noted that the PDA cannot be the lender and recipient of the funds so they must go through a separate entity. The PDA has chosen to create non profit entity, so as to have no possibility of private commercial benefit. Carol also mentioned there would be no real property transfer to the new entity, but a leasehold interest. There was discussion regarding the structure and process of the New Market Tax Credits. It was decided that this would be further discuss in detail at the full Council meeting next Thursday. Jim additionally suggested a lawyer to be present at the meeting to have their expert opinion on the document.

**V. Items for the Consent Agenda**

None

**VI. Public Comment**

Judy questioned where the idea came from to obtain the New Market Tax Credit funds. Theresa responded US Bank contacted a Council member as to the availability of the funds.

**VII. Concerns of Committee Members**

Theresa noted concern regarding the last paragraph of the Public Notice and questioned how it could be corrected. Jim replied that her concern was noted and would be discussed at a later date.

**VIII. Adjournment**

The meeting was adjourned at 6:18 p.m. by Jim Savitt, chair.

Meeting minutes submitted by:  
Anita Neill, Executive Assistant