



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Meeting Minutes**

**Tuesday May 18th, 2010
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge

Other Council Members Present: Patrick Kerr

Staff Present: Carol Binder, Anita Neill, Sabina Proto, Jay Schalow, John Turnbull, Tyler Jamison

Others Present: Dale Wittner

The meeting was called to order at 4:32 p.m. by Bruce Lorig, Vice Chair, on behalf of Matt Hanna, Chair.

I. Administration

A. Approval of Agenda

Carol had the following changes to the agenda; two resolutions 10-30 and 10-33 to be added to item IV, the auditors had not completed their report and would be removed as item V on the agenda and add a status report on New Market Tax Credit financing.

The agenda was approved, as amended, by acclamation.

B. Approval of April 20th, 2010 Minutes

The minutes were approved by acclamation.

C. Announcements and Community Comments

None

II. Review of Financial Statements for APRIL 2010

A. PDA Operating Statements

Sabina reported on the financial statements for April 2010; there was an increase in current liabilities under accounts payable due to bills for the construction work. There was an increase in accounts receivable under Daystall due to the rental rate increase in April. The PDA operating statements were above budget in revenue and under in expenses. Sabina continued to review the footnotes in detail noting that commercial revenue was above budget due mainly to better than anticipated percentage rent. Daystall was over budget due to good attendance by crafters and farmers, in the parking department, surface revenues were down and the garage was up. Carol further noted that there were several factors that were influencing the parking revenue including an adjustment period to the newly automated system for the garage and problems with operator error in running the surface lot cash boxes.

Sabina continued to review the financial statement footnotes noting the following, miscellaneous revenue was over budget due to more filming and trademark deals than anticipated. Percent rent

continued to do well and was above budget. The last page was a status update on the Capital Projects and the new format for reviewing these is that a more detail report would be given quarterly on the all the capital projects progress.

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 **10-25:** Authorization for Contract Authority – Clean / Paint Baker Exterior (Livingston-Baker)

Tyler reported that the work to be completed included washing the stucco exterior, applying two coats of elastomeric coating paint the soffits and inspect and fix sealant as necessary. Three bids were received and Grund and Company was selected.

Gerry Kumata moved and David Ghoddousi seconded.

For: Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge

Against:

Abstain:

Proposed resolution **10-25** passed unanimously.

Action Item: Proposed Resolution **10-30:** Authorization for contract authority for tenant improvement.

John T reviewed the proposed resolution, due to the renovations and the need to move Pike Place Chowders kitchen this displaced Dog Alley. Dog Alley was a good standing tenant and the PDA wished to accommodate her move to another location within the Market. The old Bead Zone space was a good location but was in need of some TI work before the new tenant could move in. The resolution was to accomplish this TI work that included electrical work, lighting and slot wall.

Gerry Kumata moved and David Ghoddousi seconded.

Bruce L noted that a stipulation should be included in the resolution that it was subject to entering into a lease with the proposed tenant.

Some Council members questioned why Dog Alley would want to move to a considered less than desirable location. John responded that she had a good customer base and would have less overhead at the new location. She is also combining two animal stores.

Patrick asked what was included in the scope of work. John replied electrical work, lighting, slot wall and improvements to the entry doorway, windows and the ramp going down into the space.

For: Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge

Against:

Abstain:

Proposed resolution **10-30** passed unanimously.

Action Item: Proposed Resolution **10-33:** Bank Accounts and signature Authority – Pike Place Market PDA.

Sabina noted that the resolution was to add John Turnbull as a signor on the checking accounts.

David Ghoddousi moved and Gerry Kumata seconded.

For: Bruce Lorig, David Ghoddousi, Ann Magnano, Gerry Kumata, Gloria Skouge

Against:

Abstain:

Proposed resolution **10-33** passed unanimously.

V. Auditors Review

A. Action Item: Proposed Resolution **10-28:** Approval of 2009 Audited Financial Statements.

Carol reported that even though the auditors began their audit of the PDA earlier than last year they were not finished with the report. She further noted that there have been issues with the auditors for the past two years including the auditors were no longer located in Seattle and were too small of a firm to accommodate the PDA's expanding needs and in addition their fees were higher than what they had estimated in the selection process. For these reasons, next year the PDA would consider selecting a larger firm from the group of auditors already identified that would be better equipped to accommodate the PDA needs.

This action item was removed from agenda.

NMTC Review

This item was added to the agenda in replacement of the auditors review. Carol reported that four CDE's had been identified as possible investors in the NMTC, for a total package of \$47.5 million dollars with an amount of approximately \$8 million generated for Market renovations and upgrades. The structure was similar to the NMTC structure used last year with the main difference being that only a small bridge loan would be used and paid off within a few months. A new QALICB non-profit entity and master lease would be created for the Corner, Sanitary, Triangle, 1st and Pine and Stewart House buildings. The Public disclosure as required by the Charter had already been started on May 10th, 45 day prior to any decision(s) made by Council. At the next Council meeting a commitment would have to be made in order to proceed with the transaction. Carol asked Council to consider and be prepared to make a decision to move forward and to recall their issues that arose from the last NMTC, for instance, how many and who would be the board members of the QALICB, how long should the QALICB remain in tact and any indemnification issues. The funds generated by the NMTC would be useful for unexpected renovation tenant improvements, increased public spaces and the replacement of the Steward House façade.

VI. Items for the Consent Agenda

Bruce L moved all the proposed resolutions be on the consent agenda. It was approved by acclamation.

VII. Public Comment

None

VIII. Concerns of Committee Members

Gerry asked if it had ever been figured out what portion of the PDA budget was put towards Social Services. Carol responded that about 2-3 percent of PDA revenues supported social services but the majority of these revenues were in kind and not actual cash. There was then some discussion about possibly increasing this amount. Nothing was decided and it was thought it should be further reviewed and discussed.

IX. Adjournment

The meeting was adjourned at 5:26 p.m. by Bruce Lorig, Vice Chair, on behalf of Matt Hanna, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant