



Pike Place Market Preservation and Development Authority (PDA)

OPERATIONS & COMMUNICATIONS COMMITTEE
Meeting Minutes

Thursday, October 16th, 2008
4:00 p.m. to 6:00 p.m.
PDA Conference Room

Committee Members Present: Patrick Kerr, John Finke, Theresa Alexander, David Ghoddousi, Ann Magnano

Other Council Members Present: Gloria Skouge

Staff Present: Carol Binder, Anita Neill, Teri Wheeler, Cecilia Hall, Brittney Farrow, Erin Struck, Noa O'Hare, Scott Davies Coyle Jefferson

Others Present:

The meeting was called to order at 4:03 p.m. by Patrick Kerr, Chair.

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation
- B. Approval of the September 18th, 2008 Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments

II. Marketing

- A. Staff Reports
Carol gave the Market staff report as James was out of town. Carol reported that the Marketing department was working with their ad agency, HL2, to set their advertising and media plan for next year. Direct mailings, coupons, Pike Place Palate Magazine, TV and Metro Transit ads did well in 2008 and would continue these marketing strategies in 2009. For promotion and events, the BBQ and Cheese Festival have been planned for April and May respectively. Pedestrian counts that were completed in July would be completed again in December. This time a temp service agency would be used to reduce counting errors. John questioned why this was completed during the two busiest times of the year. Carol responded that counts are spread out and averaged about 3-4 times a year throughout the season, during the week and weekend. Holiday promotions would be beginning soon. November 29th, a Christmas tree and decorations would be put up. Corner Produce would be selling Christmas trees on the street. They would be borrowing our tents but running the business themselves. Beginning November 15th Metro would be displaying the Market logo on the sides of their busses. December the second edition of the Pike Place Palate would be distributed targeting zip codes of Belltown, Downtown and Pioneer Square. This edition would include a gift guide and feature

restaurants and mercantile tenants. Theresa questioned if there would be a coupon in this issue and commented that it would be a good idea to offer the coupon program not only to the farmers in the summer but to the mercantile in the winter. Erin responded that there would not be on in this edition and Carol noted that this could be considered. Beginning October 20th ads for the holiday season in the Market would appear on King 5 and the Seattle Times

III. Farm Program

A. Staff Reports

Carol noted that the report on sales collection was started this year with the main focus on the street farmers, to create a baseline to see what the types of impacts different types of marketing has on the farmers.

Noa gave a handout and presented the 2008 Street Farmers Market Revenue Collection Project Report. He reviewed the purpose, methods and what was planned for 2009. Noa noted data was collected on a voluntary basis and most farmers were helpful and receptive to the program. Several ideas and suggestions were gathered on how to improve on this process for next year.

John questioned what percentage of farmers were willing to share their revenue information. Noa responded a little over half and noted that it probably would have been more had there not been a language barrier with some of the farmers. Noa clarified that this was half of the farmers outside the arcade.

There was some discussion about what the 2008 farmer's numbers reflected and what value they have. There was some discussion that these numbers may have some value for comparison for other years. Noa expressed his confidence that the data was fairly accurate because only people who wanted to participate did.

Noa further reported that he would have a report on coupon redemption totals by the next OPSCOM meeting. Summer days went well and were highly attended. The season was running late this year and tents were still out. Farm Rules would continue to be reviewed and he would bring forward ideas for changes to the Council for consideration. John questioned how sales compared to other farmers markets. Noa responded that he had heard from farmers that they did well as compared to previous years here and sales are increasing relative to the other markets. Some markets the farmers do better, some they do not

Carol introduced Teri Wheeler as the new Market Master. Her new role would officially begin on December 1st.

IV. Property Management

A. Residential Property Management Report

The vacancy rate was at 3%. The turn around rate had been greatly improved with a new processes and check lists. This new process and rent rate increases per HUD had helped increased revenue. Coyle continue to review various revenue line items noting that cable expenses and revenue would decrease because there was no longer a contract with tenants; they now pay directly to the cable company. All categories in revenue are expected to increase in 2009 with the exception of laundry due to the contract that was now in place.

The Capital Needs Assessment, for the LaSalle has been completed and available for anyone who would like to view it.

Theresa questioned how much market rents would increase in 2009. Coyle responded 5% has been budgeted as compared to 3% last year. Units with rent rates set by HUD would increase on average, 3.3%. Theresa questioned why are the rates so low. Coyle responded that steps are being taken to be more aggressive with turn over leases and use comp data to set lease renewals and to increase rent rates. John questioned when the Livingston would be available to rent out again. Carol responded that improvements and refinancing would need to be completed first but expects it to occur before years end.

Carol distributed and reviewed this month's sales report. The report was complete through August. Same store sales were still ahead of last year though there was a slow down of growth particularly in the mercantile area. Carol noted that on the All Store Sales report several tenants had not reported yet. She additionally noted that the increase in restaurant revenue was partially due to the increasing cost and inflation of food.

B. Closed Session Closed Session (RCW 41.30.110 [c])

The meeting went into closed session at 4:44 p.m.

- i. Review of Lease Proposals
- ii. Review of Delinquency Report
- iii. Vacancy Report
- iv. Current Lease Negotiations

Closed session ended at 5:23 p.m.

C. **ACTION ITEM:** Approval of Lease Proposals

Patrick recommended approval for the following leases, Market Magic and Novelty, Don and Joe's Meats, Michou and Svedala Bakery.

Patrick moved and John seconded.

For: Kerr, Finke, Alexander, Ghoddousi, Magnano

Opposed:

Abstained:

The lease proposals were approved unanimously.

D. Staff Reports

Cecilia reported that beginning in November secrete shoppers would be conducting surveys on about 40 stores in the Market. They would be judging stores on signage, cleanliness, how they were greeted and helped. Results would be compiled and presented to the OPSCOM Council in January. John noted that this program was very helpful and should be completed every year. There was a general agreement that the information gathered was very helpful for Market services. Patrick questioned how much this cost. Cecilia replied that the cost was \$40 per store audit. Theresa noted that there was a need to mitigate the negative feeling tenants have towards these audits. Carol noted that tenants who have good customer service appreciated the feedback. Brittney additionally noted that a letter was to be sent out prior to when the audits began.

V. **Items for Consent Agenda**

Patrick moved the lease proposals to the consent agenda. It was agreed unanimously.

VI. **Public Comments**

VII. **Concerns of Committee Members**

VIII. **Adjournment**

The meeting was adjourned at 5:29 p.m. by Patrick Kerr, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant