COUNCIL MEETING MINUTES – NOVEMBER 2010
DRAFT

Thursday November 18th, 2010
4:00 p.m. to 6:00 p.m.
PDA Conference Room

Council Members: Jim Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, Bruce Burger, Jackson Schmidt, David Ghoddousi, Matt Hanna, Bruce Lorig

Staff Present: Ben Franz-Knight, Anita Neill, James Haydu, Teri Wheeler, Jennifer Maietta, Sabina Proto, Steve Nelson, Jay Schalow, Matt Holland, John Turnbull, Zach Cook, Britney Farrow, Scott Davies, Kateesha Atterberry

Others Present: Liza Couchman, Jill Andrews, Marlys Erickson, Nicole Vernon

The meeting was called to order at 4:02 p.m. by James Savitt, Chair.

I. Administration
   A. Adoption of Agenda
      The agenda was approved by acclamation
   
   B. Review and Approval of Minutes of October 28th, 2010
      The Minutes were approved by acclamation

II. Public Comment Including the Market Community
    None

III. Reports and Information Items
    A. Council Chair Report
       Jim reported; a full Council retreat would be scheduled for some time during the end of January and before the early part of March. The main topic of discussion would be the development of the Strategic Plan but other topics would be considered. The Heritage House Ad Hoc committee had been charged by the Executive Committee the additional responsibility of researching the possibilities of purchasing other buildings in and around the historic Market district. Jackson recommended that PCI North and other additional parking should be included in the charge; it was agreed and included as part of the committees charge.

    B. Executive Director Report
       Ben reported; a draft report had been created for the parking incentive program. The program could be immediately implemented in time for the holidays. Ben noted that the request came from merchants to satisfy their long time customers and this program would accomplish that. It was decided that a pilot program should be implemented for the holidays, a report written on what went well and what went wrong, determine impacts to PDA policy and Union regulations, then determine a long term program. Bruce B asked what the next step would be to explore long-term parking promotions. Ben replied that it would be up to Council to determine how they would like staff to
proceed. There was some discussion and Council voiced their opinions and concerns on the program. Jim noted that the issues should be further discussed in STRAP and / or OPSCOM before further discussion or decision by full Council.

Ben continued his report; several merchants had requested that the Market remain open on New Years Day. After investigation, it was determined that it was a complex issue with many implications. In order for the program to be truly successful, detailed research and marketing efforts would be necessary. Additionally, it would affect staffing and potential union issues.

The New Market Tax Credits transaction continues to experience challenges and delays in the transaction. One challenge was significant changes to the form of the leases but that situation was now under control and should not need further action by Council. Additionally one of the CDE's discovered that a portion of their funding had a regional allocation restriction to California and was now short on funding. Matt questioned if it was possible for the CDE to use funds allocations from 2010. Matt expressed his frustration with the continual problems encountered with the closing of the transaction and the accumulation of expenses and that it was unacceptable. He further asked Ben to convey his and the Council's frustration to the CDE's.

Comments regarding the Supplemental Draft Environmental Impact Statement (SDEIS) must be postmarked or received by December 13th. Ben noted that he had read the report in its entirety and recommended that Council have a special meeting to review and discuss key issues and Council's position on the project. After some discussion Jim noted that the Council would hold a special meeting the Tuesday or Wednesday following Thanksgiving.

Bruce Lorig joined at 4:24 p.m.

Phase III design drawings of the Economy had been completed and were moving forward for review by MHC in December. At this time there were no funds committed to the Economy Atrium fill in until review and approval by Council. John T gave an update on the Soames Dunn design, he reported that the design proposal was reviewed by MHC last Wednesday and were moving forward with the addition of retail frontage on Pike Street designs. Design sketches and proposals would be completed in the next month. Bruce B asked when the public would have the opportunity for input. Ben noted that further public outreach would occur following approval by MHC.

Jim noted that the budget report from the Monthly Progress Report was difficult to read and track and could use further discussion on how it could be adjusted.

C. Reports from Committee Chairs
   None

IV. Key Issues Presentation and Discussion: Farm Program
   A. Joel Wachs Presentation – Washington State Farmers Association
      James introduced Joel Wachs the president of the Washington State Farmers Market Association. Joel gave some background information on himself and the association. He continued to talk about the operational details and general state of farmers markets at the local, county and state level. The trend was that neighborhood markets were gaining in popularity and farmers were gravitating towards them. There was some note of concern that these types of farmers markets were becoming very popular, over saturated and diluted to their true mission which was for farmers to sell their product. There was no clear definition of a successful farmers market but clear indicators included core value, direct farmers sales and good grounding in the community. The Pike Place Market had all these strengths along with good branding, being nationally recognized and an excellent staff to run it. The challenges the Market had were the disappearance of hour free parking and the diminishing of CSA programs.

      There was a question and answer period.

      John Finke joined at 5:05 p.m.
There was some discussion of the benefits of the Market providing a processing kitchen to farmers so they could create added value products (e.g., jam and other products) and the Market Association could help in that process. It was decided that this topic would be further discussed in next month's full Council meeting as it was a good topic in preserving farms and the farming community.

V. Key Issues: Presentation and Discussion 2011 Budget
A. Report from Finance
   Matt noted that changes were made to the Budget with consideration from several public meetings, there were formatting changes for easier reading, revenue tracking and comparison, tracking impacts from the renovation. Additionally, the Finance Committee was taking a closer look at the budget for next year including drilling down further on line items for more detailed tracking.

   Ben reported that the Market continued to do well despite the poor economy and renovations. The 2011 budget anticipates impacts from Phase II of the renovations and expected bad weather, however a slight increase in revenues and expenses was expected. Possible review and changes may be necessary mid-year.

   Sabina reviewed some of the significant changes to the budget including: an expected high vacancy due to the shut down of numerous commercial and residential spaces, renovation work was also expected to negatively impact Day Stall. Parking revenues were anticipated to continue their upward trend. Misc revenue investment income is included from QB2. There is a slight increase in payroll with raises budgeted but the number of employees had decreased, she also noted an increase in utilities.

   Ann Magnano moved proposed resolution 10-73, David Ghoddousi seconded.

B. Questions and Discussion from Council
   There was some question and discussion as to why the PDA continues to practice conservative budgeting. There also was some discussion of rent increases by HUD on section 8 vouchers but they had not been received yet and were not reflected in the budget. Additionally, after the renovations to the Sanitary were complete, vacant units would be rented out closer to market rate.

   For: Jim Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, Bruce Burger, Jackson Schmidt, David Ghoddousi, Matt Hanna, Bruce Lorig
   Against:
   Abstain:

   Proposed resolution 10-73 passed unanimously.

VI. Resolutions and Other Action Items (Old and New Business)
A. Consent Agenda
   Jackson Schmidt moved and David Ghoddousi second


   Matt requested that proposed resolution 10-72 be removed from the consent agenda for further discussion; it was moved for discussion under action items.

   Matt left before closed session due to his firm's association with Providence.

   Closed Session Per (RCW 42.30.110(1)(b)) and (RCW 42.30.110(c))
The meeting went into closed session at 5:53 p.m.

i. Heritage House Update
ii. Review of Lease Proposals

Matt Hanna joined closed session after the Heritage House Update at 5:55 p.m. Jackson Schmidt left during closed session at 5:57 p.m.

Closed session ended at 6:01 p.m.

The consent agenda passed unanimously.

B. Action Items

i. OPSCOM

**Action Item:** Proposed Resolution 10-75: Lease Proposals.

Patrick Kerr moved and David Ghoddousi seconded.

For: Jim Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, Bruce Burger, David Ghoddousi, Matt Hanna, Bruce Lorig

Against:

Abstain:

Proposed resolution 10-75 passed unanimously.

**Action Item:** Proposed Resolution 10-72: Purchasing of Fixed Equipment for City Fish RSW, Inc. Leased Space.

Bruce Lorig moved and Gloria Skouge second.

Ben reviewed the resolution, in the course of making improvements to City Fish, significant deterioration to the wall behind the freezers was discovered and required immediate repair; additionally it was discovered that replacement of the freezers was necessary. The new owners had no funds to purchase new freezers so the PDA purchased the freezers as part of their leasehold which would be amended accordingly. Matt noted his concern for not having the revised lease signed before approval of the resolution. There was some discussion if the resolution can be delayed until the new lease was signed. It was determined that the repairs were an emergency and already completed with an informal agreement with the tenant. Matt made a amendment; that an agreement would be drawn up and signed by the tenant until the lease can be formally amended and signed.

Bruce Lorig and Gloria Skouge accepted the amendment.

For: Jim Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, Bruce Burger, David Ghoddousi, Matt Hanna, Bruce Lorig

Against:

Abstain:

Proposed resolution 10-72 passed unanimously.

ii. Finance

**Action Item:** Proposed Resolution 10-74: Contract for Consulting Services with Carol Binder.

Matt Hanna moved and Ann Magnano seconded.
Ben noted that the resolution was to authorize contract services during 2010 and 2011 with Carol Binder for consulting on the New Market Tax Credit transaction and other issues related to it in an amount not to exceed $15,000.

There was some discussion as to whether the resolution should be amended to occur through closing or 2011 or which ever occurred first. It was decided that the resolution would not be amended and remained for consulting services during 2010-2011 on the New Markets Tax Credit transaction.

For: John Finke, Ann Magnano, Gloria Skouge, Bruce Burger, David Ghoddousi, Matt Hanna, Bruce Long
Against: Patrick Kerr
Abstain:

Proposed resolution 10-74 passed.

VII. Further Public Comment
Liza thanked Council and staff for a well done budget process and approved of the conservative approach. She additionally encouraged Council and staff to become involved in the Alaskan Way Viaduct and Seawall Replacement Program.

VIII. Concerns of Council Members
None

IX. Adjournment
The meeting was adjourned at 6:18 p.m. by James Savitt, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant