



Pike Place Market Preservation and Development Authority (PDA)

---

**COUNCIL MEETING MINUTES – DECEMBER 2009**

---

Thursday December 17<sup>th</sup>, 2009  
4:00 p.m. to 6:00 p.m.  
PDA Conference Room

**Council Members:** James Savitt, John Finke, Ann Magnano, Gloria Skouge, Jackson Schmidt, Theresa Alexander, Bruce Burger, Matt Hanna, Gerry Kumata, Bruce Lorig

**Staff Present:** Carol Binder, Anita Neill, James Haydu, Ryan Hostetler, Steve Nelson, Matt Holland, Brittney Farrow, John Turnbull, Ernie Sherman, Kateesha Atterberry

**Others Present:** Marlys Erickson

The meeting was called to order at 4:07 p.m. by James Savitt, Chair.

Jim began the meeting with public comment until other Council members arrived and a quorum was achieved.

**I. Public Comment Including the Market Community**

Ernie Sherman noted that from the financial reports that the collection in percent rents were doing well and were comparable to last years numbers. He noted that tenants and staff were doing a good job of surviving the poor economic conditions.

Jackson Schmidt and Gerry Kumata joined at 4:09 p.m.

**II. Administration**

**A. Adoption of Agenda**

The agenda was approved by acclamation.

**B. Review and Approval of Minutes of November 19<sup>th</sup>, 2009**

The Minutes were approved by acclamation.

**III. Presentation and Discussion of Key Issues: Preschool Update**

Jim noted that the key issue of the preschool discussion was for Council to decide if they wanted to consider leveraging levy funds through New Market Tax Credits to assist the preschool with the funding of their renovations. Carol gave an update on the preschool funding issues. Even though they had several grants and private funding toward their TI their funding still felt short. The board met earlier this week and were confident enough with the studies done regarding the EMF issues that they would be moving forward with the design phase. If the Preschool is unable to generate the funds and move forward with their renovations they would remain in their temporary space on the third floor Downunder which would delay the Market's renovation plans for that space or the PDA or they may not get licensed to stay and they would have to leave which was not desired by anyone. At this time it would be most advantageous for the PDA to step in and assist the preschool in obtaining their funding. Not only would it benefit it the preschool, it would benefit the Market with building improvements the funds generated from the NMTC could be used for other non-levy and major repair projects around the Market, i.e. the Stewart House

façade, development of the PCI North, property a food education center in the third level Downunder or tenant improvement assistance.

There was a long discussion about NMTC opportunities and how this was a good time to take advantage because the market for these credits was in a unique situation. It was discussed how this NMTC differed from the last one in the structure and would not require a bridge loan but was similar in that a master lease would be created with an entity the Market would control. Carol handed out and explained the Pike Place Market combined NMTC / bond financing steps as it is currently being developed. Carol asked Council to consider granting approval to the PDA to begin looking for investors and CDE's. John further described in detail what the financing structure would entail and answered Councils questions. There was a lot of discussion about the financing structure..

Matt Hanna joined at 4:30 p.m.

Jim Savitt made a motion to authorize staff to pursue New Market Tax Credit funding along the lines of the PPM combined NMTC / Bond financing steps as outlined in the document that was passed out. The motion and minutes should also clearly indicate that council has not given final approval on any particular project.

Bruce Lorig moved and Jackson Schmidt seconded.

John continued to explain the bank loan process and why it was appealing and attractive to banks to make this type of investment at this time.

Bruce Burger joined at 4:39 p.m.

Theresa noted that Council should address the real issue which was Council willing to leverage another piece of property to assist the Preschool. Bruce B noted that he felt it was part of the Market's social service obligations but was concerned about tying up another building for seven years that couldn't be used for a NMTC in the future. Jim noted that in order to qualify for the NMTC you need to have an on going project; it could not be used for operations. John noted that now would be a good time because the funds from the levy project could be leveraged instead of obtaining a loan. Matt noted that he felt it would be advantageous to pursue the NMTC funds regardless if it was Councils decision to use a portion of the funds for the childcare. Carol noted that investors look favorable towards projects that give back to the community or are social service based. There was some discussion about whether or not the Market was project enough for consideration or if the Preschool should be included to look more favorable to investors.

Jim questioned how much time and money had already been expended on the NMTC. Carol noted that the expenses would be recaptured if the NMTC deal proceeded forward otherwise a small amount had been spent in legal fees, not including staff time.

Jim amended the motion to include that such efforts shall not commit any particular use of the money although those efforts may discuss the possibility of the uses of the funds. The amendment was accepted by Bruce Lorig and Jackson Schmidt who first and seconded the motion.

Theresa had several questions on this type of financing. Matt responded that a lot of the questions could not be answered until the deal was further along in the process. Matt further noted that the PDA should capitalize and maximize the leverage they had for this type of financing. There was further discussion about the master lease and which buildings would be used. Jim questioned if the NMTC were pursued would the funds have to be committed to a project, in particular the Preschool, whose future in the Market would not be certain until after the playground had been constructed, EMF levels from the vault tested and determined if it was safe enough for their children to use the space. John noted the NMTC deal stipulated that the funds could not be used on unqualified tenants and the preschool was a qualified tenant but that specific uses were not necessary.

The Council voted on the motion and it passed unanimously.

#### **IV. Reports and Information Items**

##### **A. Executive Director Report / Questions from Councilmembers**

###### **i. Other matters / response to public comment**

Carol noted that a year end report was included in the full Council packet. A lot of the information in the report was about the renovations and moving forward with Phase II. She thanked Council for their time on the board over the year and each member received a small token of appreciation.

##### **B. Reports from Committee Chairs (re Non-Action Items)**

###### **i. Status of Compost and Sunday street closure (OPSCOM)**

John Finke gave an update on the composting issue. He noted that the issue had been discussed at several of the OPSCOM meetings. From these meetings, many of the farmers came to note how they felt that the PDA should continue to assist the farmers by providing the composting program, they also noted that it was hard work and a lot of their land owners would not allow composting on their land. The PDA staff spoke with many of the farmers land owners and found the opposite to be true and that they were in favor and encouraged composting. Possible program alternatives were researched and two possibilities were being considered. One was to pass the expense on to all the farmers or two, to only pass the expense to the farmers who participated in the program. John further explained each option. Nancy Hutto and the farmers had requested more time to come to a resolution and for Council not to make a decision until May. John noted that a recommendation would be coming to Council in January or February so farmers would have opportunity to adjust to the revisions before the new season began.

###### **ii. Analysis of Possible Underutilized Spaces (STRAP)**

Bruce B reported that the Strategic committee was moving forward in their research of increasing the circulation in several under utilized spaces in the Market. The top priority areas were the third level Downunder and Western Avenue. The opportunities and constraints of these areas were reviewed. The history was looked at, other markets were surveyed and several area business owners walked through the areas and gave their opinions. In general it was decided that Western Avenue was not a good location for retail and synergy of food manufacturing might be the best idea. Options for consideration for the third floor Downunder included a café at the north end, a feast of the northwest showcase or artists at work space, with each option the less desirable spaces would be used for tenant storage. The committee would continue to research the viability of each option. Jackson noted that the State of Washington was on the verge of allowing small craft distillers like micro brewers.

John reported that OPSCOM also discussed and street closure issue and reviewed the survey results. The results were inconclusive because it was a poor survey sample and results were divided. It was decided that better data would be needed to draw any conclusions and make a decision. The renovations were going to be a large disruption to the street next year and the committee felt it was best to wait until after the renovations to continue with the investigation and making any changes to the existing street use.

###### **iii. Other committee reports**

Matt reported from the Finance committee that the Foundation Service Contract had been brought up for discussion during the budget approval process. The line item in question was the labor cost of 1 ½ FTE for the Market Foundation. Council members had questioned the relationship between the PDA and Market Foundation. Carol and Marlys presented the history of the relationship and the current services agreement. The committee discussed the reasons for the agreement and some of the specific features. The committee was unanimous in their decision to recommend that there be no changes to the agreement or to the budget regarding the 1 ½ FTE.

#### **V. Resolutions and Other Action Items (Old and New Business)**

##### **A. Consent Agenda**

John Finke moved the consent agenda and Gerry Kumata seconded, it was approved by acclamation.

- B. **Action Item:** Proposed Resolution **09-62:** Authorization for Contract Authority – Floor Replacement Maximilien’s Restaurant Prep Space, 2<sup>nd</sup> Floor LaSalle.  
Carol reviewed the resolution, the Maximilien prep space floor had deteriorated and was in need of replacement and its repair had been included as part of the lease negotiations. A dividing wall would also be installed because Maximiliens did not need all the space and the other half would be rented out to another tenant. A bid process had been executed and the contractor Schultis-Sundberg, Inc. was selected. A cost was determined which included tax and contingencies.

Ann Magnano moved and John Finke seconded.

For: Jim Savitt, John Finke, Ann Magnano, Gloria Skouge, Jackson Schmidt, Theresa Alexander, Bruce Burger, Matt Hanna, Gerry Kumata, Bruce Lorig  
Against:  
Abstain:

Proposed resolution **09-62** passed unanimously.

- C. **Action Item:** Proposed Resolution **09-63:** Annual PDA Council and Council Committee Meeting Schedule.  
Jim noted that the resolution was for approval for a continuation of standing Council and committee meetings for 2010.

Gerry Kumata moved and John Finke seconded.

For: Jim Savitt, John Finke, Ann Magnano, Gloria Skouge, Jackson Schmidt, Theresa Alexander, Bruce Burger, Matt Hanna, Gerry Kumata, Bruce Lorig  
Against:  
Abstain:

Proposed resolution **09-63** passed unanimously.

- D. Other New Business

#### VI. **Public Comment**

Ernie noted that he thought it would be best to survey the consumer regarding the street closure. John F. noted that research shows that people tend to respond to surveys the way they want to act or behave but not what they actually do and would not be a good survey research indicator.

#### VII. **Concerns of Council Members**

Gloria noted that she enjoyed the letter from the sixth grader that was included in the packet.

Bruce B noted that he felt the staff was doing a good job with the large undertaking of the renovation project.

Jim thanked the Council and staff for their hard work this year.

Carol noted that an artist had been selected for the art project on the Hillclimb and she would give a report on it at a future meeting.

#### VIII. **Adjournment**

The meeting was adjourned at 5:44 p.m. by James Savitt, Chair.

Meeting minutes submitted by:  
Anita Neill, Executive Assistant