



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

**COUNCIL MEETING MINUTES – DECEMBER 2010**

**Thursday, December 16<sup>th</sup>, 2010**

**4:00 p.m. to 6:00 p.m.**

**PDA Conference Room**

**Committee Members Present: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, David Ghoddousi, Bruce Lorig, Bruce Burger, Matt Hanna, Jackson Schmidt, Gerry Kumata**

**Staff Present: Ben Franz-Knight, Kelly Forbes Marshall, Bob Beckstrom, Zack Cook, James Cornell, Scott Davies, David Dickinson, Marlys Erickson, Robert Hader, James Haydu, Jennifer Maietta, Steve Nelson, Tamra Nisly, Sabina Proto, Teri Wheeler**

**Others Present:**

The meeting was called to order at 4:00 p.m. by James Savitt, Chair.

**I. Administration**

**A. Adoption of Agenda**

Jim explained his decision to move the closed-session portion of the Reports & Information Items to the end of the agenda (before Sections VIII & IX), and requested the addition of a review and the approval of the December 1<sup>st</sup>, 2010 Special Full Council Meeting Minutes.

The agenda was approved as amended by acclamation.

**B. Review and Approval of Minutes of November 18<sup>th</sup>, 2010**

Jim proposed one change to the November 18<sup>th</sup> minutes: a re-statement of the discussion about PDA budget practices, which appears in Section V, Paragraph B.

The minutes were approved, with this amendment, by acclamation.

**C. Review and Approval of Minutes of Special Full Council Meeting, December 1, 2010**

Jim proposed a change to the Special Full Council minutes, regarding the clarification of the resolution passed during that session.

The minutes were approved, with this amendment, by acclamation.

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

Kristeena Sabando thanked the Marketing Department for their recent television campaign. She said that many vendors on the craft line are receiving very positive feedback from the public re: PPM commercials.

**III. Reports and Information Items**

**A. Council Chair Report**

Jim reported that subsequent to the December 1<sup>st</sup> Special Full Council meeting and the preparation of a submittal by Ben Franz-Knight, comments were submitted to the DOT the following week. He also expressed anticipation of the January installment of the Farm Program's ongoing presentation, at which time the Council will begin to identify some objectives for the program in the long-term.

**B. Executive Director Report**

### 1. Update on Phase III Renovations

Ben reported that great progress has been made in the approval processes for both the Soames-Dunn and Economy Buildings. He said that there had been very positive discussion at the Market Historical Commission meeting last week, and they gave approval for the majority of the work to be done on the Economy Building, with the exception of the second floor expansion, which will be re-submitted to the Design Review Committee after more information has been gathered (i.e., lighting impacts). He said that the MHC also expressed their desire to see possible alternative uses for the second floor in the Economy Building, particularly if expansion is approved.

Bruce Burger asked about the MHC's general reaction to the proposed designs for the second floor. Ben responded that the MHC was primarily concerned with overall impacts to light in the atrium, given the current design proposal.

Ben continued to report, referring to a memo that will be distributed to the Market Community on Friday, December 17<sup>th</sup>. He pointed out the logistics schedule and street-level impacts to take effect on January 1, 2011. Highlights included: The closure of Pike Place as needed; the temporary closures of Pike Place Fish and Pure Food Fish; the delivery of commercial trailers. According to Ben's report, work will be completed in Cinnamon Works and the Confectional by January 1<sup>st</sup>.

Ben continued his report: January 2<sup>nd</sup>-April 1<sup>st</sup>, the construction fence will be placed around the Corner Market Building to allow for work in that building; at this point, traffic on Pike Place will be restricted to pedestrians and deliveries until April. Ben went on to state that the construction fence around Pike Place Fish will be in place by January 2<sup>nd</sup> to allow for work in "Fish Floor Area 1"; similar work will be executed at Pure Food Fish later in the month.

Ben continued to report, listing the businesses that will either be closed temporarily or will be relocated to the street. The following businesses will be temporarily closed: Left Bank Books, Jack's Fish Spot, Copacabana, Earth Wind & Fire, Kitchen Basics, Lamplight Books. The following businesses will be temporarily relocated to the locations indicated in parentheses: Oriental Mart (1<sup>st</sup> & Pine), Pike Place Creamery, Corner Produce and Quality Cheese (trailers on Pike Place), Three Girls Bakery (Economy Atrium).

Ben addressed concerns about temporary closures of some high-profile businesses by stating that this time of year is the most appropriate time for these businesses to close, and the closures of the fish markets were determined at the owners' discretion.

Construction impacts will be mitigated by ample signage and a proactive marketing campaign to draw visitors to the Market.

### 2. NMTC Update

Ben reported that progress has been made toward getting all documents finalized, and pressure continues to be applied to both LIIF and the City of Seattle to return the deal to its original value. Ben said that once all options have been explored with LIIF, the City has agreed to return to their finance committee in January to review the deal and to consider providing supplemental funding.

Ben said that he had received a call from the City's finance department requesting a list of all the businesses that will be assisted through the New Markets deal, to be included in a report produced by the Mayor's Office.

### 3. Other items

Ben asked Joe Paar to respond to any questions that Council Members may have re: Monthly Progress Reports.

Joe reported, referring to the included Financial Management Charts. He reviewed the general information provided by the various charts, and the internal uses of that information.

Joe also confirmed that all expenses for Phase I, with minor exception, have been paid.

Ben said that work to be performed on the Stewart House will be delayed, for three reasons: The bids received have been higher than anticipated, the logistics of relocating the tenants of Stewart House will

require much more coordination than previously assumed, and the delay of the New Markets deal removes the urgency of completing the Stewart House work.

Ben also addressed the car accident at 1<sup>st</sup> Avenue & Stewart Street, in which several pedestrians were injured.

C. Reports from Committee Chairs

Bruce Burger reported on the Strategic Planning Retreat, to be scheduled for some time in February. He discussed the prospect of hiring a consultant for the dual purpose of facilitating meetings and the process by which an effective strategic action plan will be devised. He said that a formal RFQ will be prepared and circulated within the next few days. Responses will be evaluated and a recommendation will be prepared for the January Council Meeting.

Ann asked for clarification of the purpose of hiring an outside consultant. She also expressed concern about the timeliness of hiring a consultant, given the status of the renovation project. She voiced her opposition to the expenditure of consulting fees at this juncture.

Bruce Lorig expressed concern that the committees lack staff help, particularly the STRAP Committee, and this inhibits their efficiency. He said that an acceptable alternative would be to hire a consultant.

**IV. Key Issues Presentation and Discussion: Farm Program**

A. Presentation: Kathryn Gardow – PCC Farmland Trust Conservation Director

Kathryn gave a brief introduction to the PCC Farmland Trust. She proceeded to share a presentation re: the imminent threats to farmland in the Pacific Northwest. Her report highlighted the following facts: 90% of Washington farms are owned by individuals and families; the number of farms has increased in the past 10 years; due to an increase in food processing centers, farm income has increased; the number of farmers' markets has more than doubled since the 1980s.

According to Kathryn, the Farmland Trust purchases the development rights to a parcel, and then farmers are able to purchase the lands according to their farm-value. In this way, the Trust can ensure that the land continues to be farmed sustainably and organically.

Kathryn presented some figures (provided by Teri Wheeler) regarding the Pike Place Market Farm Program: Of the 80+ farmers who sell at the Market, 9 are organic; the vast majority of the 3,282 acres worked by Market farmers is farmer-owned land, with just over 600 acres leased. She added that over 836 of the total acres are farmed organically.

- *The current state of land preservation in Washington State*  
PCC Farmland Trust has invested roughly \$1.5 million dollars in obtaining easements for farmland conservation. A few million dollars of additional grant moneys have been invested at the state and federal levels.
- *Who are the top organizations conserving land and for what purpose (farming, conservation as a practice, etc.)?*  
Kathryn noted that it is important to distinguish between land trusts according to their land-use stipulations. Each organization has particular requirements re: the uses of conserved land; while conserved land must not be developed, it may not be required to be agriculturally productive. Some categories of organizations include national land trusts (i.e., The Nature Conservancy), regional (PCC Farmland Trust, Cascade Land Conservancy), local (Skagit Farmland Legacy Program), and county (King County Farmland Preservation Program). County programs often take the form of a Transfer of Development Rights Program. An important state-run resource is the Washington Office of Farmland Preservation.
- *Is an adequate amount of land in Washington State being conserved for long-term farming practices?*  
Kathryn said that within the next twenty years there will be an enormous transfer of land, as baby-boomer farmers sell their land to retire. This means that the land will be appraised at its highest and best use, often rendering the land unaffordable to the next generation of farmers.
- *What are the challenges faced in seeking to acquire land for farm preservation?*  
Kathryn continued her report, noting some of the challenges faced by the PCC Farmland Trust, particularly those pertaining to organic farming: regulations are subject to change, organic practices are not necessarily sustainable practices, and the relative number of organic farmers is small compared to the number of conventional farmers. She shared some of the criteria used to evaluate a potential project:

adequate water rights, prime soils, a minimum parcel size of 20 acres, the cost of the property, the commitment of the farmers, etc.

She explained that the majority of the trust's funding comes from private investors, state and local grants, and regional Conservation Futures organizations. She proceeded to describe the relative costs of land used for commercial or residential development vs. the maximum cost of land which may be profitable in an agricultural use.

*John Finke joined at 4:47 p.m.*

## B. Questions and Discussion

Bruce B. asked about total funds invested by the various organizations listed in the presentation, and about financial goals of the PCC Farmland Trust. Kathryn responded that about \$6 million per year would be ideal, given the size and cost of projects previously undertaken.

Ann asked for a follow-up explanation of the Orting farm example, re: why it is considered a model transaction. Kathryn said that, in the past, the trust has purchased farmlands and become the landlord. At Orting, the trust purchased only the easement, using state and local funding, and the farmer owns the land.

Ann asked Kathryn's opinion of the potential for Pike Place Market to become involved in an organization like the PCC Farmland Trust. Kathryn expressed reservations about the Market forming a trust like theirs, due to the sheer amount of manpower required to steward the land itself, once owned.

Bruce asked a follow-up question: In what capacity could the Market be most effective in supporting a farmland trust, in Kathryn's opinion? She answered that it would be great if the Market's immigrant farmers could somehow purchase the farmlands they are currently leasing (assuming that this would appeal to the farmers).

John asked a couple of questions about the relative cost of farmland in King and Skagit Counties. He also asked about projections about the location of farmlands in the next twenty years. Kathryn said that the more "challenged" lands will always be available for farming, and inexpensive, but they aren't necessarily near the cities. She went on to say that, at present, Whatcom County is attempting to preserve 100,000 acres.

John expressed doubt that our small farmers would be interested in commuting any great distance every day, also that they would be able to afford lands nearer urban areas and still turn a profit. Kathryn said that urban leased land isn't always a solution, because it is inevitably sold for development.

Gerry asked a question regarding opportunities for cooperation across organizations. Kathryn replied that the Market may be at the cusp of a major movement to preserve food-producing lands, recognizing that they are threatened.

Ann asked: Does PCC Farmland Trust approach the owners of leased lands directly? Kathryn answered that so far, projects have been presented to the trust.

Matt asked Kathryn to describe the process for engaging with farmers, how sites are identified, are the purchase of easements considered a one-time cash donation? She replied that the Orting project was the trust's first actively-sought partnership. The trust engages with farmers who currently lease land. Kathryn also said that creative models for keeping farmers on the land are considered as well. Matt wondered if the trust intentionally targets threatened areas when approaching farmers. Kathryn: Not necessarily.

Jim inquired about the 20-acre minimum. Kathryn said the main reasons are: minimum requirements set forth by the trust's own funding resources; the viability of making a living from a parcel of land decreases below the 20-acre threshold; limitations on the trust's resources for comprehensive monitoring of small farms. Additionally, she said that it's a priority to save as much land as possible.

Jim asked about major limitations to the PCC Farmland Trust. Kathryn said that the two main impediments are the organic stipulation (and the lack of land which may be certified organic) and the hesitation of landowners to relinquish development rights.

- C. Next Steps re: Farm Program Review  
None.

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

- A. Consent Agenda  
Proposed Resolution **10-78**: Annual PDA Council and Council Committee Meeting Schedule.  
Bruce B. proposed moving the January 24<sup>th</sup> PDAC meeting to January 17<sup>th</sup>, due to school closures for Presidents' Week.

Gerry Kumata moved, Patrick Kerr seconded.

For: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, David Ghoddousi, Bruce Lorig, Bruce Burger, Matt Hanna, Jackson Schmidt, Gerry Kumata

Against:  
Abstained:

The PDAC and Council Committee Meeting Schedule was approved, as amended, by acclamation.

- B. New Business
  - i. Capital Renovation

**Action Item:** Proposed Resolution **10-76**: Authorization for Contract Authority  
Geotechnical Services – PPM Renovation

Ben reported that this resolution would secure funding for geotechnical services for Shannon & Wilson, field operations for Phases I and II, as well as geotechnical services for Phase III, in an amount not to exceed \$80,000. Funds will be drawn from AAC #163200-00.

Gerry Kumata moved, David Ghoddousi seconded.

David asked for clarification re: funding source. Joe Paar responded that the money would come from levy funds.

For: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, David Ghoddousi, Bruce Lorig, Bruce Burger, Matt Hanna, Jackson Schmidt, Gerry Kumata

Against:  
Abstained:

Proposition **10-76** passed unanimously.

**Action Item:** Proposed Resolution **10-77**: Authorization for Contract Authority – Additional Services Epoxy Floors & Column & Dry Rot Repairs – Turner Special Projects.

Ben reported: This resolution would secure funding for Turner Special Projects to epoxy floors, also to execute column and dry rot repairs, while authorizing the ED (or designee) to enter into a contract amendment with Turner Special Projects in an amount of \$170,000 to be allocated from Leland/Fairley NMTC I.

David Ghoddousi moved, Gloria Skouge seconded.

Matt asked for more information re: scope of work. Joe Paar responded: In earlier stages of work in both Pike Place Fish and Don & Joe's Meats, it was discovered that water was seeping through to the South Public Restrooms and the ceiling of the PDA offices from above. Because the original scope of work was quite invasive, it was deemed prudent to proceed with floor repairs during the prearranged closure of the space. Joe explained that, after exploring options for the floor repairs, a product was found which would be suitable to both applications (in Pike Place Fish and Don & Joe's).

Joe continued to report, stating that in the course of the Pike Place Fish work, seven columns were discovered to be constructed of the original wood, several of which have been rotted out.

Matt posed the questions of why the funds are being drawn from NMTC I, as opposed to levy funds, and why is Turner Special Projects performing the work, as opposed to another outfit? Joe replied that because Turner is already working on the fish floors and due to urgency of replacing the columns, it seems more efficient to extend the scope of their work than to bring in another outfit. Also, as the contract would be amended, one warranty would cover the entire scope of Turner's work in these spaces.

Joe addressed Matt's inquiry about the allocation of NMTC funds for the work by explaining that those funds are applicable to the west side of Pike Place only, and that this work would qualify for the use of currently undesignated NMTC I funds.

Matt posed a further question re: approved provisions in the levy for contingencies? Bruce Lorig responded that the levy funds are generally more "flexible" than NMTC funds, which may only be used on the west side of Pike Place, and that it may be wiser to conserve the levy funds for other projects.

Jim expressed discomfort at the ambiguity of the designation of NMTC funds. He also asked for a proposal of intended uses for those funds from the Capital Renovation Committee. Bruce L. suggested that a discussion of the proposal be added to the Cap/Ren Agenda for January.

Bruce B. suggested that the resolution should be approved, with money drawn from the more flexible funding source. Joe stated that the NMTC funds are more flexible inasmuch as they already sit in the Market's bank account, but an application for levy funds, once submitted to the City, is very difficult to revoke.

For: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, David Ghoddousi, Bruce Lorig, Bruce Burger, Matt Hanna, Jackson Schmidt, Gerry Kumata  
Against:  
Abstained:

Resolution **10-77** passed unanimously.

ii. OPSCOM

**Action Item:** Proposed Resolution **10-79:** Lease proposals – Stilnovich Produce, Simone & Sylvia, Soundview Café

David Ghoddousi moved, Patrick Kerr seconded.

For: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, David Ghoddousi, Bruce Lorig, Bruce Burger, Matt Hanna, Jackson Schmidt, Gerry Kumata  
Against:  
Abstained:

Resolution **10-79** passed unanimously.

iii. Finance

**Action Item:** Proposed Resolution **10-80:** Authorization for Contract Authority – Replace Trash Compactor.

Resolution **10-80** passed by acclamation.

**VI. Further Public Comment**

Liza Couchman expressed her desire to pursue replacement of the windows in the Leland/Fairley Building. Jim suggested that it is an issue to be discussed by the Cap/Ren Committee. Liza also asked for clarification re: the \$200,000 earmarked in NMTC I for the Daycare. Joe answered that, due to changing circumstances since that money was initially designated, further discussion will be necessary before those funds are re-allocated to the Daycare or made available for other projects.

A gentleman expressed his concern that, after hearing from Kathryn Gardow, Washington farmers may face hardship unless action is taken in the immediate future to conserve farmland, and his hopes that Pike Place Market will participate in those efforts.

**VII. Reports and Information Items (cont'd)**

A. Potential Property Transactions

- i. Heritage House Issues – E.D. Update (*Closed Session Per (RCW 42.30.110)(1)(b)*)
- ii. Heritage House/Land Acquisition Ad Hoc Committee Update (*Closed Session Per (RCW 42.30.110)(1)(b)*)

**VIII. Concerns of Council Members**

Gloria Skouge issued a reminder to members of the Constituency about voting on the concurrence of the auditors.

Jackson Schmidt mentioned his concern about the proliferation of t-shirts for sale in the Market.

Ann Magnano expressed gratitude to Kathryn Gardow for her presentation. She continued to share her opinion that the Market should actively support the farm conservation effort.

Jackson Schmidt suggested that it might be most appropriate for the Market to facilitate communication and cooperation between the various land conservation organizations.

**IX. Adjournment**

The meeting was adjourned at 6:02 p.m. by James Savitt, Chair.

Meeting minutes submitted by:  
Kelly Forbes Marshall, Office Coordinator