



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES – SEPTEMBER 2010

Thursday September 30th, 2010
4:00 p.m. to 6:00 p.m.
PDA Conference Room

Council Members: James Savitt, John Finke, Ann Magnano, Gloria Skouge, Patrick Kerr, Bruce Burger, Theresa Alexander, Jackson Schmidt, David Ghoddousi, Gerry Kumata, Bruce Lorig

Staff Present: Carol Binder, James Haydu, John Turnbull, Ryan Hostetler, Kateesha Atterberry, Jay Schalow, Jennifer Maietta, Cecilia Hall, Steve Nelson, Tyler Jamison, Matt Holland, Erica Bates, Brittney Farrow

Others Present: Teagan McDonald, Gary Burkart, Felicia Stogner, Marlys Erickson, Liza Couchman

The meeting was called to order at 4:00 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 August 26th, 2010
The Minutes were approved by acclamation.

II. Public Comment Including the Market Community

Marlys Erickson of the Market Foundation noted that last weekend was the 1st Artesian Food Festival. It was successful and well attended. A group of Market area residents put together at their cost and sold Men in the Market calendars. They were selling fast but were still available at various businesses in the Market. They sold for \$15 each and all proceeds go to benefit the Market Foundation programs.

James Haydu noted on behalf of the PDA Leadership and Management team that she would be missed upon her departure from the PDA. He continued to praise her in her work and commitment to the Market and that staff that was committed to her.

Teagan McDonald requested an explanation from the board regarding the lease situation with Gary's Snack Shack. Gary of Gary's Snack Shack gave his explanation of the situation noting that he had been struggling but had made efforts to improve his business including taking advice from the PDA's commercial property management. He asked Council to reconsider and let him continue his lease. A letter from Gary was submitted for the record. Falicia Stonger, Gary's business partner, re rumors not interested in continuing business contrary to what the PDA was saying. Teagan also spoke in support of Gary.

Jim asked Gary how far behind he was in his rent and he had received any prior termination notices from the PDA office. Gary responded that he was two months behind in the rent and would have paid it off earlier if he had prior notice of pay up or have his lease terminated. Jim noted that these types of

situations were typically addressed in the OPSCOM committee and would be further discussed at that time.

III. Reports and Information Items

A. Council Chair Report

Jim reported that Carol's last day would be October 8th and the new Executive director, Ben Franz-Knight, would be Monday October 11th. Jim further thanked Carol for her years of efforts and hard work, he then presented her with flowers on the Council's behalf and noted that Carol would remain on as a consultant for the NMTC as requested by Ben. Ben has been approved to spend up to \$10,000 on such services that he deemed appropriate.

Jim noted that the Council would focus their attention for the remainder of the year on three major issues, Phase III renovation projects, the 2011 budget and discussions on farm and farm issues which included presentations from outside groups. Other issues to discuss would include purchasing PCI, strategic planning and organizational review of board committees and staff.

B. Executive Director Report

Carol reported; a comprehensive lease appraisal had been completed by CBRE for the Phase II and III NMTC. Their appraisal came in around 42 million which meant no bridge loan would be necessary and the structure would be simplified. The plan was to move forward in closing the documents sooner than January therefore eliminating the accumulation of expenses and would create a smooth closing.

The City would be selecting its Project management and engineering team next week for the Waterfront project. James was a member of the Seawall Stakeholders Committee and would be representing the PPM PDA; Ben should become involved in the committee as well upon his arrival. The waterfront steering committee that Carol had been attending would continue at a smaller scale.

On December 31st, 2010, the contract with the City to manage the surface parking lot would expire. A renewal of the contract would be updated and signed with a one year renewal then a renewal every six months with a 30 day cancellation clause. The City wants to keep its options open for staging for the space in anticipation of the viaduct / tunnel project, there were no development plans at this time. The final contract would be presented through resolution at the October Finance meeting. Jackson noted his concern for the rising parking issue in Downtown. The City had no plans to replace the hundreds of parking spaces that would be lost when the viaduct was torn down. There was some discussion on what parking issues there would be and how this would affect the parking garage. Carol noted that the Market garage was participating in the City EPark program which provided signs that directed the public to parking and posted number of parking spaces available. The anticipation was that this would increase the garage volumes.

Due to the City's tax exempt status with the levy bond funds, only levy funds could be used for public projects and non levy funds for non public projects. Carol and Jan Oscherwitz were working diligently in separating the public and non public projects before Carol departure from the PDA and Jan's departure from the City.

Jim had several questions regarding the details of Gary's Tex Mex lease termination; would it be practical to extend the lease for 30 days so appropriate discussions could take place during OPSCOM, was the tenants current lease in good standing and noted that staff should be able to locate a temporary space while the business was shut down during renovations. He further noted that the letter of termination be rescinded until the subject was properly discussed in the October OPSCOM meeting. Carol and John T responded that the letter of termination would be rescinded but with the timing of the construction it may still be necessary for the business to move out before the end of 30 days. There was further discussion on the timing of the construction, the appeal process and whether the tenants account was in good standing with the PDA. Jim concluded that the Council would further address the subject in the October OPSCOM meeting and the tenants should speak with John T or Carol if they had further questions before that time.

C. Reports from Committee Chairs

Carol distributed the state auditor's report which included the financial and the accountability report. The result was a clean audit and the PDA was found to be compliant in all federal funding requirements and policies. There were no findings in accountability.

Bruce L reported from Capital Renovation; there were heavy discussions on the Daycare, the Economy Arcade and the Soames Dunn building as part of the Phase III renovation design. It was decided that the Daycare was to remain on the 2nd floor of the Downunder and was moving forward in their design plans. Discussions continued on the fill in of the Economy Arcade and if it was filled in what would the space be used for, retail or possibly PDA offices. An architect was refining the design drawings for the Soames Dunn building for further consideration by the committee. Recommendations would be coming forward to Full Council in the near future.

IV. Key Issues: Presentation and Discussion

A. Phase III Capital Renovation Project

John Turnbull reported; design drawings were moving forward for the Economy with the exception of filling in the top floor of the Atrium which remained undecided. Design development and estimates would be completed tomorrow.

Not significant finance in the decision. Rent to tenants to make up for lost space due to renovation or use for pda offices, yet to be decided. (I decided to fill in floor or not then what to use it for) leaning towards filling in. in drawings / plans and can take out if necessary.

The permit drawings for the Soames Dunn would be complete by December. The design and infrastructure work was set but the configuration of the interior was still in question. Staff was leaning towards expanding three retail spaces including store frontage space on Pike. This would not change permitting requirements and could be decided at a later date. There was some discussion on how the interior space should be configured and the timing of the design drawings.

The Preschool was working closely with their contract coordinator and moving forward with their designs to the second floor of the Downunder. Estimates would be completed to the design drawings by the end of the month. It was estimated that the Preschools funding for the project including CBDG and state grant funds would be sufficient. The Condo board had approved and plans were moving forward to utilize the Heritage Center as the playground, MHC was to review the plans at the October 13th meeting. Gerry would like to see a preliminary build out design of the Soames Dunn and determine the approximate amount of leasable space gained. John responded that about two thousand feet of leasable space would be gained. Bruce B asked if the Preschool would have any difficulties in licensing the playground. John responded that Ellen and the preschool were working out the licensing but could not answer definitively until the space was completed but no problems were anticipated. Theresa noted that she would like to see the design drawing proposals and wanted to know if the Council was done financially supporting the preschool. John T responded that the design drawings could be viewed on the PDA website. Carol responded that she was confident in their current program and the additional funds they were awarded by the state that the Council no longer needed to support the Council financially with their construction. There was some discussion on moving forward with the Economy Atrium design plans and proposed use if the top level was filled in. David noted that he would like to see what the space had been used for historically.

B. 2011 Budget

Carol handed out the budget review and process schedule. She noted that revenues were expected to remain relatively flat. The additional source of revenues from the purchase of the Livingston Baker would offset the loss of revenues due to Phase II and III of the renovations. Sabina reported in expenses there would not be any additional FTE's added to expenses. Utilities were expected to increase. There was a new item line under departments for the QB2. Percent rent was expected to increase slightly based on actuals from 2010 which was a conservative year. Payroll would be effected by the union contracts. Dept service and capital projects are expected to have a surplus without drawing from reserves.

Jim noted that the final budget approval would be at the November full Council meeting. Persons should attend the Finance and special Finance meetings if they wanted additional detail or discussion on the budget. Theresa questioned if there would be opportunities for community input. Jim responded that there would be two community input meetings, one on October 13th and the second on November 16th. Ann questioned if the expense of a consultant as requested by the new Executive Director were figured into the budget. Carol responded that funds were increased under the management section of the budget to accommodate this.

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

A. Consent Agenda

David Ghoddousi moved and John Finke seconded.

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

Against:

Abstain:

The consent agenda passed unanimously.

B. Action Items

i. Capital Renovations

Action Item: Proposed Resolution **10-61**: Authorization for Contract Authority – Commissioning – PPM Renovation Phase II

Carol reviewed the resolution noting that the commissioning agent was needed in order to verify that the new mechanical and electrical systems functioned as designed. It was not included in the SRG overwork because the work needed to be completed first. Dewpew was publicly bid and contracted in February 2009 to complete the work after each Phase of the renovations.

Gerry Kumata moved and Bruce Lorig seconded.

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

Against:

Abstain:

Proposed resolution **10-61** passed unanimously.

Action Item: Proposed Resolution **10-63**: Authorization for Contract Authority – Purchasing of Temporary Vending Space and the Installation, Design, Fixtures, Permitting and Project Management of these Spaces

Carol reviewed the resolution noting that up to 6 customized shipping containers would be built out and outfitted with electricity, fixtures, etc. These would be temporary located on Pike street to house businesses during the construction of Phase II.

Bruce Lorig moved and David Ghoddousi seconded.

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

Against:

Abstain:

Proposed resolution **10-63** passed unanimously.

ii. Finance

Action Item: Proposed Resolution **10-62**: Authorization for Contract Authority – Security Camera System – PCI Parking Garage

Steve reviewed the resolution noting that 10 cameras would be installed at the APM's (Automated Payment Machines) and at the entrance and exits to the garage. There were some problems with people figuring out ways to skip payment and vandalism to the machines. It would also provide security to people using the APM machines. Patrick noted that he felt there should be cameras throughout the garage. Steve noted that this had been considered but due to the structure of the garage it was difficult to get good coverage but could be reconsidered. Bruce B asked if the camera footage was monitored live. Steve replied that they would be taped but could be watched on a live basis.

Ann Magnano moved and Theresa Alexander seconded

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

Against:

Abstain:

Proposed resolution **10-62** passed unanimously.

Action Item: Proposed Resolution **10-64:** Authorization for Contract Authority – Livingston Baker Building Fire & Safety) Replace Common Area Doors and Flooring) – Livingston Baker Building.

Steve reported that State grant funds were awarded for the project. The lowest bid was selected which was well under the budget, other projects would be completed within the guidelines of the grant.

Theresa Alexander moved and Ann Magnano seconded.

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

Against:

Abstain:

Proposed resolution **10-64** passed unanimously.

- C. Other New Business
None

VI. Further Public Comment

Liza Couchman asked about the remaining funds Council committed to the Daycare. Carol responded that the Council approved and committed an up to amount for them from the Phase I NMTC. Their build out project was completed and the remaining funds could be put towards other uses the Council saw fit. Liza requested information on the decision making timeline regarding the fill in of the Economy upper floor to report back to the Constituency. Jim responded that it would be further discussed in the next Capital Renovation meeting.

Liza noted that Council should be considerate of private subject matter and discuss issues around Gary's Tex Mex in closed session. Otherwise it would send a bad precedence to the rest of the Market.

VII. Concerns of Council Members

Several Council members thanked Carol for her years of hard work and dedication to the Market.

Bruce B asked if the unused portion of funds allocated to the preschool would be freed up for other projects. Carol responded that they could. Bruce B further noted that use of these funds should be further discussed in Capital Renovation. Carol noted that John Turnbull had an extensive list of other projects that could be considered.

Patrick noted that only a couple of years ago a lot of money was spent on the landscaping of the Soames Dunn court yard which now looked ugly. He felt that it was a waste of money and a refund should be asked for.

VIII. Adjournment

The meeting was adjourned at 5:56 p.m. by James Savitt, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant