



Pike Place Market Preservation and Development Authority (PDA)

**COUNCIL MEETING MINUTES – JANUARY 2011
DRAFT**

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, Ryan Yale, James Haydu, Teri Wheeler, Jennifer Maietta, Ryan Hostetler, Erica Bates, Sabina Proto, Steve Nelson, Brittney Farrow, Scott Davies

Others Present: Tom Graham, Joan Paulsuff, Liza Couchman, Jill Andrews

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 December 16th, 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; Jim asked Ben to produce a series of presentations on retail tenancy and retail operation within the Market in order to have a more focused discussion on vacancies, the focus on filling them, what are we happy with and are there areas we are looking to bring business in. Also, who are the tenants, what businesses, and how intentional should the Council be about vacancies and tenants in the future.

The February PDA Council meeting originally scheduled for February 24th, was rescheduled for February 17th, 2011. All other PDA meetings for the month of February will remain the same. The EXEC meeting may be canceled due to being only one day prior to the PDA Council meeting. The decision to cancel the EXEC meeting will be made by Jim on Monday, February 14th. The Daystall Rules and Regulations are in the process of being renewed. OPSCOM's meeting on February 10th is when the discussion of the current Daystall Rules and Regulations will take place. The Council retreat date is still being discussed. The retreat needs to have a specific agenda prior to being scheduled. The agenda for the retreat will also need to have recommendations from the STRAP committee to ensure a productive and worthwhile meeting. Resolution 11-06 for NMTc is still under review and no vote on the resolution will be taken during this meeting. A Special Meeting will be scheduled in order to address the outstanding issues.

B. Executive Director's Report

Ben introduced Ryan Yale, his new Executive Assistant. Ryan gave a brief overview of his work history.

Ben gave an update of the current renovation. He commented on Pike Place Fish and the current demolition around Rachel the pig. The work at the Corner Market and Sanitary Market was on

schedule. Pure Food Fish floor work was underway and Ben maintained that the PDA and construction crews were working diligently to ensure accessibility for as many businesses possible. Pure Food floor work was going according to schedule and has continued to manage and address the impact on tenants. As was anticipated, with over 30 businesses either relocated or closed during renovation, there was a noticeable impact to January's revenue. Ben had a point to add, however, that there has been tremendous cooperation from many tenants and businesses, Turner construction, and all PDA staff while managing the temporary lease negotiations, marketing, construction, and mobilizing street teams. In addition, the residential staff organization of the 16 hour move out of First and Pine for power transfers was handled superbly.

Matt Hanna joined at 4:13 p.m.

The proposed renovation of Stewart House in Phase III was still under review to ensure the budget and desired scope will be met. Ben will provide additional information when available. In addition, Ben will submit to CapRen a revised initiative with the next phase of tenant improvement impacts and make certain the coordination of the ongoing efforts progressed forward with the primary goal to return as many tenants as possible to full operation prior to summer, which are on schedule. He continued to underscore the level of complexity that is added into doing a renovation of this magnitude while continuing to be an active and open Market.

1. NMTC Update:

Ben reported; PDA was not in the position to seek approval of the resolution by full Council, but assured the Council the NMTC delay does not pertain to the technical mechanisms of the deal as previously presented to the FAM committee. The delay was based on critical issues regarding financial and lease review covenants in the loan agreement. Shannon and Gerry from K&L Gates are reviewing the documents, to ensure there will be no conflict with the Market's charter. Final documents will be submitted when said issues have been cleared and the Council is able hear a full presentation from K&L Gates to be 100% sure there are no conflicts between the Loan Agreement and PDA covenants. Due to the delay, a Special Meeting has been requested for the following week.

Bruce B asked if the Lease review and the financial covenants were different from NMTC I and, if so, could Ben give an overview.

Ben agreed they were different and gave a brief overview citing few differences between NMTC I and NMTC II with regards to specific PDA covenants currently in place.

Jim added that the covenants already in place may be affected by certain sections of the new NMTC within the proposed loan agreement and could have an impact on the current way the PDA and Council operates and these needed to be addressed before final review. Jim continued to say he feels confident the attorneys involved will be able to resolve the current issues at hand.

Bruce B asked if the NMTC if it was possible to incorporate additional funds into the NMTC deal.

John Finke noted that another allocation decision has not been submitted and the timeline would not coincide with the current deal.

Matt elaborated on the city's involvement and stated that because the city does not have the allocation as of yet they were unable to commit to any additional funding.

2. Other items

Ben reported on Market parking stating that the revenue from the Garage is at a break even point, which is great news. He noted that since the installation of the new equipment in May, there have been over 150,000 paid transactions and on target to have over 200,000 paid transactions per year. The new equipment and management approach taken has proved to be a success. Ben also has engaged in conversations with businesses in the Market, DSA and City Hall on parking in order to better understand the complexities of the current parking issue. Ben will submit to the Council a detailed and comprehensive review of the parking rate structure to maximize usage in the lots. This assessment and presentation will be submitted prior to next year's budget cycle

Ben reported on merchants that sell T-shirts in the craft and Daystall area. Some of the vendors appeared to be close to, if not already in violation, of some of PDA's rules and regulations. These merchants will continue to be monitored closely by the PDA. If the violations persist, Ben will consult with Jackson on how to proceed, if necessary.

Ben shared a letter from Issie Sime, a resident of the Market, who suffered a stroke in December 29th, 2011. The letter praised Brian Houghton, PDA residential apartment manager, for his quick action in the handling of the unfortunate situation.

Jim, on behalf of the Council, congratulated and thanked Sue Gilbert Mooers on her 24th year of employment with Pike Place Market PDA.

- C. Reports from Committee Chairs
None

IV. Key Issues Presentation and Discussion: Farm Program

A. James Haydu Presentation – The Pike Place Market Farm Program

Jim introduced James Haydu, Pike Place PDA. James gave background information (including past program elements and objectives) and a timeline of farmers within the Market dating back to 1907. He went into a detailed description of how the Farm program came to be by providing a history of the relationship between the farmers within the Market and the PDA's interaction and promotion of them, which eventually led to the Farm Program as we know it today.

Matt inquired about the drop in farm attendance roles and varying trends of permitted farmers. James explained how the drop in farmers at the Market coincides with the rise of new farmer's markets and organic supermarkets growth in and around Seattle.

Jim added a summary of what the Farm Program consists of today and the direction it is headed. He also opened up the discussion to the Council what improvement is needed to the Farm program today, if any. In addition, he questioned what the core issue of the Farm program as we see it today. Jim identified the Farm program, as it stands today, consists of recruitment efforts, provide additional sales opportunities to local farmers, the edible schoolyard, and marketing.

Ben commented on how the Market and Farm program, in its current state, is thriving. He stated the Market serves as an icon and presently is doing very well with regards to farmers within the Market. Ben also believed that we need to build on the success of the Market and not lose sight of the obstacles that will face the Market farmers in the future. In order to do that, he reiterated that the time is now to start thinking of where the Market should be in 10 years and beyond in relation to farmers and the Market as a whole.

James continued his presentation recommending potential initiatives, based on his day-to-day experience from running the Farm Program at Pike Place Market and involvement with Washington State Farmers Market Association, Tilth Growers of Washington State, the PCC Land Trust and the Cascade Land Conservancy. The recommendation included:

- 1) Continuing on the path of constant recruitment of farmers who produce food that including produce, meat, dairy, flowers and value added products such as honey, herbs, etc. while continuing to ensure that the number of permitted farmers not dip below 80, ever.
- 2) Embracing the fact that farming as a practice is at a generational nexus. Traditional family farming has changed in the last decades and appears to be evolving.
- 3) These new farmers have little or no land to farm on because of the expense. The long-lingering question of land acquisition is almost required to be answered at this time. Through the purchase of land or partnering with an organization with common goals, the PDA Farm Program can be at the forefront of this generational shift in farming by helping provide a venue for crops.
- 4) Programmatic growth should continue in two different ways. The successful satellite farmer's markets aspect should be maintained at City Hall Plaza and a second market possibility should be left open. The suggestion would be to partner with Amazon in 2011.
- 5) The PDA's School Program has been in place for approximately two decades with relatively little change in curriculum. Staff strongly suggests the adaptation of the Edible Schoolyard program/model in order to include middle school students in education about food and farm

practice. The plan would include partnering with an area middle school, planting and growing and an edible garden for the purposes of cafeteria use and more.

There was a question and answer period.

John stated that the tough questions we face now are viable ones and just because we are healthy as of today, that doesn't provide much confidence in the future. He commented on how the Market should move forward and take strong consideration on purchasing land and developing a satellite farm program.

Jim reported; the issue of looking to the future is, essentially, a problem within it of itself. He suggested the Council should work closely with the PDA and investigate on how to compete with other localized farmer's markets. In addition, Jim requested the Farm Program prepare a 'statement' of how to address these issues and requested the Farm Program to submit this agenda to the Council in the upcoming months.

Gerry stated there may be a need for a Farm commission, as there was one in the past, due to the amount of work there seems to be.

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

A. Consent Agenda

John Finke moved and Jackson Schmidt seconded.

The agenda was approved by acclamation

Action Item: Proposed Resolution **11-01:** Authorization for Contract Authority – Contract Project Management Services:

John Finke moved and Jackson Schmidt seconded.

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

Against:

Abstain:

Proposed Resolution **11-01** passed unanimously.

Action Item: Proposed Resolution **11-02:** Authorization for Contract Authority – Door Cylinders for Livingston-Baker Building Fire & Life Safety (Replace Common Area Doors & Flooring) – Livingston-Baker Building

John Finke moved and Jackson Schmidt seconded.

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

Against:

Abstain:

Proposed Resolution **11-02** passed unanimously.

Action Item: Proposed Resolution **11-03:** Authorization for Contract Authority – Roof Inspection Services – PPM Renovation

John Finke moved and Jackson Schmidt seconded.

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

Against:

Abstain:

Proposed Resolution **11-03** passed unanimously.

Action Item: Proposed Resolution **11-05:** Authorization for Renewal of Non-Exclusive Trademark Licensing Agreement with Jewel Hospitality

John Finke moved and Jackson Schmidt seconded.

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

Against:

Abstain:

Proposed resolution **11-05** passed unanimously.

Action Item: Proposed Resolution **11-07:** Lease Proposals – Animal Gifts & Collectibles and Can Can

John Finke moved and Jackson Schmidt seconded.

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

Against:

Abstain:

Proposed resolution **11-07** passed unanimously.

B. New Business

i. Finance

Action Item: Proposed Resolution **11-06:** Regarding Ratifying and Confirming Actions Taken Under Prior PPM PDA Resolutions Authorizing and Approving the Federal NMTC Financing in Connection with Phase II of the Market Infrastructure Program

ii. Capital Renovation

NMTC I – Review of proposed uses for remaining funds from NMTC I.

Ben reported, in detail, the proposed uses.

There was a question and answer period regarding how to use the remaining funds. The Council suggested a more detailed proposal and presentation be submitted for review and approval by full Council.

VI. Further Public Comment

Tom Graham: Thanked the PDA Council and staff for responding so well to the public's desire to increase the marketing budget.

Joan Paulsuff: Suggested PDA and Council work more closely with King County and Washington State legislature with regard to land usage.

Liza Couchman – Raised concern on the PDA budget as it relates to capital projects. Also raised questions regarding the farmer's concerns and how the Council and PDA are addressing them.

Jill Anders: Commented on the edible schoolyard and her concerns due to the local area's growing season.

VII. Reports and Information Items (cont'd)

A. Potential Property Transactions

1. Heritage House Issues – E.D. Update (*Closed Session Per (RCW 42.30.110(1)(b))*)

2. Heritage House/Land Acquisition Ad Hoc Committee Update (*Closed Session Per (RCW 42.30.110)(1)(b))*)

VIII. Concerns of Council Members

None

IX. Adjournment

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

Meeting minutes submitted by:

Ryan Yale, Executive Assistant