



Pike Place Market Preservation and Development Authority (PDA)

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**COUNCIL MEETING MINUTES – AUGUST 2010**

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**Thursday August 26<sup>th</sup>, 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, Theresa Alexander, Jackson Schmidt, David Ghoddousi, Matt Hanna, Gerry Kumata, Bruce Lorig**

**Staff Present: Carol Binder, Anita Neill, James Haydu, Scott Davies, Brittney Farrow, Teri Wheeler, Katesha Atterberry, Cecilia Hall, Ryan Hostetler, Matt Holland**

**Others Present: Andrew Thibault, Dominick Martin, Paul Dunn, Bruce Jensen, Hailey Land, Cynthia Hope, Liza Couchman, Jill Andrews, Dale Wittner, Hesham Elhouchy, lady with short curly dark hair wearing black/brown/white, Jill Andrews, Ben Kirchner**

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 July 29<sup>th</sup> continuance of June 24<sup>th</sup> and July 29<sup>th</sup> 2010  
Bruce B. noted on the top of page two, he was quoted incorrectly and ask to change it to read ...expressed his concerns about the preschool remaining on the 3<sup>rd</sup> level of the Downunder.  
The Minutes were approved, as amended, by acclamation.

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

Liza noted her concern about rumors that the preschool was to remain on the 3<sup>rd</sup> floor of the Downunder and take two additional retail spaces that were already occupied with tenants. Jim noted that this would be discussed further in the Executive Directors report.

**III. Reports and Information Items**

- A. Council Chair Report  
Jim noted the following topics to be discussed over the next few months, the budget with its approval sometime in the early fall, farmland preservation and other farm related issues including presentations from The Washington State Farmers Association and the PCC Land Trust. Jim further noted that committee attendance had been lagging and asked that members attend meetings regularly to avoid problems of not having a quorum.
- B. Executive Director Report  
In response to Liza's comment regarding the preschool, Carol replied that the preschool was looking at options for their permanent space but the existing tenants in the two retail spaces were not interested in moving and the preschool was now looking into occupying the storage spaces across the hall.

Carol further explained in detail the permanent location options for the Preschool and its playground. After reviewing the options of moving them to the second floor of the Downunder, it made the most sense for them to remain on the third level Downunder and use the Heritage Center as a playground. Less costly renovations would be required to the third floor and they would then have direct access to the Skybridge should they decide to utilize the Heritage Center as a playground.

Patrick Kerr and Gerry Kumata joined at 4:11 p.m.

Carol further noted that the preschool was in the beginning planning stages of the process and were working closely with their construction project manager. Their first steps were to get a change of use approval from MHC, and complete their design and budget. Matt asked if the preschool planned on utilizing the TI funds that were granted from the state before they expired and when their lease expired. Carol responded that the preschool would utilize the funds to bring their space up to code and complete permanent renovations since they were currently operating under temporary status. She did not know the exact date of their lease expiration and would get back to Matt. Bruce B. noted his concerns with the preschool moving forward with their plans without the Councils prior approval. Carol responded that the preschool was only in the beginning planning stages and Council would be informed as plans progressed. Matt suggested that a contingency provision be included on the preschools lease. Jim noted that he would include future discussion regarding the preschool on the agenda.

Carol continued her report, in consideration for use of open spaces in the Market, one possibility was to utilize the 2<sup>nd</sup> floor of the Downunder as PDA office space. The playground space and the immediate space connected to it as a possible restaurant space or commercial kitchen / cooking school.

Carol reported that she had conveyed to SHA the PDA Council's decision to not waive their first right of refusal on condo two of the Heritage House. She was still waiting to hear a response back from them.

One CDE had withdrawn from the NMTC transaction. Their expectations required more than a leasehold for security in the transaction which was more than the PDA could provide. The deal would include three instead of four CDE's and be reduced from 8 million to just over 6 million. The tentative scope would not need to be adjusted. The goal was to close by mid September. Theresa questioned why the CDE dropped out, Jim noted that the PDA was not willing to grant the interest in the PDA property which the CDE was seeking. Matt noted that the Finance committee was aware of this and felt that it was in the best to move forward with the transaction.

C. STRAP Report re Market Research

Bruce B. reported that phone interviews were conducted with Seattle residences. The plan was to move forward with an intercept survey should Council agree. The STRAP committee was given a full briefing at their meeting in August. Andrew Thibault and Dominick Martin from EMC Research were in attendance and gave a PowerPoint presentation on their research findings. They reported that a phone survey was completed and 600 Seattle area residents were interviewed. It was part of a multi phase research project designed to help the PDA Council and Strategic Planning Committee develop internal strategies and create a statistical baseline. All respondents interviewed had been to the Market at least once in their life and were 18 years of age or older. Andrew continued to review their findings noting the proximity of the sample to the Market, the frequency of visitors and the overall positive and negative findings. Some of their findings noted an excellent overall brand image, the Market was seen as an important community asset and not just for tourists however the crowding, lack of parking and product / service mix deterred visitors from visiting. Andrew continued to review their findings noting visitor profile, time of visits, visit and purchasing behavior, conclusions and recommendations. One recommendation was to change the perception of inconvenience and crowding to customers. The next step in the research project, if the Council agreed, would be to conduct an intercept survey.

Council requested a copy of the Powerpoint presentation to be distributed to all Councilmembers. James noted that he would email it out. There was some discussion about how to manipulate the survey to get the results that Council desired. Andrew noted that the intercept survey would focus more on the shopper than the visitor aspect.

Matt questioned if the phone survey results would provide enough information to be beneficial without moving forward to the next phase. James responded that phase I phone interviews provided a good foundation of information but the second phase would provide more detail. There was some discussion on how to move forward with the information to increase visits to the Market. Bruce B explained the next steps, what to do with the data and the next phase which would include an intercept survey. The STRAP committee would bring forward a proposal in the next couple of months.

- D. Other Committee Reports  
None

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

- A. Consent Agenda  
David Ghoddousi moved and Bruce Lorig seconded.

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

The consent agenda passed.

- B. Action Items  
i. EDHC

**Action Item:** Amended Resolution **10-60:** Authorization for Contract Authority – Appointment of Executive Director  
Jim handed out the resolution appointing Mr. Ben Franz-Knight as the PDA's Executive Director effective October 2010.

Theresa Alexander moved and Gloria Skouge second.

Several Council members noted their approval of Ben and how his experience was a good fit for the position. Bruce B reviewed he was selected; similarities within his current position, the high praise from references and his experience made him a good fit for the position.

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

Proposed resolution **10-60** passed unanimously.

Jim read a letter of acceptance and appreciation from Ben Franz-Knight to Council members and members of the Pike Place Market community. A copy was submitted for the record.

Closed session (RCW 42.30.110[g])  
The meeting went into closed session at 5:18 p.m.

Closed session ended at 5:42 p.m.

ii. CR

**Action Item:** proposed Resolution **10-52:** Authorization for Contract Authority SRG Partnership, Inc. – Architectural Services

Carol reviewed the resolution noting that the original contract was authorized in February of 2009 and an amendment was now needed to include Reimbursable Expenses and Contract Administration, as well as, the additional involvement of a Historic Architect. The additional contract approval expense was anticipated when the original contract was approved in February but was intentionally left out to be added when the details were known. Funds for these were held in the contingency.

Bruce Lorig moved and Bruce Burger seconded.

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

Against: Patrick Kerr

Abstained:

Proposed resolution **10-52** passed.

**Action Item:** Proposed Resolution **10-53:** Authorization for Contract Authority – Pike Place Chowder Kitchen Relocation – Phase II – Turner Special Projects

Bruce Lorig moved and John Finke seconded

Carol reviewed the resolution noting that it had been determined that the Pike Place Chowder kitchen must be relocated due to impacts from Phase II Renovation work. The work was originally intended to be funded through funds obtained from Phase II New Market Tax Credits (NMTC) QB2. Due to conflicts, the First and Pine Building was excluded from the leasehold and the resolution was amended as follows, the last sentence, “This work is intended to be funded through funds obtained from Phase II NMTC.” was deleted and ‘not to exceed’ was added.

Bruce Lorig and John Finke accepted the amendment.

There was some discussion on why the relocation was so expensive. Carol noted that Turner was conservative in their design and expense. There was some question by Council as to why the project was not actively bid.

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

Against: Patrick Kerr

Abstained: Theresa Alexander

Proposed resolution **10-53** passed as amended.

iii. Finance

**Action Item:** proposed Resolution **10-49:** Authorization for Contract Authority – Upgrade PPM PDA’s PBX Phone System

Carol reported that the PDA’s phone system was old and failing to keep up with the communication demands of the office. The system was originally installed in the mid 90’s and had been repaired over the years but was now outdated and in need of replacement. The system was very volatile and when changes were made, the system would not respond or fail. She further noted that this was not a budgeted item but would not result in the Capital Projects budget going over what was approved, as some other projects had been deferred or were under budget.

David Ghoddousi moved and Ann Magnano seconded.

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

Against:

Abstained:

Proposed resolution **10-49** passed unanimously.

**Action Item:** Proposed Resolution **10-56:** Medical and Dental Coverage 2010-2011

Carol reviewed the resolution; there was a significant renewal increase in the cost of the current medical coverage, over 26%. Bids were solicited from other carriers and Regence was selected at 3% increase.

Ann Magnano moved and Matt Hanna seconded.

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

Against:

Abstained: Theresa Alexander

Proposed resolution **10-56** passed.

**V. Further Public Comment**

Ben Kirchner requested an update on the preschool. Jim replied that the preschool was exploring options on licensing and budget and were only in the beginning planning stages. There would be future updates and discussions on the topic.

Liza noted her concern and hope that Council would consider keeping the 3<sup>rd</sup> level Downunder as retail space.

Teagan noted her concern for the amount of money being spent on the renovations and asked Council to be considerate and frugal in such poor economic times.

**VI. Concerns of Council Members**

John F. noted that he had been asked by the City to sit on the waterfront steering committee. His inclination was to accept the invitation and assured Council that it would not conflict with his position as a PDA Council member. Many Council members requested that John give regular updates on the steering committees progress.

Bruce L noted his concern that there was not enough time spent in discussing and coming to an agreement regarding the hiring of the Executive Director. Jim noted that he was borderline out of order in disclosing Executive Session discussions. Bruce L further noted that more time should be spent coming to a consensus when deciding contentious issues. There was some discussion on this and some Council members noted their concern of certain Council members having outside discussions regarding the hiring of the new Executive Director.

**VII. Adjournment**

The meeting was adjourned at 6:12 p.m. by James Savitt, Chair.

Meeting minutes submitted by:  
Anita Neill, Executive Assistant