



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, Matt Hanna, Bruce Lorig

Staff Present: Ben Franz-Knight, Anita Neill, James Haydu, Teri Wheeler, Ryan Hostetler, Scott Davies, Logan Zehner, Steve Nelson, Kateesha Atterberry, John Turnbull, Sabina Proto, Jennifer Maietta, Cecilia Hall, David Dickinson

Others Present: Liza Couchman, Tony Morigi, Karen Kinney, Felicia Stogner, Gary Burkart

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 September 30th, 2010
The Minutes were approved by acclamation

II. Public Comment Including the Market Community

Felicia Stogner of Gary's Tex Mex noted her desire to work with the PDA in paying off back rent and had reconsidered temporarily moving into the old Saigon space. Jim noted that Felicia and Gary should continue to work with PDA staff.

Tony Morigi with Golden Age Collectibles spoke on behalf of Rod and Coleen Dyke. He asked Council to reconsider offering one hour free parking or a reimbursement program in the PDA garage at a minimum during the holiday season. He also suggested keeping the Market open on New Years Day and tenants could open their shops on a voluntary basis. Tony then read a letter from Sheila Lyons addressing her support of free parking in the garage. The email had been distributed to Council earlier in the day.

Liza Couchman noted that she was in favor of the Economy Atrium fill in but was against determining its use, particularly for PDA office space, until after it was built.

III. Reports and Information Items

- A. Council Chair Report
Jim moved the discussion of the Heritage House to after the Farm Program discussion.

Jim welcomed Ben to his first full Council meeting as the new Executive Director of the Pike Place Market, PDA. He then reviewed the key issues for discussion over the next few months, they included, the budget with final approval at the November full Council meeting, Farm discussions over

the next several months with presentations from various representatives from organizations, Phase III design issues and discussion to address empty tenant spaces upon completion of the renovations. There would be a presentation in December or January which would include discussion on current tenant mix and what would be a good addition to that mix.

Jim requested that Council observe the Charter guidelines when communicating and directing staff, noting that Ben was the Council's sole employee.

B. Executive Director Report

Ben thanked Council and staff for the warm welcoming to the Market. He noted minor changes to the ED report that included a switch to a memo style, the addition of Residential and Community Outreach and changing "Comings and Goings" to PDA Employee Updates. He reviewed the Key Operating Metrics noting overall sales were up over the previous year and with the excellent performance of our food and restaurant business offsetting the mercantile losses. The net operating income was expected to significantly exceed the expectations for the year end. Renovations continued and were on schedule which including major renovations to City Fish and several temporary moves of tenants. Ben briefly reviewed the budget schedule noting the community meeting on November 1st and the final approval by full Council on November 18th. The final lease hold appraisal for the New Market Tax Credits was completed on Friday. The financial model would be completed the following Monday with final documents ready for review by the end of the week. This would give three weeks for review before the final closing. Ben further noted businesses that were relocated and how successful the project was due to excellent project management.

C. Reports from Committee Chairs

Matt Hanna reviewed budget issues and their status, noting concerns of the renovations impact on retail tenants may have more impact on the budget than anticipated. He suggested that the budget be monitored closely over the year with the possibility of changes. A conservative approach to the Capital Budget was taken when considering this issue. Part of this conservative approach included removing the replacement of the elevators leaving funds for consultant work only at this time. Ben noted his support in this decision and further noted that he would like to hear Council's goals and priorities for the capital funds. John F noted that historically the PDA had approached the budget conservatively and this may be an opportunity to not be as conservative. There was some discussion amongst Council on their position. Bruce L noted possibly tracking and presenting two separate ways, one being the more conservative approach.

IV. Key Issues: Presentation and Discussion

A. Farm Program

Jim noted several issues of concerns raised by Council regarding the farm program. Next month a board representative from the PPC Land Conservancy would give Council a presentation.

James introduced Karen Kinney, Program Manager of the King County Agricultural Commission. Karen gave a presentation on the background of the Ag Commission and their role in the community. She reported that the number of farms in King County had grown over the years, particularly in the past five. She distributed maps of the Agricultural Production Districts (APD's). Many farmers were facing difficulties in running their farms due to flooding in the winter and drought in the summer, changes in zoning, increased traffic and increased land values. All these issues contributed to small plots which made it difficult for farmers to make a living. Due to poor conditions many farmers would leave and created a problem with replacing the farmers. Karen further noted that the Market was attractive to farmers because it produced high revenues, were a competitive and stable environment, farmers willing to participate in the collection of sales figures was a good indication of this. However the Market had longer business hours. Karen took questions from Council and there was some discussion. James again requested Council to consider what they considered to be a successful farm program.

Jim noted that due to time constraints he requested that Capital Renovation Project: Phase III Design Issue discussion be postponed. Ben requested that the Economy Atrium issues be addressed at today's meeting.

Heritage House discussion a continuation from the Council Chair report.

Matt Hanna left prior to closed session due to his law firm association with Providence.

The meeting went into closed session to discuss the Heritage House situation.

Closed session began at 5:28 p.m. (RCW 42.30.110(1)(b))

Closed session ended at 6:11 p.m.

Council agreed to form an ad hoc committee to assist Ben in addressing the Heritage House issues.

The committee consisted of Patrick Kerr, John Finke and Bruce Lorig.

B. Capital Renovation Project: Phase III Design Issues

Ben noted that it was important to make a decision in moving forward to MHC with the design drawings in regards to the Economy Atrium fill in. If approved, and Council decided not to move forward with the construction they could easily be pulled from the drawings, if not, it would be a lost opportunity to include it in Phase III of the renovations.

Bruce Burger made a motion to authorize the preparation of necessary drawings for the Economy Atrium second floor fill in project and for presentation as appropriate of such plans to the Historical Commission provided **that** before any physical alteration is made (a) the project and its design shall be shall be presented for appropriate public comment and input including but not limited to any public process mandated by the Charter and (b) the Council shall approve such physical alteration or any construction work by further affirmative vote of the Council. John Finke seconded. After some discussion the question was called by a vote of 8 to 3.

The motion was brought to a vote.

For: John Finke, Ann Magnano, Gloria Skouge, Bruce Burger, Theresa Alexander, Jackson Schmidt, David Ghoddousi, Bruce Lorig

Against: Patrick Kerr

Abstained: Matt Hanna

The motion passed.

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

A. Consent Agenda

Proposed Resolution **10-69**: Lease Proposals.

Proposed Resolution **10-67**: Bank Accounts and Signature Authority – Pike Place Market PDA New Signer on the PPM PDA Bank Accounts.

Matt Hanna moved and Theresa Alexander seconded.

The consent agenda passed by acclamation.

B. Action Items

i. Finance

Action Item: Proposed Resolution **10-66**: Authorization for Contract Authority – City of Seattle Parking Operations and Management Agreement.

Ann Magnano moved and David Ghoddousi seconded.

Steve reported that there were a few minor changes to the agreement including length and terms to a one year agreement renewable every six months for up to four years. A 45 day notice of termination and upgrades would be at PDA's expense.

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

Proposed resolution **10-66** passed unanimously.

Action Item: Proposed Resolution **10-68:** PDA Independent Auditor.
Matt Hanna moved and David Ghoddousi seconded.

Ben noted that the resolution was for the selection of a new PDA auditor.

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

Proposed Resolution **10-68** passed unanimously.

Action Item: Proposed Resolution **10-70:** Amended Authorization for Contract Authority.

Ann Magnano moved and John Finke seconded.

Ben noted that the resolution was for additional, unforeseen costs associated with Trailer Town including electrical and plumbing.

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

Proposed resolution **10-70** passed unanimously.

VI. Further Public Comment

Bruce Burger left at 6:29 p.m.

Liza Couchman noted her support of having a conservative budget during a poor economy and requested that Council consider using the surplus of capital funds towards preserving the tenant mix in the Market. She additionally requested that Council consider current tenants when filling in open spaces after the renovations.

VII. Concerns of Council Members

Patrick noted his repeated requests to have the purchasing of PCI North on the agenda and the possibility of purchasing the four story building for sale at the end of Pike Street.

Council directed staff to continue to investigate a free parking program and to give a report on any possible infractions this would create considering the public spaces guidelines and any legal and economic impacts. Jackson requested to see a five year comparison of the financials. Theresa noted that she would like to see free parking for the three month holiday season.

VIII. Adjournment

The meeting was adjourned at 6:33 p.m. by James Savitt, Chair.

Meeting minutes submitted by:
Anita Neill, Executive Assistant