



# Executive Committee Meeting Minutes

**Wednesday, August 21, 2019**

**4:30 p.m. to 5:45 p.m.**

Economy Building Goodwin Library, 1433 First Avenue (3<sup>rd</sup> Floor)

**Committee Members Present:** Rico Quirindongo, David Ghoddousi, Colleen Bowman, Devin McComb, Patrice Barrentine, Betty Halfon

**Other Council Members Present:** Mark Brady, JJ McKay

**Staff Present:** Mary Bacarella, Karin Moughamer

**Others Present:** Howard Aller

The meeting was called to order at 4:31 p.m. by Rico Quirindongo, Chair.

## I. Administration

A. Approval of the Agenda

*The agenda was approved by acclamation.*

Approval of the July 17, 2019 Executive Committee Meeting Minutes

*The July 17, 2019 Executive Committee Meeting Minutes were approved by acclamation.*

## II. Announcements and/or Community Comments

None.

## III. Council Chair's Report

Rico Quirindongo provided the following status updates:

- MarketFront leak investigation is still ongoing
- The PDA and City will soon enter into a Memorandum of Understanding for the garage modifications as a result of the new Alaskan Way.
- Still waiting on meetings to resume on the Overlook Walk design.
- The streetcar project is moving forward but there are no new updates.
- Rico noted with regards to the Showbox, the City has said they no longer will pursue completion of the feasibility study for expansion of the Historic District. He would like to approach the city and urge them complete it.
- Lastly, there is a goal for net zero financial impact to the Market over the next five years.

David Ghoddousi asked for clarification on the Overlook Walk schedule. Rico Quirindongo responded the city is working to develop the new process for design review and completion of the Overlook Walk. Whenever that begins the PDA should be receiving a schedule for the design process and milestones along with that process. Mary Bacarella responded design conversations are supposed to begin in the fall.

David Ghoddousi asked who from the council and PDA will attend meetings on the Overlook Walk designs. Mary Bacarella responded she will along with Rico Quirindongo, John Turnbull, Colleen Bowman, John Turnbull and Brady Morrison.

Rico Quirindongo noted the PDA did provide comment to the modified 30% design drawings.

#### **IV. Committee Chair's Report**

##### **A. Market Connections**

Colleen Bowman commented that Sarah Patton, with Friends of the Market, would like to see the Showbox study continue.

Colleen Bowman noted the update from Gerry Johnson and Mary Bacarella on the garage modifications to connect to the realignment of Alaskan Way. The project will start in 2020. There was also a closed session and Mary Bacarella provided construction updates. Regarding the streetcar, City Council approved \$9million for further design work.

##### **B. Market Programs**

Patrice Barrentine noted there was a great report on the goals and plans for the Marketing department over the last six months. The presentation provided information on the marketing experiments taking place. Some members of the committee felt the presentation was too detailed and extensive.

David Ghoddousi noted the marketing team did a great job on the presentation and the Committee did ask for more information and the marketing team delivered. He thanked the team for their hard work.

Mark Brady would like to see presentation materials provided more than one day in advance.

Colleen Bowman noted the impressive amount of PR work being accomplished by in-house staff.

Mary Bacarella added information on User Generated Content and influencer programs to help promote the Market.

*Betty Halfon entered the meeting at 4:50 pm.*

Patrice Barrentine noted the marketing and PR success for Mom's Market Day, a new program for the Market.

##### **C. Finance & Asset Management**

Devin McComb noted financials are in great shape based on the point in the year. Revenue is roughly 10% over and expenses under by 6%, but will continue to trend out through the year. Capital Projects were reviewed and a lot of money is being spend on the LaSalle apartments, which have been put aside in a reserved fund. Mary Bacarella provided the residential report and noted vacancies remain under 3%. Devin noted the departure of Matthew Holland in the Commercial department and Jessica Carlson and Tabitha Kane provided great commercial lease reports during the closed session. Devin concluded by noting the presentation by Sabina on the 30 year cash flow and shared the handout with Rico Quirindongo.

There was a conversation on how to present the 30 year cash flow at a future council meeting and further ways to present the data based on different assumptions. Devin McComb recommended another conversation at a future Finance & Asset Management Committee before taking it to full council.

David Ghoddousi noted the hard work by the maintenance and residential team to prepare vacant units for future tenants.

Mary Bacarella noted there will be further presentations and conversations on projections for commercial leasing. John Turnbull is preparing a presentation for the fall.

David Ghoddousi commented that studies have been conducted in the past on marginal and successful businesses and he does not want to see this conversation turn into a hit list of marginal businesses to target.

Mark Brady would like to see the 30 year cash flow analysis discussed at the retreat.

Rico Quirindongo agrees the council should spend some time looking at the 30 year cash flow and develop three or four scenarios that are based on logic applicable to the Market. Rico agrees preparing something for discussion at the retreat is helpful.

Rico Quirindongo believes there will be an economic downturn in the next two years and suggests taking a look at budget setting associated with revenue and spending. Rico suggested setting up a rainy day fund to address specific expenses. It would be good for the council to review the reserve structure and have a conversation on the establishment for a rainy day fund specific to offset negative impact on a downturn. The council would need to identify the parameters that could affect the community as well as the annual contribution over the next 2-3 years and parameters for how that fund is drawn down. This could be a topic for retreat and he will discuss further with Mary Bacarella.

Patrice Barrentine noted she believes the Operating Reserve was created as a rainy day fund but the triggers for accessing those funds should be discussed.

JJ McKay suggested bringing in the auditors to help set best practices. Rico Quirindongo suggested the auditors should be included in scenario planning.

Colleen Bowman asked if there is a function for calculating the aging of the buildings. Devin McComb responded the capital spending column, which has an amount of \$88M, is from the 30-year Capital Study. Colleen Bowman would like to see that once it's ready. Devin McComb noted the \$88M is broken out over the years in a somewhat random way. More discussion with Brady and Kelsey are needed to better understand the study and projects.

Devin McComb suggested Sabina provide a written outline of the parameters for which the 30-year cash flow was developed, similar to what was provided at FAM.

Rico Quirindongo would like to see a presentation to council on scenario planning as well as a presentation of how the reserves are structured, historic contributions and how the PDA could change in the future. Both of those presentations could be precursors to the retreat.

Colleen Bowman asked if Matthew Holland's position will be replaced. Mary Bacarella responded that position will be replaced and the job listing is currently open.

JJ McKay would like to see a card sent to PDA employees who attend council meetings when they leave the PDA.

## **V. Executive Director's Report**

Mary Bacarella began with the following updates:

- Today there was a meeting to discuss the 60% design for the garage modifications. Someone will present that design at Market Connections.
- The MOU for garage modifications is nearing completion.
- The LID consultant report was delivered to the City attorney today.
- Next Thursday is the second to last PM: Producers Market for the season.
- Sunday is The Head and The Heart concert at the Market.
- The budget review timeline has been set (a handout of that schedule was provided by Mary) and will be discussed at the next Finance Committee meeting.
- Mary met with Sam Zimbabwe, director of SDOT, and the streetcar project is still 5-6 months to get the consultant to continue on design. Mary will start to talk with their project manager regarding future design conversations.

Rico Quirindongo does not recommend the Market put any effort into opposing the streetcar. The Market should provide input and to get information that they have failed to provide the Market in the past.

There was a conversation on the future of the streetcar and how the PDA and council should participate in those conversations. Mary Bacarella will engage with the city on effects of construction and the final design on aspects that will affect the Market, such as load and unload zones and pedestrian access and safety.

Mark Brady would like to know when the federal study will be completed. Mary Bacarella responded she was told that issue is not a priority with regards to the streetcar moving forward.

## **VI. Committee Council Member Composition**

Rico Quirindongo noted that he has expressed an interest to look into the Bylaws regarding the composition of the Executive Committee, which does not allow for the vice-chair and secretary/treasurer to have a voting position.

Colleen Bowman stated that Ali Mowry will stay on Market Programs Committee.

Betty Halfon what the timeline is for the change on the Executive Committee. Rico Quirindongo stated there is a process and thinks that will take a year to do.

Patrice Barrentine made a motion to that the executive committee consult with legal counsel to look at adjusting and aligning the Executive Committee positions so that they have a democratic voice at the Executive Committee.

Colleen Bowman seconded the motion.

Mark Brady noted his concern for not having equal representation from each of the three appointing groups.

Rico Quirindongo suggested removing the two at-large positions and replacing those with the secretary/treasurer and vice-chair. The size of the Executive Committee remains at six people.

Rico Quirindongo added a friendly amendment to replace at-large positions with the secretary/treasurer and vice-chair positions. Patrice Barrentine would prefer to vote on her motion before addressing the friendly amendment.

There was further conversations on the positions included on the Executive Committee as well as the processes for providing Mary direction in working with legal counsel on exploring changes to the bylaws.

*Patrice Barrentine left the meeting at 5:40 pm.*

The motion was tabled and Mary will explore this topic.

Devin McComb noted Finance & Asset Management has eight members. He's ok with keeping eight members as long as the Committee continues to have a quorum.

There was a conversation on having seven versus eight members on the Finance & Asset Management Committee.

Rico Quirindongo suggested a change to the number of people on FAM can be made, if needed, at a later time. Rico will be meeting with Matt Hanna regarding his future participation on Market Connections.

Colleen Bowman is ok with having a Market Connections meeting of eight people and open to having Ray Ishii added.

It was decided that Ray Ishii will join Market Connections.

Devin McComb noted any further changes to the committee make-up can be made at future Executive Committee meetings.

#### **VII. Public Comment**

Howard Aller commented the Rainier Tower has topped out which means the PCC market should be open in a year. As he understands it PCC will not be selling specialty items sold in the Market and the PDA should find ways to convince shoppers who visit PCC to also visit the Market to get the stuff you can't get there. He also suggested find ways to sell the "weird" of the Market!

#### **VIII. Concerns of Committee Members**

Betty Halfon suggested installing lockers for people to store their items while they continue to shop the Market.

There was a conversation on the practicalities of having storage lockers.

Colleen Bowman noted she feels like PCC, which is opening in the neighborhood next year, is a competitor but they are a good company and maybe there are opportunities for collaboration.

Devin McComb noted he had a great time at Sunset Supper and acknowledged the PDA's work in coordinating the Head and the Heart concert.

Betty Halfon thanked Howard Aller for the pickles.

**IX. Adjournment**

The meeting was adjourned at 5:57 p.m. by Rico Quirindongo, Chair.

Meeting minutes submitted by:

Karin Moughamer, Executive Administrator