DUE TO THE EXTRAORDINARY PUBLIC HEALTH CIRCUMSTANCES RELATED TO THE ONGOING COVID-19 (CORONAVIRUS) OUTBREAK, PARTICIPATION IN THIS MEETING WILL BE TELEPHONIC OR VIRTUAL. ALL PDA COUNCILMEMBERS WILL PARTICIPATE REMOTELY.

Date: Wednesday, April 8, 2020
Time: 5:00 p.m. – 6:00 p.m.

Join Zoom Meeting
https://zoom.us/j/506685095?pwd=Nm9mYXlvRXZEb1hPZEiQWkJVWHRmZz09
Meeting ID: 506 685 095
Password: 549133

OR

Dial +1 253 215 8782 US
Meeting ID: 506 685 095

Council Members: Rico Quirindongo (Chair), Betty Halfon (Vice-Chair), JJ McKay (Secretary/Treasurer), David Ghoddousi, Patrice Barrentine, Ray Ishii, Colleen Bowman, Paul Neal, Devin McComb, Mark Brady, and Ali Mowry

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<th>Time</th>
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<tr>
<td>5:00</td>
<td>Administrative:</td>
<td>Chair</td>
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<td></td>
<td>A. Approval of Agenda</td>
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<td>B. Approval of the PDA Council Minutes for March 24, 2020</td>
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<td>5:05</td>
<td>II. Public Comment Including the Market Community</td>
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<td>5:15</td>
<td>III. Programs and Information Items</td>
<td>Mary Bacarella</td>
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<td>A. Executive Director Report</td>
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<td>5:25</td>
<td>IV. Action Items</td>
<td>Mary Bacarella</td>
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<td>A. Proposed Resolution 20-11: Adoption of the COVID-19 Rent Deferral Credits for Commercial Tenants Policy</td>
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<td>5:40</td>
<td>V. Further Public Comment</td>
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<td>5:50</td>
<td>VI. Concerns of Committee Members</td>
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<td>6:00</td>
<td>VII. Adjournment</td>
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Tuesday, March 24, 2020
5:00 p.m. to 6:00 p.m.
Location: Members of PDA Staff, PDA Council Members and the public, dial in number is 1-855-202-9977

DUE TO THE EXTRAORDINARY PUBLIC HEALTH CIRCUMSTANCES RELATED TO THE ONGOING COVID-19 (CORONAVIRUS) OUTBREAK, PARTICIPATION IN THIS MEETING WILL BE TELEPHONIC. ALL PDA COUNCILMEMBERS WILL PARTICIPATE REMOTELY.

Committee Members Present: Rico Quirindongo, Betty Halfon, JJ McKay, David Ghoddousi, Patrice Barrentine, Ray Ishii, Colleen Bowman, Paul Neal, Devin McComb, Mark Brady, Ali Mowry

Staff/Consultants Present: Mary Bacarella, Brady Morrison, Sabina Proto, Erica Bates, Amy Wallsmith, Karin Moughamer, Sarah Leaptrot, Tabitha Kane, Gerry Johnson

Others Present: Sharon Shaw, Haley Land, Joan Paulson, Bob Messina, Patrick Kerr, Sarah Hopegood, Debbie Hopegood, Lillian Sherman, Clint Bennett, Rachel Powell, Liz Campbell

The meeting was called to order at 5:03 p.m. by Rico Quirindongo, Chair

I. Administrative
   A. Approval of the Agenda
      The agenda as was approved by acclamation.

   B. Approval of February 27, 2020 minutes
      The February 27, 2020 PDA Council Meeting Minutes were approved by acclamation.

II. Public Comment Including the Market Community
    Patrick Kerr thanked the PDA, Mary and her staff, for the email that was sent out. He thinks it’s great what the PDA is trying to do.

    Rachel Powell commented that she appreciates all of the updates the Market has been sending out and for the Marketing staff continuing to update the website to promote what is still available at the Market. She understands that finances are tight for everyone due to the shutdown of the Market and she asked that there be a pay freeze for PDA staff not covered under a union agreement to help keep the financial reserves stable. She also encouraged the PDA to work with existing tenants to help reduce or fill vacancies. She is also hoping for a rent freeze or negotiations with tenants to keep those people in their spots.

    Sharon Shaw commented that she has spent the last week on the phone talking with the Market community, many of whom are scared. So many of these small businesses are operating on a day-to-day basis. She asks that everyone be mindful and understand that our community is vulnerable, including the seniors living in the Market and visiting the food bank.
Joan Paulson thanked the Council for keeping the traditional openness of the Market, including the fish, meat, dairy and produce. She asked the PDA to please continue the efforts of public relations with the staffing that we have to enhance the operational changes to connect producers with consumers. She commented that she wished she had recommended the rainy day fund 10 years ago and the PDA should be pulling funds from that account to cover their costs. A longer term effort needs to be developed to make the Market whole again. With regards to resolution 20-10, she asked if the two At-Large members of the Executive Committee voting members. She’s also glad to see Ed Bridge recommended for the mayoral position.

Liz Campbell asked if the $60,000 donation from the Office of the Economic Development has been received yet.

III. Programs and Information Items
A. Council Chair Report
Rico Quirindongo, in lieu of his usual report, commended PDA staff for their efforts during this time. He understands and recognizes there are hardships now and those will continue and the Market has a large weight it’s carrying on its shoulders.

B. Executive Director Report
Mary Bacarella began by thanking everyone for their efforts and response during this time. The situation has been changing rapidly and the PDA is trying to respond as quickly as possible. The community is at the forefront of our minds. She began with a few updates:

- Daystall Rules review has been suspended at the moment and will pick up once the Market is up and running again.
- Signature Signage project has also been suspended for the moment and that will pick up again depending on available resources.
- Sellen has shut down all operations for two weeks, starting today. That includes work on the MarketFront.

With regards to response to COVID-19, Mary provided the following updates:

Residential
PDA staff are working to deliver food to people and we are keeping staffing as is. Managers are actively calling and checking on all residents at least twice a week. In the Market House and Stewart House staff are placing notes asking if necessities are needed. Elsie is utilizing the Commons and Foundation to help provide support and coordination for residents and Sandra is covering high-need residents. Staff will soon be receiving cell phones for managers to use for contacting residents.

Social Services
The Senior Center will close for gathering and she believes it will still hand out breakfast and lunch. The Food Bank remains open, while the Heritage House closed to visitors and the Pike Place Child Care and Preschool is also closed. The clinic is open.

Commercial
Last Friday commercial tenants received an email letting them know that at the moment we are not collecting April base rent, percentage rent or Common Area Maintenance (CAM) charges. Because the PDA has to comply with a number of regulations limiting gifting of public funds, staff are trying to figure out next steps. We wanted to give tenants some breathing room until we have a plan. Businesses open per the Governors guidelines which includes grocery, produce, take-out, and grab and go. We had on and off around 30-35 businesses open last week. Security does daily sweeps to see what businesses are staying open. We have about 40 that qualify but it varies each day on which ones stay open.

Daystall, Farm, Buskers
All closed at the moment and staff will continue to monitor after the Stay Home Stay Healthy is lifted. Craft and farm managers are working out fees and billing with that community and are available for any questions they may have.

Marketing
The website is constantly being updated with information on Market vendors currently open, offering take-away and who sell through and on-line store. Staff are working to compile a list of resources for grants and loans that our community may qualify for. Staff are also available to answer any questions tenants and residents may have applying for these programs.

Capital Projects
Brady and Kelsey are inspecting the Chinese Cuisine windows and they are working to remove the scaffolding. All other capital projects are on hold at the moment.

Maintenance, Facilities, Security
Working on daily essential list for maintenance and how to handle emergencies that come up. Mary is working to keep both the staff and community safe during this time. Security and facilities are on-site but re-working the priorities with the 2 week stay at home in order to identify changes as a result of the current situation. Security has secured buildings that do not have any tenants or services open.

Finances
The update on finances will be given during the resolution tonight.

Staffing
Current staffing levels are at normal amounts with a slight reduction in staff. Some staff have voluntarily opted for unemployment or are using personal time. Anyone over 60 can stay home and utilize sick or vacation.

Parking
As of yesterday, we are averaging about $1000 a day. We hope to hit year-to-date budget for the end of March because Jan and Feb. had good numbers but it will not be the case moving forward.

Utilities
We anticipate utilities going down as a large percentage of the Market is closed.

Expenses
We are watching expenses very closely and only spending funds needed to run essential functions of the Market and every expense is being run by her.

External Projects
All coordination of external projects are on hold. This includes garage modifications, elevator design and work on the waterfront.

Restrooms
Currently working to identify which restrooms to keep open for businesses and the public.

Mark Brady noted he received a grant from Amazon and recommended Market businesses apply. Mary Bacarella will certainly pass that information along to the community.

Mark Brady asked how the Market is doing for masks and gloves for security and facilities. Mary Bacarella responded the Market has masks and gloves and are following the rules for social distancing. The Market has a month supply and there are more on order.

Mary Bacarella added the Amazon grant was recently included on a Tenant Alert.

C. Committee Chair Report
Patrice Barrentine noted there was not a Market Programs meeting.

Devin McComb noted that many of the topics on the Finance & Asset Management agenda were deferred to a later date. The focus was on the review of the financial statements for February 2020 and an executive session. Devin thanked members of the public that participated in the telephone conference.

D. Nomination Committee Update
Rico Quirindongo noted he will give an update on the Nomination Committee during the New Business portion of the meeting.

E. Other Reports
i. Market Foundation Update
Ali Mowry began by noting the tone of the meeting was very positive which was nice. As of a week ago, $87,000 had been raised for the Safety Net. Fete le Market has been postponed but the Foundation is still using this opportunity to raise funds for the Market. The Market Commons is physically closed but Crystal is still taking a lot of questions from the community over the phone.

Ali Mowry provided an update on the Food Bank which is packing food bags and handing them out so that people are not touching all of the food. As of last week, the Senior Center was still open to those who have nowhere else to go and they are handing out sack lunches.

Lillian Sherman noted so far nearly $120,000 has been raised for the Safety Net. She thanked everyone for their help.
A person from the public noted there is potentially $200,000 in the legislature may vote
to donate to the Pike Place Market PDA. It was asked if that is on the radar. Rico
Quirindongo noted he was not sure about those funds. The commenter noted it might
not be on the PDA radar as it’s a grassroots initiative and she urged people right to their
local legislators.

IV. **Action Items**
   A. Consent Agenda

   B. New Business
      i. Proposed Resolution 20-09: Authorization to Transfer Funds from the Minimum Operating Reserve

      Sabina Proto introduced Proposed Resolution **20-09** which states:

      WHEREAS, the PDA is a public corporation responsible for the efficient development and
      operation of the Market and for the effective provision of services designed to preserve and
      promote the economic health of the Market and its tenants consistent with the Urban
      Renewal Plan, the Historic District Ordinance and Guidelines, the PDA Charter, deed
      restrictions, and other City and State ordinances and laws; and,

      WHEREAS, as a public corporation, the PDA operates on a non-profit basis, where any excess
      of revenues over expenditures is reinvested in the Market with a portion of those funds
      diverted to a Minimum Operating Reserve to use at the discretion of the Council to cover
      budgetary shortfalls; and,

      WHEREAS, currently the Seattle, the United States, and the world are responding to a global
      outbreak of the COVID-19 virus which is having an impact on the economic operations and
      management of the Market resulting in a significant decline in revenues from commercial,
      daystall, and farm tenants; and

      WHEREAS, the PDA has carefully assessed the situation and analyzed a variety of scenarios
      to better understand the financial situation of the Market during and after this crisis; and,

      WHEREAS, the Minimum Operating Reserve is a “rainy day fund,” created by and under the
      discretion of the PDA Council. The purpose is to provide funds during difficult situations,
      with shortage case flow, to ensure the continuation of the PDA operations. The balance of
      this fund as of today is $2.3 million; and,

      WHEREAS, under the current situation we realize that there will be delay in collecting rent
      payments from our tenants, which will cause a shortage of cash balance necessary to pay for
      operating expenses, insurance, utilities, and debt payment.

      NOW, THEREFORE, BE IT RESOLVED, that the PDA Council authorizes the PPMPDA Executive
      Director or her designee to withdraw from the Minimum Operating Reserve the amount of
      $2,000,000.

      Sabina Proto added that insurance is renewed in May. While the budget shows this spread
      out through the year it is a cash transaction paid in full.
Mary Bacarella added we don’t yet know how long this will last. Staff will be providing updates to the Council and the PDA is watching costs and expenses closely.

Betty Halfon moved the proposed resolution and JJ McKay seconded the motion.

Mark Brady asked how much the base rent and CAM charges are for all commercial properties. Sabina Proto responded tenant base for rent for retail and office in April is almost $400,000. With CAM and other charges it’s another $272,000. So roughly base and CAM is $700,000 in April.

David Ghoddousi asked what the time table is on the Local Improvement District payment. Mary Bacarella responded it’s either September or October. David Ghoddousi asked what the amount is. Mary Bacarella responded the PDA doesn’t have the exact amount yet but it’s roughly $2.2M or $175,000 each year.

Gerry Johnson added the City Council has not finished the appeal process yet and the PDA has appealed two properties, only one has been resolved. The PDA will have the option to pay the full amount upfront at a substantial discount. That is a onetime offer and the Council will have to decide whether to take that offer later this year.

David Ghoddousi noted that the PDA needs to budget for this down the road. Mary Bacarella responded this amount is in the budget and staff are keeping an eye on this topic.

Colleen Bowman noted a correction to the Resolution. On the fifth whereas, it should say... cash flow instead of cash flow. Colleen then asked if all payments over $10,000 will still go through Council. Mary Bacarella responded yes, nothing else will change for the process.

Gerry Johnson added that all council members may vote on this resolution.

For: Rico Quirindongo, Betty Halfon, JJ McKay, David Ghoddousi, Patrice Barrentine, Ray Ishii, Colleen Bowman, Paul Neal, Devin McComb, Mark Brady, Ali Mowry
Against:
Abstain:

Proposed Resolution 20-09 passed by a vote of 11-0-0.

ii. Proposed Resolution 20-10: Election of PDA Officers, Committee Chairs, Vice Chairs, Council-selected Council Member, and Recommendation for Mayoral Vacancy

Rico Quirindongo introduced Proposed Resolution 20-10 which states:

WHEREAS, the PDA Council annually elects its officers and approves the appointment of PDA Council Committee Chairs and Vice Chairs for one year terms, and each year the PDA Council selects a member of the Council to serve a four year term subject to approval by the Seattle City Council of such selection; and,

WHEREAS, the PDA Council approved Resolution 13-62 in October 2013 restructuring council committees; and,
WHEREAS, the PDA Council has recommended the following Councilpersons to serve as Officers and as Chairs and Vice Chairs of PDA Council Committees for a one year term beginning on July 1, 2020 through June 30, 2021; and,

NOW, THEREFORE, BE IT RESOLVED that the PDA Council elects the following officers for a one year term from July 1, 2020 to June 30, 2021:

**Chair**  
Rico Quirindongo

**Vice Chair**  
Colleen Bowman

**Secretary/Treasurer**  
JJ McKay

AND, BE IT FURTHER RESOLVED that the PDA Council appoints the following chairs and vice-chairs of its standing committees for a one year term beginning from July 1, 2020 to June 30, 2021:

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<th>Committee</th>
<th>Chair</th>
<th>Vice Chair</th>
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<tr>
<td>Finance &amp; Asset Management</td>
<td>Devin McComb</td>
<td>Ray Ishii</td>
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<tr>
<td>Market Programs</td>
<td>Patrice Barrentine</td>
<td>Paul Neal</td>
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AND, BE IT FURTHER RESOLVED that the PDA Council elects Mark Brady and David Ghoddousi as the two at-large members of the Executive Committee for a one year term beginning July 1, 2020 to June 30, 2021.

AND, BE IT FURTHER RESOLVED that the PDA Council selects Patrice Barrentine as a Council-selected councilmember for a four year term beginning July 1, 2020 to June 30, 2021 and recommends the Mayor consider Ed Bridge for the Mayoral Appointee.

Rico Quirindongo added that the At-Large positions on the Executive Committee are voting positions.

JJ McKay moved the proposed resolution and Ali Mowry seconded the motion.

Ali Mowry noted that the Historical Commission recently had trouble filling vacancies on their committee and they were rejected by the Mayor. Ali asked if we anticipate any issues filling our seat. Rico Quirindongo doesn’t know the specific reasons why MHC nominations were rejected by the Mayor but knows that many councils and committees have had issues with appointees. He is not aware of a case in which the Mayor has declined a recommendation from the PDA in the past and he doesn’t feel there will be a challenge from the mayor, but there are no guarantees.

Patrice Barrentine noted on the resolution the second date associated with her term should be 2024. Karin Moughamer noted she will make that change.

Mark Brady asked why there is not a full council discussion on the recommendation of Ed Bridge. Rico Quirindongo responded the nomination committee is convened to handle the discussion and work of selecting and making recommendations to the full council. This resolution will be up for a vote today. If it is not passed then the resolution can be reviewed again.
Colleen Bowman asked if now is that opportunity to have the discussion on Ed Bridge is.

Rico Quirindongo asked JJ McKay, who put forth his nomination, to speak to Ed Bridge’s qualifications. JJ McKay noted that Ed is a longtime leader in the community and helped grow a small family business into a larger business. He is educated and experienced in accounting and understand rentals, leasing, retail, customers, and the changing face on the shopping environment. He’s been chair of many boards. He recently retired and is looking for something that he’s passionate about, and that’s the Market.

Mark Brady noted that he thought JJ McKay was brought before the Council for questioning before being voted onto the Council. Mary Bacarella responded no, that did not happen. The nomination committee is following past procedure. Rico Quirindongo added that in his past six years that hasn’t happened.

Patrice Barrentine also noted that the vetting has all been done by committee.

Ali Mowry believes there should be more time to discuss Ed Bridge and wants to know how he is relevant to the Pike Place Market community. JJ McKay responded that Ed Bridge has lead a large organization with complex leasing and retail so he understands what it takes to run a $20M plus organization. He would understand the complexities presented in the Finance & Asset Management Committee. He would help the Market grow relationships with the broader community.

Mary Bacarella added that she was a part of the process and when she’s looking at the Council she’s considering the needs of the organization moving forward. The PDA needs someone who understands retail and the changing nature of retail. Ed Bridge understands downtown retail and maybe he can help the Market.

For: Rico Quirindongo, JJ McKay, Patrice Barrentine, Ray Ishii, Colleen Bowman, Paul Neal, Devin McComb

Against:

Abstain: David Ghoddousi, Betty Halfon, Ali Mowry, Mark Brady

Proposed Resolution 20-10 passed by a vote of 7-0-4.

V. Further Public Comment

Joan Paulson referenced the history of the Downtown Seattle Association with regards to the conversation of Ed Bridge. The DSA opposed the rehabilitation of downtown and saving of the Market. Ben Bridge was part of the DSA. The PDA is not thinking about the future. The reality is that the Market is its own community and is independent. The Market represents small businesses and it’s an incubator. That is different than what the DSA wants for downtown Seattle. We don’t understand our history and are making the same mistakes going forward for our community, city, and the world.

Haley Land noted the communication from the PDA has been good and he’s appreciated that. He is glad that Patrice Barrentine is staying on the Council for another four years. Haley asked if the Safety Net has the capability to do outreach to the community rather than waiting for
people to ask. Haley asked if the PDA is also paying off bonds and would like to learn more about that at a later date.

Sharon Shaw responded to the Safety Net question. The procedure is that anyone who lives or works in the Pike Place Market is eligible for the Safety Net. They go through their PDA representative to gain access to support. It is then passed to the Market Commons and will try to help in addition to the Safety Net. The message is going out through Role Call and the Commons are helping respond to these requests.

Rachel Powell seconded the comment from Joan Paulson and concerns for what Ed Bridge would bring to the community. She would like to see a balance of someone who can incubate these small businesses. She also reiterates how well people are responding and rising to the occasion during this difficult time. She feels it is very helpful at this time.

Haley Land added that he’s concerned that farmers are not getting the word on the Safety Net. Lillian Sherman noted the Market Foundation is working with PDA farm staff to make sure our farmers are getting connected to available resources, including the Safety Net.

VI. Concerns of Committee Members
David Ghoddousi noted he has served on the council for over 15 years, the recession and two renovations. He has made votes during that time, some that helped his business and some that hurt his business. But his voice was always heard during that time. During times like this he votes to benefit the community. If anyone is going to restrict a council member from voting, they need to have a letter from the City Attorney’s office. He will disregard any verbal comment made by an attorney over the phone and he needs it in writing.

Mark Brady asked how the Senior Center is handling the 6 ft rule. He’s heard some concerns from Security on this issue. Mary Bacarella has been talking with the Senior Center every day and moving forward they are closing down their facility and just providing breakfast and lunch in to go bags.

Patrice Barrentine commended everyone for their thoughtful concern and creativity in working through this situation. It gives her hope.

Colleen Bowman thanked the public that are continuing to share their voices through conversation.

Rico Quirindongo thanked everyone for their commitment and their heart. That’s what makes the Market what it is. He concluded with saying “One Family. One Mission. One Love.” We will get through it. It will be difficult, but we will get through it.

VII. Adjournment
The meeting was adjourned at 6:25 p.m. by Rico Quirindongo, Chair.

Meeting minutes submitted by:
Karin Moughamer, Executive Administrator
Adoption of the COVID-19 Rent Deferral and Credits for Commercial Tenants Policy
April 2020

WHEREAS, the PDA is a public corporation responsible for the efficient development and operation of the Market and for the effective provision of services designed to preserve and promote the economic health of the Market and its tenants consistent with the Urban Renewal Plan, the Historic District Ordinance and Guidelines, the PDA Charter, deed restrictions, and other City and State ordinances and laws; and,

WHEREAS, currently Seattle, along with the rest of the country and the world is responding to a global outbreak of the COVID-19 virus which is having a devastating impact on the global and national economies, that, in turn, has severely constrained operation and management of the Market, including the government mandated closure of most Market businesses, resulting in a significant decline in revenues from commercial, daystall, and farm tenants; and,

WHEREAS, all Market tenants, including those few that have been able to continue to operate at dramatic reduced levels, are threatened with losses that materially threaten their viability; and,

WHEREAS, among the PDA’s chartered purposes is the preservation and stewardship of the diverse commercial businesses that historically defined the Market; and,

WHEREAS, the Market is a designated historical landmark literally known the world over and survives as one of the oldest continuously operating public markets in the country due to the commercial success of its numerous and varied tenant businesses; and,

WHEREAS, the COVID-19 virus emergency has presented unique and unprecedented challenges for many of these tenants, the survival and viability are essential to the survival of the Market itself as a self-sustaining symbol of the entire City of Seattle; and,

WHEREAS, while being responsive to and supportive of the public health measures being taken to contain and eventually eliminate the virus, the PDA must also be mindful of its stewardship responsibilities to its affected tenants such that they, as defining and essential elements of the Market, can survive and return to health as viable businesses; and,

WHEREAS, the PDA has determined that, absent supportive action within the PDA’s financial capacity, many tenants literally may not survive the current closure, resulting in even longer term damage to the economic viability of the self-sufficient PDA and undermining the historical character and nature of the Market itself; and,

WHEREAS, under the current situation the PDA realizes that there will be delay in collecting rent payments from our tenants, which significantly reduces revenue necessary to pay for operating expenses, insurance, utilities, and debt payment; and,

WHEREAS, notwithstanding the severe impact the public health emergency on the PDA’s own finances, it has determined that it wishes to provide some measure of rent relief, within the limits of its capacity to do so without compromising its own viability; and,
WHEREAS, within its limited financial capacity, particularly under present circumstances, the PDA Council approved Resolution 20-09, authorizing the withdrawal of $2M from the Minimum Operating Reserves to cover shortfalls due to loss of income; and,

WHEREAS, such funds will assist the PDA in covering basic operating and management costs, enabling the PDA consistent with its broader stewardship responsibilities under its Charter, to undertake a series of measures to assist its tenants in surviving the emergency-related closure.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council authorizes the PPMPDA Executive Director or her designee to implement the Rent Deferral and Credits for Commercial Tenants Policy, attached hereto as Exhibit A

JJ McKay, Secretary/Treasurer Date

Date Approved by Council:
For:
Against:
Abstained:
COVID-19 Rent Deferral and Credits for Commercial Tenants Policy
April 8, 2020

The following policy will guide the PDA in responding to requests from commercial tenants for rent abatement or deferral associated with COVID-19 restrictions on business activity.

This policy addresses economic impacts associated with COVID-19 public health emergency and resulting governmental directives and orders implemented beginning March 1, 2020 and currently projected into May, 2020. The impact has resulted in many temporary business closures and in dramatic loss of income to most Market businesses. This policy is subject to change or amendment based on changes of circumstances.

This policy outlines immediate steps that the PDA has taken or will implement to support its tenants during this period of business interruption so tenants will be able to resume business when possible. Although such measures are not required under PDA leases, it is in the PDA’s interest and an important element of its chartered mission to help its tenants survive and reopen. As previously announced, the PDA will allow tenants to defer the payment of rent due for the months of April and May. Although the PDA itself is experiencing severe revenue shortfalls as a result of emergency, its operating costs also have been reduced. Consequently, a reduction can be made in assessments of tenant Common Area Charges (CAM), based on the PDA’s projection that such costs will continue to be lower than expected for several months. These are temporary measures and the extent of rent relief is limited by PDA’s ability to defer income while maintaining essential services in operations of the Market.

The PDA also encourages all tenants to apply for and make use of available financial support provided through federal, state and local programs.

Different policies affect tenants based on their business activity and type of lease. For reference commercial tenants will be classified as one of the following:

RETAIL: Tenants conducting for-profit commercial activity with leases requiring payment of Common Area Charges and sales based percentage rent (includes most retail and food service tenants on term leases or with month-to-month agreement).

OFFICE: Commercial tenants not subject to Common Area Charges (primarily office tenants).

NOT-FOR-PROFIT: Tenants that are not-for-profit organizations (primarily social services).

APPLICABLE TO ALL COMMERCIAL TENANTS
1. Effective March 1, 2020 the PDA has waived all late fees for rent payments (including percentage rent) due through April 30, 2020. Given the current extension of sheltering and business closure directives, late fees will be waived through May 31, 2020. At this time tenants are still obligated to pay base and percentage rent for March, April and May, subject to a rent deferral payment plan acceptable to the PDA.
2. Tenant rental accounts will continue to reflect the balance due.
3. The PDA will provide all tenants who commit to reopen with the option to pay the balance of deferred rent through May, 2020 in equal payments up to 12 months with interest incentive for payoff under a year.
4. Direct utility charges for electric and water usage (generally paid to Priority metering) will be handled in the same manner. Bills will not be sent to tenants until June, for service through May, 2020. Balances may be paid consistent with rent deferral Payment plans.

APPLICABLE TO RETAIL TENANTS
1. Base rent and sales based percentage rent continue to be posted and calculated as provided in the lease.
2. A reduction of PDA-projected Common Area charges for the four (4) months beginning March 1 will credited to tenant accounts. Common Area Charges on commercial leases are currently set at a standard of 61% of monthly base rent. The annual budget for total Common Area Charges is approximately $2.4 million in revenue which is applied to costs for common area maintenance, utilities, security and other operational functions defined in the lease. The PDA now projects that these costs will be substantially less than anticipated due to reductions in customer and business volume during COVID-19 related closures. The reduction for tenants will be credited to their April statement. The PDA estimates that amount of the credit will be approximately equal to two and half months base rent.

APPLICABLE TO OFFICE TENANTS
1. No rent credit will be provided to office tenants unless they are a not-for-profit or social service providing public benefit.

APPLICABLE TO NOT-FOR-PROFITS
1. Not-for-profits not paying Common Area Charges and unable to operate or work remotely due to government ordered closures will be credited for rent payments for the duration of such closures in exchange for the provision of public benefits to be determined. Not-for-profits paying Common Area Charges will be treated as retail tenants, per above.

OTHER PROVISIONS

Month-to-month agreements for storage and cooler spaces
Rents will continue to be applied for use of these spaces. Tenants may provide notice under monthly rental agreement to vacate spaces at their own discretion. Vacated spaces will be made re-rented through a waiting list as they become available.