December 9, 2020

Dear PPM PDA Councilmembers,

2020 threw us a curveball. During our 2020 retreat we worked together to build upon the Strategic Plan that was initiated in 2019 to begin to address how the Market can grow, expand, and modify the use of our facility and the activities within to better meet the changed City and drive commerce in the Market. That goal has not changed, however, with this global pandemic this City and the world has changed in ways that we couldn’t have imagined a year ago and so we pivot.

As you’ll recall a new theme was added last year to the Strategic Plan created in 2018. That theme, Functions, Space and Places, is focused on how to improve the function of Market spaces to grow existing business, provide additional and/or improved space to incubate new business and expand opportunities to rebuild customer loyalties and add new customers. We’ve already started work on developing strategies to address this theme, but the work we do in 2021 will have new and more important meaning given the current economic status of our city and community.

The focus of the retreat this year is to take our vision for the strategic plan one step further and begin outlining a Master Plan for the Market based on the new normal post COVID. Please note the homework assignment at the bottom of the agenda and spend some time developing an idea or prediction for 2022 and beyond. You’ll each have two minutes maximum to present.

Thank you again for all that you do for the Market community. I look forward to this conversation and where it will take us in the work we do to preserve and protect the Pike Place Market.

Sincerely yours,

Pike Place Market Preservation & Development Authority

Mary Bacarella
Executive Director
Amended Agenda: Strategic Retreat
Pike Place Market PDA Council

**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 Council Members Will Participate Remotely.**

**Date:** Thursday, December 17, 2020  
**Time:** 3:45 p.m. – 6:00 p.m.  
**Location:** Join Zoom:  
https://us02web.zoom.us/j/85665915311?pwd=UnUxSnpsMDMzaTNENHiM2YvTl9YyZ09  
OR dial (253) 215 8782, Meeting ID: 856 6591 5311, Passcode: 928313

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

**Status**

*So much has changed in 2020, accelerating trends and conditions known, anticipated, and new.*  
The 2019 Retreat developed a strong framework for continuing our mission and to best use our spaces for place-making, convening, and selling.  
*How can we both manage the ongoing challenges of 2020 and 2021, and use that time to develop a detailed Master Plan for the new normal after COVID-19?*

**Outcome**

- Outline and identify specific process components for a 2021 Initiative to create a Master Plan for the Pike Place Market.

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<tr>
<td><strong>Break</strong> (between Council Meeting portion and Retreat)</td>
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<tr>
<td><strong>Welcome</strong></td>
<td>Rico/Mary</td>
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<td>3:45</td>
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<td>➢ Welcome and Goals</td>
<td>Rico</td>
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<td>➢ Framework and Focus for This Meeting</td>
<td>Mary</td>
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<td>➢ Agenda, Zooming, Interaction, and Participation</td>
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<td><strong>Public Comment</strong></td>
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<td><strong>The New Normal</strong></td>
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<td>➢ The PDA and Responding to COVID-19</td>
<td>Mary</td>
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<tr>
<td>➢ Review Strategic Plan Status</td>
<td>Mary</td>
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<td>➢ Adapting to the Future</td>
<td>Mary/John</td>
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<tr>
<td><strong>Master Planning</strong></td>
<td>Rico/Mary</td>
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<tr>
<td>➢ Definition of Terms</td>
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<td>[2 min each] = 30</td>
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<td>➢ Changes and Needs</td>
<td>Rico/Mary</td>
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<td>➢ Brief Outline of Process</td>
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### Topics/Agenda

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<th>Planning to Plan</th>
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<td>Outline Master Plan Needs</td>
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<tr>
<td>[Adjourn at 6:00]</td>
<td>Rico</td>
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### Council “Homework”

To “hit the ground running” at this shorter-than-usual retreat, please come with your ideas or view to “The New Normal.” **In 2 minutes maximum**, please present an idea or a prediction for 2022 and beyond. You might speak to:

- **Changes**—How will people in and activities at the Market be different? What might be the characteristics or indicators?
- **Needs**—What will the customers and stakeholders of the Market need?
## Strategic Themes and Priorities

While the City (and world) around the Market have changed dramatically since 1971 (and especially in the last 10 years), core activities and use of space in PDA-owned buildings and the historic district have remained consistent.

*While this was a core expectation and goal of the Charter, how can the Market grow/expand/modify the use of our facility and the activities within to better meet that changed City, and drive commerce in the Market?*

### Site and Building Assets

**Themes**

The core of the Market and protected by the Charter are the arcades, buildings and site, and the Market's prime, central location. While visitor traffic increases, this doesn’t always directly translate to more commerce for market businesses, and the at times vast crowds are now an impediment to purchasing-oriented patrons.

- What can the Market do to accommodate tourists and residents, and ease connection to the vendors at the core of our mission?
- How can the Market increase viability of lesser trafficked areas, and increase the amount of space for “incubation” and business growth?
- What should the Market do to reduce the impacts of short- and medium-term construction downtown and immediately adjacent to the Market?
- How can the Market strengthen physical and transportation connection to downtown and the waterfront?

**Priorities**

1. **Wayfinding and Access**
   - Improve customer ability to identify and access desired Market location
   - Reduce inefficiencies and complication of deliveries; improve access

2. **Waterfront and Overlook Walk**
   - Coordinate with City and other stakeholders to ensure fit with Market goals and operations

3. **Construction Around the Market (current year priority)**

### Marketing, Communications, Education and Programs

**Themes**

The Pike Place Market is a national and international brand with tremendous equity and potentially untapped value.

- *How can the Market leverage this brand to both more activity—and revenue—year-round?*
- *How can we expand and extend brand equity itself?*
Pike Place Market PDA
Strategic Planning—Priorities and Work Plan
2020

Priorities

4. Market Activation/Events
   - Develop a plan for additional activities and events though all areas of the market to expand customers and their visits to the Market

5. Increase Local Business
   - Develop marketing, facility design planning and use, new retail research and operational alternatives to increase market utilization by locals (downtown workers and residents, City and regional residents, multiple demographics)

6. New Website and Mobile App (current year priority)

Social Services

Themes

Core to the Market history and Charter are residential and social services to lower-income residents.

- What activities can increase this, reach new audiences and expand the social framework at our core?

Priorities

7. School Outreach
   - Develop “deep dive” plan for School Program

8. Foundation Coordination
   - Create process for integrating and improving PDA and Foundation planning and strategy

Revenue and Expense

Themes

While Market revenues have increased dramatically in the past decade, the rate of growth is plateauing, while expenses continue to rise.

- With aging historic buildings and regulations, and the changing retail landscape, what steps can the Market take to bolster its financial basis?

Priorities

9. New Business Incubation
   - Identify opportunities and needs (operational, facility, marketing) to increase new business starts and growth at the Market

10. Trademarking
    - Develop new paths and opportunities for Pike Place Market branded experience and merchandise through licensing and other
Governance and Mission

Themes

While the Charter and the originating vision of the market, including historic preservation, “meet the producer”, small business health, and more remain relevant and important, broader social and economic trends are narrowing or eliminating methods to achieve these ends. High quality, low-cost farmer produce is much more widely available than in 1971; as well there are many other locations for artisans to sell.

- How can the market continue and evolve as an “incubator” for local businesses?
- How does the Market avoid becoming a museum or a “tourist trap,” less relevant and substantive day-to-day for current users and tenants?

Priorities

11. Assertiveness

- Improve outreach, communication and posture in local and City policy, government, business and other communities

Functions, Spaces and Places

Themes

The Market is composed of a large and varied collection of buildings and spaces, with greatly varying usage, efficiency and character. Within the context of historical preservation and the PDA charter, there are opportunities to increase activity in current spaces.

- How can we improve the function of Market Spaces to:
  - Grow existing business?
  - Provide additional and/or improved space to incubate new business?
  - Expand opportunities to rebuild customer loyalties and add new customers?

Priorities

12. Functional Areas Development

- Develop strategies for:
  - Space for business incubation, including short term pop-up rentals
  - Use of common areas during evening hours
  - Improvements to outdoor spaces and courtyards as public amenities
  - Recruit goods and services currently missing from the Market
Throughout 2020 the Pike Place Market Public Development Authority (PDA) has been working to ensure the survival and viability of the Pike Place Market during the COVID-19 pandemic.

Since March, the PDA Council has approved $4M via two resolutions (20-09 & 20-20) authorizing withdrawal of funds from the Minimum Operating Reserves and Capital Reserve and Replacement Funds. These funds are necessary to cover shortfalls due to loss of income and to allow the PDA to undertake a service of measures to assist tenants in surviving the pandemic.

Below is an overview of the rent credits and incentives that have been provided to Pike Place Market commercial tenants, March through December 2020. Approved Resolutions are attached as Exhibit A.

<table>
<thead>
<tr>
<th>Department</th>
<th>Source</th>
<th>Date Approved</th>
<th>Benefit</th>
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<tbody>
<tr>
<td>Commercial – All tenants</td>
<td>20-11 &amp; City</td>
<td>4/8/20</td>
<td>WAIVED: Late fees for rent payments (March – December 2020)</td>
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<tr>
<td>Commercial, Daystell and Farm</td>
<td>Tenant Alert</td>
<td>April 2020</td>
<td>WAIVED: 5% Fees for online credit card payments (March – December 2020)</td>
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| Commercial – Retail   | 20-11                   | 4/8/20        | COMMON AREA COVID CREDIT: A credit of Common Area Charges for four (4) months to qualifying businesses (March – June, credit was applied in May)  
  • The amount of the credit is approximately equal to two and a half months base rent. (not applicable to office tenants who are not assessed this charge) |
| Commercial            | 20-14                   | 5/28/20       | COVID RENT INCENTIVE: 20% incentive credit towards rent payments paid from June through December 5, 2020. The credit was applied to balance forward after December 6, 2020 (June – December 2020) |
| Commercial – All tenants | 20-20                  | 8/27/20       | COVID OPERATING CREDIT: 50% reduction of base rent to qualifying businesses (September – December)  
  • Does not apply to cooler or storage space rentals and shall not affect the calculation of Common Area COVID credit.  
  • Not-for-profit community social services wholly within the Historic District, a COVID Operating Credit of 50% of monthly rent will be applied for September – December. |
| Commercial – All tenants | 20-20                  | 8/27/20       | COMMON AREA COVID CREDIT – 2: 20% reduction to qualifying businesses (September – December) |
| Commercial            | 20-20                   | 8/27/20       | REDUCED SOLID WASTE estimated charge: 20% off all flat rate waste disposal charges (September – December) for tenants with solid waste charges |
In addition, the PDA has made operational changes to reflect City and State issued guidelines to further assist the commercial, daystall, farm and residential communities during the COVID-19 pandemic.

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<th>Department</th>
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| All Tenants     | Marketing spearheaded initiatives to help the Market Community during COVID, helping to keep our businesses open and safe. Projects and programs include:  
- Signage market wide promoting the wearing of masks and good hygiene  
- Tenant Alerts with information on new guidelines and financial assistance  
- Educational classes to develop new business skills relevant to the current shopping trends  
- Marketing program focused on promoting ALL open businesses at the Market |
| Daystall & Farm |  
- Attendance requirements suspended until further notice and not anticipated to return until King County is in Phase 4  
- Permit holders retain current status  
- Off-season table rates in effect until further notice |
| Residential     |  
- Eviction moratorium issued by the City, effective March 16 – December 31, 2020 (or until termination of Proclamation of Civil Emergency)  
- No late fees may be assessed for non-payment or late payment of rent.  
- Increases in rent are prohibited |
| Commercial      |  
- Small business and non-profit organizations eviction moratorium, effective March 17 – December 31, 2020 (or until termination of Proclamation of Civil Emergency)  
- No late fees may be assessed for non-payment or late payment of rent.  
- Increases in rent are prohibited unless they were included in an existing lease agreement that was executed prior to 2/29/20.  
- Specific assistance to restaurant tenants in obtaining permits for outdoor dining areas to provide supplemental seating |
| All Tenants     |  
- PDA staff have coordinated and assisted tenants with applications to city, state and local charities for financial assistance in payment of past due bills, rent, and securing PPE equipment and supplies |
RESOLUTION 20-11

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.

Date Approved by Council: 04/08/20
For: 11
Against: 0
Abstained: 0
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.
RESOLUTION 20-14

Incentive Program for Payment of Commercial Tenant Rent
May 2020

WHEREAS, the Pike Place Market Preservation and Development Authority (PPMPDA) was chartered by the City of Seattle pursuant to RCW 35.21.730 et seq. with the mission of promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses, and the expansion of services to the public market and community; and,

WHEREAS, a State of Emergency was declared on February 29, 2020 by the Governor of the State of Washington, and was followed by similar proclamations by the Mayor of Seattle and Seattle City Council requiring limited access or temporary closure of commercial businesses in response to the COVID-19 pandemic; and,

WHEREAS, components of those proclamations and subsequent ordinances enacted by the State and City of Seattle have established a moratorium on the enforcement of rent payment contracts, a moratorium on rental rate increases and a waiver of late payment penalties and interest for commercial spaces occupied by small businesses; and,

WHEREAS, such laws and directives do not relieve commercial tenants of their obligation to ultimately fulfill and pay rent obligations, but provide that such payments may be deferred or repaid in payment plans over a six month period once the State of Emergency is lifted in the City of Seattle; and,

WHEREAS, the revenue to the PDA from commercial tenancies is an essential component of budgeted income required to keep the market operational and for the PDA to continue to provide services and fulfill its Charter obligations; and,

WHEREAS, preserving a reasonable cash flow during the current economic crisis is an important and necessary component of managing the PDA’s obligations, especially during a time when the PDA has found it necessary to draw $2 million from financial reserves while reducing operating costs.

NOW THEREFORE BE IT RESOLVED the PDA Council authorizes the PDA executive Director to provide a financial incentive to commercial tenants for payment of rent during the moratorium period established by City and State authorities.

AND BE IT FURTHER RESOLVED that such incentive program provide that sum of payments of rental charges received from commercial businesses from the period of June 1 through December 5, 2020 shall result in a credit of 20% towards the tenants’ account, to be applied to deferred rent or future rent payments due after December 5, 2020.

Date Approved by Council: May 28, 2020
For: 8
Against: 1
Abstained: 2

JJ McKay, Secretary/Treasurer

Date 4 June 2020
Adoption of Additional COVID-19 Credits for Commercial Tenants
August 2020

WHEREAS, the Pike Place Market Preservation and Development Authority (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, State and Federal ordinances and laws; and,

WHEREAS, the PDA receives no public funding to underwrite its stewardship of the Market and, therefore, pursuant to its City Charter, the PDA must be self-sustaining and generate sufficient rent and other revenue from Market operations to pay for the Market’s operating and short and long term maintenance costs; and,

WHEREAS, the Market and its principal buildings are well over 100 years old and, as a landmark listed on local, State and National Registers of Historic Places, the Market must be maintained to a high level of quality, consistent with the requirements of that status; and,

WHEREAS, the PDA, as faithful steward of the Market, has had a policy and practice of setting aside reserves to be used to maintain the integrity of Market structures consistent with applicable historic preservation standards; 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 a government mandated closure of most Market businesses for several months, resulting in a significant decline in PDA revenues from commercial, daystall, and farm tenants; and,

WHEREAS, the COVID-19 virus emergency has presented unique and unprecedented challenges for many Market tenants, whose 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, in view of the extended closures and limitations on public activity, absent supportive action within the PDA’s financial capacity, many tenant businesses are significantly challenged by reduction in operating revenues that materially threaten their viability; and,

WHEREAS, the PDA Council previously has provided direction to reduce operating expenses and provide rent credits to most Market tenants available as a result of such reductions in its own
common area costs (Resolution 20-11); implemented rent deferral programs established by State and local emergency orders; and provided rent payment incentives for commercial tenants; and,

WHEREAS the PDA Council has in Resolution 20-09 authorized use of $2,000,000 (two million dollars) of Reserve Funds to cover expected operating deficits in the current budget year due to the dramatic drop in tenant rent revenue, including the much reduced revenue that continued to be generated by those few that have been able to continue to operate at significantly reduced levels; and,

WHEREAS, the duration of the COVID-19 virus emergency health protocols continues longer than initially expected, requiring the PDA to identify additional measures that could assist with the continued survival and operation of business activities in the Pike Place Market so essential to its survival, expected to persist through Phase 2 and 3 or the current State and local public health restrictions; and,

WHEREAS, the extended duration of the emergency has presented many smaller Market businesses with dim prospects for being able to meet current and deferred rent obligations, increasing the likelihood of continuing reduced revenue to the PDA and uncollectable accounts for deferred rent; and,

WHEREAS, the PDA recognizes that further depletion of its reserves to provide needed support for its struggling tenants will present challenges for the PDA in the future in meeting its own stewardship of Market infrastructure, likely requiring earlier and larger public support for future investment in such infrastructure similar to the 2008 voter-approved City levy that funded the most recent comprehensive Market renovation; and,

WHEREAS, on balance, the PDA has determined that the crisis facing its merchants represents such an existential challenge to the viability of the Market that additional expenditure of reserves for tenant rent relief is both necessary and justified.

NOW, THEREFORE, BE IT RESOLVED that the PDA Council authorizes its Executive Director to implement COVID OPERATING AND COMMON AREA COVID CREDITS on commercial tenant accounts for the period of September through December, 2020, and that such credit programs be directed to offset the adverse COVID financial impact on small businesses and community service agencies that commit to make good faith efforts to reopen and remain in operation, employ personnel and provide goods and services to the Market community and Seattle region, as they have done historically.

BE IT FURTHER RESOLVED that in order to fund such efforts, the PDA Council authorizes the withdrawal of up to an additional $2 million from Capital Reserves and Replacement Fund (CRRF) to offset the projected budget impacts to the 2020 operating budget from the implementation of these emergency credits:

- The estimated budget impact of the COMMON AREA COVID CREDIT is $201,600 ($50,400 per month)
- The estimated budget impact of the COVID OPERATING CREDIT $800,000 ($200,000 per month)
- The estimated amount of deferred commercial rents to be posted as accounts receivable at the end of 2020 is $ 1,932,888.

BE IT FURTHER RESOLVED that the Executive Director shall formally communicate to the Mayor and City Council that the PDA has taken these steps in the interest of sustaining the Market as a viable commercial enterprise such that it may still recover its ability to be as self-sustaining as possible but that, as a
consequence of depleting its reserves to do so, the City very likely will need to consider an earlier and larger life-cycle scale capital investment in the Market physical plant similar to that represented by the 2008 levy.

JJ McKay, Secretary/Treasurer

Date Approved by Council: August 27, 2020
For: 10
Against: 0
Abstained: 1

10 Sept 2020
SCHEDULE A to RESOLUTION 20-20

The following criteria are established by direction of the PDA Council to address economic impacts of the continuing COVID-19 health emergency. The COVID credit criteria applies to administration of PDA operating accounts for collection and billing of commercial rents.

COMMON AREA COVID CREDIT

Applicability – All PDA tenants with common area charges
A credit towards recurring Common Area Charges reflecting anticipated reduction in operating costs through the end of the year. The amount of credit will be 20% of monthly Common Area Charges as currently calculated at 61% of monthly base rent. The COMMON AREA COVID CREDIT will be applied for last four months of the 2020 calendar year.

Example: Monthly base rent is $100. Common Area charge is $61. Credit will be 20% of $61 = $12.20

COVID OPERATING CREDIT

Applicability – All PDA tenants which are small businesses where business revenue has dropped at least 25% in volume during comparable periods prior to the COVID emergency.

Conditional requirement – The COVID OPERATING CREDIT is intended to offset cost of returning business to operation after a period of closure. Businesses must reopen no later than September and tenants shall commit to good faith efforts to remain open on a regular schedule for at least 4 days per week.

All commercial tenants with leases requiring payment of sales based rent
A monthly COVID OPERATING CREDIT of 50% of regular monthly base rent charges will be applied for the last four months of the 2020 calendar year. This credit shall also be applied to “Prep space” portions of leased commercial area, contiguous to the main retail premises. No credit will be applied for cooler or storage space rentals. The credit shall not affect the calculation of COMMON AREA COVID CREDIT above.

For not for profit community social services whose operations are wholly within the Historical District, a COVID OPERATING CREDIT of 50% of monthly rent will be applied for the last four months of the calendar year, provided such community services remain available to the public and target population.

Additionally, the Executive Director is authorized to provide comparable credits to offset costs of operation and lower revenue due to COVID restrictions. Such cases may exceed 50% of monthly base rent credits when:

- Business or services have been prevented by government guidelines from operating at 25% capacity beyond Phase 2.
- There average monthly base rent represents a minor proportion of total rent charges, (i.e. percentage rent payments for 2019 were at least double the amount of minimum monthly base rent).

In such cases the Executive Director shall report to the PDA Council Finance & Asset Management Committee on the status of such proposals. PDA Council approval is required for any lease modification with value of credits in excess of the 50% of minimum monthly rent when that excess is greater than $10,000 for the four month period unless such excess is included in a deferred rent payment agreement.
2020 Pike Place Market
Adapting to the future
IMPLEMENTATION, REFINEMENT, EVOLUTION
PDA COUNCIL RETREAT, DECEMBER 17, 2020
PDA Charter Priorities

To own, manage and develop properties for the ongoing purpose of:

• Community preservation
  • Buildings – Historical setting
  • Businesses - Meet the Producer
  • Residents – All incomes

• Stabilize economic and physical vitality

• Develop and grow a community to sustain the area
Master Plan Points of Reference

• **PDA Charter** – not for profit, quasi governmental, volunteer board, self funded operations within the historical district.

• **Pike Place Market Historical District** – city staff, volunteer board, land use regulation

• **City contracts** – Codes and regulations, capital upgrades, service contracts

• **Landlord /Tenant relationship**

• **Other funding agreements** (Low Income Housing)

• **Affiliation** with **Market Foundation**

• **PDA affiliation** with community interest groups (DSA, Visit Seattle, AHMA, WSFMA)
Measurements of Success

• Supportive management and operations structure with a sound financial base
• Preserving traditional businesses – independent, producers, food related
• Expansion to provide opportunities for new business and customer services
• Keeping a strong community (including housing and services)
• Maintaining and upgrading physical plant
How is Market space used?

PDA Leased Commercial Spaces
Total 267,000 sq ft

- Office: 11,703 (4%)
- Non Food: 58,071 (22%)
- Food: 36,490 (14%)
- Senior Hsg: 38,800 (14%)
- Services: 2,298 (1%)
- Social Service: 30,834 (12%)
- Storage: 8,759 (3%)
- Dining: 77,878 (29%)
- vacant: 3,000 (1%)
The Market continues to have legacy businesses and room for new startups (from 2019)
2020 Impacts on Business Income (tenants and PDA)
What were goals are now necessities 2020 – 2025, thus a Master Plan

- Emphasis on maintaining a distinctive destination, featuring locally sourced products and businesses
- Focus on local customer-oriented service
- Sustaining a working market
- Creating space for the next generation of innovative entrepreneurs
- Supporting adaptive retail – digital, in-house brands, pop-ups
- More creative use of outdoor and common area space