



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES – December 19th, 2013

Elliott Bay Room

Council Members: Matt Hanna, Patrick Kerr, Jim Savitt, Gloria Skouge, Betty Halfon, David Ghoddousi, Bruce Burger Ann Magnano, Patrice Barrentine, Jackson Schmidt

Staff Present: Ben Franz-Knight, Tamra Nisly, Jennifer Maietta, Scott Davies, Dianna Goodsell

Others Present: Howard Aller, Joan Paulson, Brian Lloyd, Rich Moore

The meeting was called to order at 4:01 p.m. by Matt Hanna - Chair

I. Administration

A. Adoption of Agenda

Jackson Schmidt moved that Section V, be presented after Section III. Bruce Burger seconded Jackson Schmidt's motion.

The agenda, as amended, was approved by acclamation

B. Review and Approval of the November 21st, 2013 Meeting Minutes

The meeting minutes, as amended was approved by acclamation

II. Public Comment Including the Market Community

David Ghoddousi noted that the Pike Place Market lost a valuable community member, Richard Schmidt, who had recently passed away. David noted that Richard was an instrumental member of the Daystall and Craft community.

III. Reports and Information Items

A. Council Chair Report

Matt Hanna presented a brief Council Chair Report for the month of December 2013. He commented on a discussion from the PDA Council Retreat regarding the future of the Waterfront Entrance Project and submitting a memo to the City of Seattle from the Pike Place Market PDA. He articulated several items to include into the transition memo to the Mayor's Elect Office and to City Council. He lastly noted that there would be a discussion regarding the Heritage House transaction and next steps for the acquisition of Heritage House; he added that he would be recusing himself from the voting of the Proposed Resolution 13-72.

B. Executive Director's Report

Ben Franz-Knight presented a brief Executive Director's Report for the month of December. He highlighted several items in the ED Report including a great start to the holiday season and ongoing Market holiday promotions.

C. Committee Chair Report

None

- D. Other Reports
None

IV. Key Issues Presentation

- A. Heritage House Acquisition

- I. **Action Item:** Proposed Resolution **13-72:** Approval of Acquisition of Unit 2 - Heritage House

Ben Franz-Knight introduced the resolution which states that the PMPDA is the owner of certain parcels of real property located in the historic Pike Place Market (the "Market") in the City of Seattle, King County, Washington, including the PC-1S condominium ("Condominium"), which includes five units with various uses; and WHEREAS, Unit 2 of the Condominium consists of the Heritage House, a 38,800 square foot Senior Assisted Living facility, which includes 60 residential units, a main floor community room, dining room and lobby. The Heritage House was built by the PDA in 1989 and transferred to the Seattle Housing Authority ("SHA") in 1990. The Heritage house is currently operated by Providence Housing Services, Inc. ("Providence") pursuant to a ten year lease; and WHEREAS, in conjunction with the transfer of Unit 2 from the PMPDA to the SHA, the PMPDA retained a Right of First Offer and Refusal (the "Right") to acquire Unit 2, should the SHA desire to sell Unit 2. SHA has expressed a desire to sell Unit 2, and has offered terms and conditions for the PDA to consider in the event it wishes to exercise its Right; and WHEREAS, the terms offered by the SHA include a covenant restricting the continued use of Unit 2 to Senior Low-Income Housing; the transfer to the PMPDA of the current maintenance reserve for the building of approximately \$180,000; and assumption of the current lease with Providence, which commenced in November, 2012; and WHEREAS, acquisition of Unit 2, and continued operation of Unit 2 for low-income housing, would be consistent with the PMPDA's Charter mandates, including the mandate to preserve and rehabilitate the properties in the Pike Place Market Historic District, and to provide support services for low and moderate income persons by providing low-income housing and senior assisted living; and WHEREAS, the acquisition outlined above represents or contemplates actions identified in the PMPDA Charter that are subject to completion of the Special Disclosure and Review Process before final action by the PMPDA Council including:

1. Acquisition of real property in the Pike Place Market Historic District; and
2. Entry into a real property lease agreement for a term longer than one year.

WHEREAS, the PMPDA has undertaken the public disclosure and review process required by Article XV of the PMPDA Charter; and WHEREAS, the PMPDA desires to obtain the Heritage House for various reasons, including those identified above. THEREFORE BE IT RESOLVED by the Council of the Pike Place Market Preservation and Development Authority as follows:

PMPDA's acquisition of Heritage House as generally set forth above is hereby approved.

THEREFORE BE IT FURTHER RESOLVED by the Council of the Pike Place Market Preservation and Development Authority as follows:

The Executive Director is authorized to execute all documents necessary for the PMPDA to acquire Unit 2, including (i) subjecting Unit 2 to an appropriate use restriction that would ensure continued use of Heritage House as a senior assisted living facility; and (ii) assumption by the PMPDA of the existing SHA Master Lease with Providence.

Ben Franz-Knight provided a background on the Heritage House transaction including discussion on the transaction documents with Rich Moore. Rich Moor noted that with the approval of Resolution 13-72, the PDA would become the owner of the building. He added that we do have a commitment

for title insurance and we assume the cost for any capital need of the building. Rich noted that we are working on the type of deed for the transaction; we would want the Statutory Warranty Deed. Once we own secure the Statutory Warranty Deed, the appropriate property would be used for the purpose of the building in the covenant.

There was a discussion that followed regarding the acquisition of the Heritage House and legal transaction.

David Ghoddousi inquired about the type of deed and the option of deed that will go with the Heritage House transaction.

Jim Savitt inquired on was specific extension items in the Heritage House agreement. He noted that he is absolutely unable to agree with a perpetual use restriction even if we would consider it with the city; he is willing to agree to some extent to the use covenant.

Betty Halfon inquired about maintenance expenses for Heritage House and future costs for upkeep of the building.

Bruce Burger noted that the committee would need to enter into Closed Session in order to discuss specific items in part of the Heritage House agreement.

The Committee went into Closed Session at 4:55p.m.

The Committee ended Closed Session at 5:11p.m.

Open Session started at 5:12p.m.

The Committee discussed the Proposed Transfer of the Acquisition of Unit 2 of Heritage House during Closed Session.

Jackson Schmidt motioned to table Proposed Resolution 13-72 until the following month, Betty Halfon seconded the motion.

For: Matt Hanna, Jim Savitt, Bruce Burger, Patrick Kerr, Betty Halfon, Ann Magnano, David Ghoddousi, Patrice Barrentine, Jackson Schmidt, Gloria Skouge

Against: 0

Abstained: Matt Hanna

The motion to table Resolution 13-72 Approval of Acquisition of Unit 2 Heritage House passed with a vote of 9-0-1.

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

A. Consent Agenda

Action Item: Proposed Resolution **13-74:** Lease Proposals - December 2013

Action Item: Proposed Resolution **13-77:** Authorization for Contract Authority - Installation of Cameras in the Skybridge Elevator Cabs

Motion to approve the consent agenda

Betty Halfon moved, Gloria Skouge seconded

For: Matt Hanna, Jim Savitt, Gloria Skouge, John Finke, Bruce Burger, Patrick Kerr, Betty Halfon, Ann Magnano, David Ghoddousi, Patrice Barrentine

Against: 0
Abstain: 0

The Consent agenda passed unanimously

B. New Business

Action Item: Proposed Resolution **13-75:** 2014 PDA Annual Council & Council Committee Meeting Schedule

Ben Franz-Knight introduced the resolution which states that the PDA Council and Council Committee meeting schedule is currently determined by setting the meeting of the full PDA Council generally on the last Thursday of each month with standing Committee meetings scheduled prior to that date throughout the month as follows:

	Waterfront Redevelopment:	3 rd Thursday of the Month – 4:00 pm to 6:00 pm
W H E R E W H	Market Programs:	2 nd Thursday of the Month – 4:00 pm to 6:00 pm
	Finance & Asset Management:	3 rd Tuesday of the Month – 4:00 pm to 6:00 pm
	Executive:	Wednesday, One week prior to PDA Council – 4:30pm to 5:45pm

EREAS, certain Council and Committee meeting dates have been adjusted for holidays, which will include;

- November Market Programs Committee Meeting - November 6th, 2014
- November Finance & Asset Management Committee Meeting - November 11th, 2014
- November Waterfront Redevelopment Committee Meeting - November 13th, 2014
- November PDA Council Meeting - November 20th, 2014
- December Market Programs Committee Meeting - December 4th, 2014
- December Finance & Asset Management Committee Meeting - December 9th, 2014
- December Waterfront Redevelopment Committee Meeting - December 11th, 2014
- December PDA Council Meeting - December 18th, 2014

NOW THEREFORE BE IT RESOLVED, that the PDA Council hereby amends its meeting schedule by setting the meetings for the year (an example of which is attached to this resolution as Exhibit A – 2014 PDA Council and Council Committee Meeting Calendar).

David Ghoddousi moved, Bruce Burger seconded

There was a brief discussion that followed

Betty Halfon noted that she would like the calendar to schedule the retreat in advanced if possible.

Jim Savitt commented on the September 25th PDA Council meeting and the meeting following on Rosh Hashanah.

Ben Franz-Knight suggested in setting the meetings for the month of January 2014 and returning back the following month to amend the remaining 2014 calendar.

Bruce Burger motioned the following changes to the January 2014 calendar; Finance & Asset Management moved from 1/21 to 1/16, Waterfront Redevelopment moved 1/16 to 1/13 Market Programs moved from 1/9 to 1/15; Executive and PDA Council would remain on 1/22 and 1/30 respectively. Betty Halfon seconded the motion.

For: Jim Savitt, Bruce Burger, Patrick Kerr, Betty Halfon, David Ghoddousi, Patrice Barrentine, Jackson Schmidt
Against: Gloria Skouge
Abstained: Matt Hanna, Ann Magnano

Resolution 13-75 as amended passed with a vote 7-1-2

Action Item: Proposed Resolution **13-76:** Authorization for Contract Authority - Beacon Development Group - Low Income Housing Finance Consultant - PPM-WE (PC1-N)

Ben Franz-Knight introduced the resolution which states that 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, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic District, and;

WHEREAS, in order to maintain the viability of the Pike Place Market the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-IN that may directly affect the future of the Market, WHEREAS, the PPMPDA has determined that Low-Income Housing Finance Consultant services are necessary for the design, development and funding of the PC-IN project; and, WHEREAS, the PPMPDA conducted a public process and issued a Request for Qualifications (RFQ) for Low-Income Housing Finance Consultant Services in accordance with its Purchasing Guidelines and received four (4) proposals, and conducted interviews of four (4) finalists, Beacon Development Group was identified as the best qualified; and, WHEREAS, the PPMPDA approved resolution 13-35 authorizing a contract with Beacon Development Group in an initial amount not to exceed \$27,000 for services as specified in the contract for Low-Income Housing Finance Consultant Services for PCIN; and, WHEREAS, Beacon Development group provided critical contributions to the low-income housing design for PPMWE and prepared applications to the Seattle Office of housing seeking initial funding to support securing Low Income Housing Tax Credits; and, WHEREAS, the Seattle Office of Housing has awarded \$1.4 million for the housing component of PPMWE; and, WHEREAS, the PDA wishes to pursue Low-Income Housing Tax Credits and requires the continued consultant and development services of Beacon Development Group; and,

NOW THEREFORE, BE IT RESOLVED that the PDA Council authorizes the PDA Executive Director or his designee to enter into a Development Management Agreement (substantially in the form attached as exhibit A) with Beacon Development Group for securing funding, financing and providing project management services for Western Avenue Low-Income Housing, the low-income housing component of PPMWE; and, BE IT FURTHER RESOLVED, that the fee paid to Beacon Development Group shall be 50% of the maximum total Development Fee authorized by the Washington State Housing Finance Commission in an amount not to exceed 10% of total project development cost pursuant to its schedule included in Exhibit B (Compensation) to the attached Development Management Agreement.

Jackson Schmidt moved, Patrick Kerr seconded

For: Matt Hanna, Jim Savitt, Bruce Burger, Patrick Kerr, Betty Halfon, Ann Magnano, David Ghoddousi, Patrice Barrentine, Jackson Schmidt, Gloria Skouge
Against: 0

Abstained: 0

Resolution 13-76 passed unanimously

C. Other
None

VI. Further Public Comment

Joan Paulson noted that she had submitted a letter to Justine Kim, PPM-WE Project Manager concerning several issues regarding the PC-IN site at the Pike Place Market; a copy of the letter was included with the meeting minute's record. Joan separately commented on the PDA Council Retreat discussion regarding Authenticity of the Market; she noted that the discussion was very informative.

VII. Concerns of Council Members

None

VIII. Adjournment

The meeting was adjourned at 5:18p.m. by Matt Hanna Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator