



Pike Place Market Preservation and Development Authority (PDA)

COUNCIL MEETING MINUTES – January 30th, 2014

Elliott Bay Room

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

Staff Present: Ben Franz-Knight, Tamra Nisly, Jennifer Maietta, John Turnbull, Sabina Proto, David Dickinson, Kateesha Atterberry, Erica Bates, Emily Crawford, Brady Morrison, Jeff Jarvis, Lillian Hochstein, Zack Cook, Dianna Goodsell

Others Present: Howard Aller, Joan Paulson, Chris Scott, Rich Moore, Sharon Mukai, Bo Zhang, Paul Dunn

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

I. Administration

- A. Adoption of Agenda
The agenda was approved by acclamation
- B. Review and Approval of the December 19th, 2013 Meeting Minutes
The meeting minutes, as amended was approved by acclamation

II. Public Comment Including the Market Community

Howard Aller commented on the meeting calendar

Rico Quirindongo entered in at 4:03p.m.

III. Reports and Information Items

- A. Council Chair Report
Matt Hanna presented a brief Council Chair Report for the month of January 2014. He reported on the evening's agenda's key items including the 2014 Strategic Planning Objectives, review of the 2014 PDA Annual Plan and the Acquisition of Heritage House. He lastly provided a brief update on the Pike Place Waterfront Entrance efforts, including details on the funding status for the low-income housing portion of the project.
- B. Executive Director's Report
Ben Franz-Knight presented a brief Executive Director's Report for the month of January. He highlighted several items in the ED Report as well as reporting 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. 2014 Annual Plan Presentation

Ben Franz-Knight presented on the 2014 Annual Plan; a copy of the presentation was included with the meeting minute's record. A summary of the 2014 Annual Plan presentation included a review of following areas:

- 2014 Strategic Issues
- Asset Management - Commercial, Residential, Event Rooms & Atrium Kitchen
- Executive - Management & Human Resources, Office Administration
- Finance - Accounting, IT
- Programs & Marketing - Daystall, Farm, Marketing & Communications
- Operations - Capital Projects, Facilities, Maintenance, Parking, Security
- Market Foundation

B. Strategic Issues for 2014

Ben Franz-Knight presented the Strategic Issues for 2014. Planning objectives for the 2014 Strategic Issues included the following six areas:

- PPM Waterfront Entrance
- Market Authenticity – Active management and stewardship that support maintaining the traditional character of the Pike Place Market
- Market Neighborhood Boundaries and Outreach
- Management of Market Reserves – Annual Capital Needs/Waterfront Entrance Contribution/Emergency Funds/Investment Strategy
- Sustainability – Economic, environmental, and operational impacts
- First Avenue Street Car – Benefits of Center City Streetcar/General Impacts to Market/Impacts from new Amazon campus in 2017

C. Acquisition of Heritage House

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 PPMPDA 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-IS 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 PPMPDA to the SHA, the PPMPDA 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 PPMPDA 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 PPMPDA'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 Moore 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.

Jackson Schmidt motioned, Ann Magnano seconded

For: Patrick Kerr, Jim Savitt, Gloria Skouge, Betty Halfon, David Ghoddousi, Bruce Burger, Ann Magnano, Jackson Schmidt, Rico Quirindongo

Against: 0

Abstained: Matt Hanna

Resolution 13-72 passed with a vote of 9-0-1.

D. Pike Place Market Satellite Markets

Zack Cook presented an overview on the 2014 PDA Farm Program and Express Market Expansion. A copy of the presentation was included with the meeting minute's record. A summary of the presentation was noted as follows:

Program Overview

- Started in 2009 with City Hall and Cascade
- Three locations: City Hall (2009), South Lake Union (2011) and Pioneer Square (2013)
- Ended decline of total farm permits and increases both overall farmer participation and attendance at Pike Place

- Promotes overall Pike Place Market brand. Provides additional sales for complimentary commercial tenants: Ellenos, Mt. Townsend, etc.
- Some markets provide critical access for food assistance program clients (City Hall, Pioneer Sq.)

2013 Vendor Sales & Participation

- 20 participating farms
- \$15,866 average per vendor for the season
- 7 vendors making over \$20,000
- Remote market vendors sold 365 times at the Farmers Market on Pike Place
- 81% of the total number of vendors

2014 Expansion Opportunities

Virginia Mason

- 8 - 10 Vendors
- 40,000+ healthcare workers
- First Hill has high concentration of low-income residents and limited access to grocery stores
- 1.2 million meals served annually through hospital food service
- Institution promotes local, organic and sustainably raised products
“eat local, buy local, be local”

Microsoft Commons

- 14 - 16 Vendors
- 40,000+ employees on campus
- 10,000+ meals served daily in the Commons
- Institutional purchasing opportunities with campus cafes
- Focus on creating repeat customers for local businesses
- Operational support provided

There was a discussion that followed

Ann Magnano noted she would like to have the resolution brought to Market Programs first regarding the addition of satellite markets at Virginia Mason and Microsoft.

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

A. Consent Agenda

Action Item: Proposed Resolution **13-75:** 2014 PDA Annual Council & Committee Meeting Schedule - Taken off the consent agenda

Action Item: Proposed Resolution **14-03:** Authorization for Contract Authority - Consolidate all PDA Security Camera Recordings to New Server and Software

Patrick Kerr requested to pull Proposed Resolution **13-75:** 2014 PDA Annual Council & Committee Meeting Schedule off the Consent Agenda.

There was a motion to approve the consent agenda with the removal of Proposed Resolution 13-75

Betty Halfon moved, Gloria Skouge seconded

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

Against: 0
Abstain: 0

The Consent Agenda passed unanimously

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

Ben Franz-Knight introduced the resolution which states that the

Bruce Burger moved, Gloria Skouge seconded

Patrick Kerr noted that he was opposed to this scheduling of the Finance & Asset Management Committee. Ben discuss the rationale for the meeting schedule

For: Gloria Skouge, Betty Halfon, Bruce Burger, Ann Magnano, Jackson Schmidt, Rico Quirindongo
Against: Patrick Kerr, Jim Savitt, David Ghoddousi
Abstain: Matt Hanna

Resolution 13-75 passed with a vote 6-3-1

B. New Business

Action Item: Proposed Resolution **14-02:** Lease Proposals - January 2014

Ben Franz-Knight introduced the resolution which stated the following lease proposals for January 2014:

Slow Loris Studio Jessica Lynch & Arlo Rumpff	One (1) Year	March 1, 2014
Pen & Ink Patrick Kerr	Three (3) Years	February 1, 2014
Rotary Grocery Henry & Jane Kim	Three (3) Years	February 1, 2014

David Ghoddousi moved, Betty Halfon seconded

There was a brief discussion that followed

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

Resolution 14-02 passed with a vote 8-0-2

Action Item: Proposed Resolution **14-04:** Adoption of the Strategic Planning Objectives for 2014

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 promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, WHEREAS, in order to maintain the viability of the Market the PMPDA has undertaken an effort to identify Strategic Planning issues and opportunities for 2014; and, WHEREAS, these potential Strategic Planning Issues were reviewed by the PDA Full Council during the December 18th Council Retreat with input assistance from PDA Staff that included an assessment of which Strategic Planning Issues the PDA should pursue in 2014; and, WHEREAS, the PDA Full Council determined that further analysis and effort should be devoted in 2014 to the six Strategic Issues noted below.

THEREFORE, BE IT RESOLVED that:

1. The PDA Council, in recognition that all of the issues cannot be addressed in one calendar year, identifies the following six issues to be addressed, and for which a plan of action shall be decided upon, during 2014 (the "2014 Strategic Issues"):

- PPM Waterfront Entrance
- Market Authenticity – Active management and stewardship that support maintaining the traditional character of the Pike Place Market
- Market Neighborhood Boundaries and Outreach
- Management of Market Reserves – Annual Capital Needs/Waterfront Entrance Contribution/Emergency Funds/Investment Strategy
- Sustainability – Economic, environmental, and operational impacts
- First Avenue Street Car – Benefits of Center City Streetcar/General Impacts to Market/Impacts from new Amazon campus in 2017

2. The 2014 Strategic Issues shall be tracked on a timeline that will be updated and amended as appropriate to measure, monitor, and ensure the timely progress of Staff's and the Council's analysis with work on those issues beginning in February, 2014.

Patrick Kerr moved, Bruce Burger 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: Matt Hanna

Resolution 14-04 passed with a vote of 9-0-1

C. Other
None

VI. Further Public Comment

Joan Paulson commented on the Heritage House Acquisition transaction as well as suggestions for 2014 Sustainability efforts and potential rebate programs for the Market.

Closed Session started at 5:55p.m.

A. Closed Session for Pending Litigation: Abdelaziz El Quali Alami v. Pike Place Market PDA (*Closed Session Per (RCW 42.30.110(l)(b))*)

Closed Session ended at

Open Session started at

The Committee discussed the pending litigation for Abdelaziz El Quali Alami v. Pike Place Market PDA.

VII. Concerns of Council Members

None

VIII. Adjournment

The meeting was adjourned at 6:06 p.m. by Matt Hanna Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator