



Pike Place Market Preservation and Development Authority (PDA)

FINANCE & ASSET MANAGEMENT COMMITTEE
Meeting Minutes

Tuesday, March 18th, 2014
4:00 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: Gloria Skouge, Patrice Barrentine, Jim Savitt, David Ghoddousi, Patrick Kerr

Other Council Members Present:

Staff Present: Ben Franz-Knight, Sabina Proto, John Turnbull, Jennifer Maietta, Mike Downing, Jay Schalow, Matt Holland, Bob Beckstrom, Andre Zita, Dianna Goodsell

Others Present: Joan Paulson, Howard Aller

The meeting was called to order at 4:06p.m. by Gloria Skouge, Chair

I. Administrative

A. Approval of the Agenda

The agenda, as amended, was approved by acclamation.

B. Approval of the February 18th, 2014 Finance & Asset Management Committee Minutes.

The minutes were approved by acclamation.

II. Announcements and Community Comments

None

III. Presentations and Discussion

A. Review of the Financial Statements for February 2014

Sabina Proto gave a brief overview of the Financial Statements for February 2014. The following content was included with the Financial Statements for February 2014. Current Assets decreased compared to the prior month mostly in the Miscellaneous Receivable category. Designated Cash showed a decrease due to the spending of WSDT funds regarding the Pike Place Market Waterfront Entrance project. Restricted Cash increased due to the monthly contribution to Debt Service Accounts. Fixed Assets increased because of the work performed in different capital projects. Current Liabilities decreased mainly in the category of Accounts Payable. Long Term Debt decreased due to the monthly payments on our long term obligations. Our Net Position for the current year operating result was \$281,304. Under the Accounts Receivable Report, the accounts receivable decreased in February compared to January mostly in the Daystall category.

Under the PDA Operating Statement, the Total Revenue for the end of February 2014 was \$2,552,586 or over budget by \$189,248. The Total Operating Expense YTD was \$1,772,219 or over budget by \$105,352. The Net Operating Result YTD for the end February was \$780,367 or \$294,600 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$ 1,783,408 and for the end of February the actual amount was \$483, 006.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent and Direct Utilities; Percent Rent was \$12,859 over budget and \$32,944 over the actuals of the same period last year. Residential Revenue was over budget overall by \$ 7,155. Surface Revenue was over budget by \$8,988, Garage Revenue was over budget by \$23,122 because on Early Bird customers and increases in the number of construction workers parking in our garage. Miscellaneous Revenue was slightly under budget overall. Under Operating Expenses, expenses were under budget in most departments.

I. Checking Account Activity Report

The Checking Account Activity Report was distributed to Dianna Goodsell, Administrative Services Coordinator.

B. **Action Item:** Proposed Resolution **14-18:** Amendment of the Property Management Agreement between PPM PDA and PPM QALICB

Sabina Proto introduced the resolution which states the PDA has carefully reviewed the 2013 Management Fee Agreement and is requesting additional payment of Management Fee from PPM QALICB for year 2013. WHEREAS, The Property Management Agreement between PPM PDA and PPM QALICB states: "PDA shall be entitled to additional management fees as agreed by the parties from time to time." Based on the actual performance of the QALICB during 2013, which has exceeded the projected revenues provided on the financial model for PPM QALICB, and because this performance has created excess cash in PPM QALICB books. THEREFORE BE IT RESOLVED, that the PDA Council hereby authorizes the PDA Executive Director, or his designee, to approve policy terms and conditions in consideration for PDA's performance pursuant to the Management Fee Agreement (EXHIBIT A), Master Tenant shall pay to PDA a one-time Additional Fee in the amount of three hundred seventeen thousand one hundred twelve dollars (\$317,112).

Jim Savitt moved, Patrice Barrentine seconded

Patrick Kerr entered on at 4:30p.m.

There was a brief discussion that followed.

For: Gloria Skouge, Jim Savitt, Patrice Barrentine, David Ghoddousi

Against: 0

Abstain: Patrick Kerr

Resolution 14-18 passed with a vote of 4-0-1

C. Management of Market Reserves Discussion

Ben Franz-Knight discussed options regarding the Management of the Market Reserves. He noted that this was a continuing discussion of our strategic issue on how we manage our reserves going forward. He stated that the early exploration of this was to look at a completely different investment strategy for up to 2.5 million of our reserves; current those reserves are held at our LGIP with very minimal returns. His discussed about lower risk option in which we would pay off one of our bonds for the garage early an also recouping the savings from the interest payments.

There was a discussion that followed.

Ben Franz-Knight discussed next steps regarding Management of the Market Reserves He noted that we would need to see what fully fleshes out and what it takes to pay off the existing bond. He reported that a resolution would be brought back next month at the April Finance and Asset Management Committee Meeting.

Jim Savitt inquired on what happened to the funds in the 2008 LGIP.

- D. Audit Report LaSalle Senior Housing LLC for year-end December 31, 2013
Sabina Proto presented the Audit Report for LaSalle Senior Housing LLC for December 31, 2013 year end. A copy of the LaSalle Senior Housing LLC Audit letter was included with the meeting minute's record.

IV. Reports and Action Items

- A. **Action Item:** Proposed Resolution **14-16:** Authorization for Contract Authority - Pressure Wash/Seal Garage Exterior

Bob Beckstrom 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 and survival of small businesses, and the expansion of services to the public market and community; and, WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined the Parking Garage exterior is in need of pressure washing and concrete sealant. WHEREAS, the PPMPDA has executed a competitive bid process to clean the garage building exterior, including applying a concrete sealer.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Long Painting Company in an amount not to exceed \$45,939.63 for the execution of pressure washing and sealing the Garage Exterior.

The funds for this project will be drawn from the Capital Projects Budget, Pressure Wash/Seal Exterior Accounting Code 163761-00.

Jim Savitt moved, Patrick Kerr seconded

For: Gloria Skouge, Jim Savitt, Patrice Barrentine, David Ghoddousi, Patrick Kerr

Against: 0

Abstain: 0

Resolution 14-16 passed unanimously

- B. **Action Item:** Proposed Resolution **14-19:** Authorization for Contract Authority - Upgrade SKIDATA System at Garage

Mike Downing introduced which states that the Pike Place Market Preservation and Development Authority (PPMPDA) were 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, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined the Parking Garage Pay Stations SKIDATA system needs to be upgraded. WHEREAS, the PPMPDA has executed a sole source bid to upgrade the SKIDATA system in all four pay stations, and the parking office SKIDATA computer system.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Protection Technologies Inc. in an amount not to exceed \$38,987.48 for the execution of upgrading the SKIDATA system. The funds for this project will be drawn from the Capital Garage Reserve Fund. Accounting Code 163766-00.

Patrick Kerr moved, Patrice Barrentine seconded

There was a brief discussion that followed.

David Ghoddousi asked if there was an option of a buyout clause in our current Parking Garage Pay System contract with Protection Technologies Inc.

For: Gloria Skouge, Jim Savitt, Patrice Barrentine, David Ghoddousi, Patrick Kerr
Against: 0
Abstain: 0

Resolution 14-19 passed unanimously

V. Property Management

A. Residential Property Management Report

John Turnbull distributed a copy of the Residential Property Management Report. A copy of the Residential Property Management Report was included with the meeting minute's record. He reported that the Residential occupancy rate was currently at 97%.

Closed Session started at 5:16p.m.

B. Closed Session (RCW 42.30.110 [c])

I. Review of Lease Proposals

II. Review of Delinquency Report

a. Vacancy Report

b. Current Lease Negotiations

C. Open Session: Approval of Lease Proposals

Closed Session ended at 5:23p.m.

Open Session started at 5:24p.m.

VII. Resolution(s) to be added to the Consent Agenda

Resolutions 14-16, 14-18 and 14-19 were moved to the Consent Agenda.

VIII. Concerns of Committee Members

David Ghoddousi noted that he would like Proposed Resolution 14-18 placed under New Business items for the March PDA Council meeting.

Patrick Kerr would like to have Wi-Fi installed throughout the Market.

Ben Franz-Knight noted that we can come back next month with a summary of the costs for establishing Wi-Fi technology in the Market areas.

Ben Franz-Knight commented on concerns from last month regarding radiant heating in the Arcade. He noted that the Market Historic Commission (MHC) had previously rejected the idea of radiated heating in the North Arcade; since March 2012 we have not researched more work on radiant heating in space.

IX. Public Comment

None

X. Adjournment

The meeting was adjourned at 5:29 p.m. by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator