



PDA Council Meeting Minutes

Thursday, November 20th, 2014
4:00 p.m. to 6:00 p.m.
Atrium Loft

Committee Members Present: Matt Hanna, Gloria Skouge, David Ghoddousi, Bruce Burger, Jim Savitt, Ann Magnano, Jackson Schmidt, Rico Quirindongo

Staff Present: Ben Franz-Knight, Tamra Nisly, Randy Stegmeier, John Turnbull, Scott Davies, Lillian Hochstein, Kelly Lindsay, Scott Davies, Jay Schalow, Jennifer Maietta, Sabina Proto, Patricia Gray, Dianna Goodsell

Others Present: Justine Kim, Carrie Holmes, Bo Zhang, Howard Aller, Bob Messina, Chris Scott, Joan Paulson, Carrie Holmes, Sharon Mukai

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

I. Administration

- A. Approval of the Agenda
The agenda was approved by Acclamation
- B. Approval of the October 30th, 2014 Meeting Minutes.
The minutes were approved by Acclamation

II. Announcements and Community Comments

Bob Messina remarked on the previous PDA Council comments regarding the odor issues from the Pike Market Childcare and Preschool noting his support in resolving the odor issue in the near future.

Rico Quirindongo entered into the meeting at 4:14p.m.

III. Reports and Information Items

- A. Council Chair Report
Matt Hanna presented the PDA Council Chair for the month of November. He provided an update on the Annual PDA Council Retreat including the progress on the MarketFront project.
- B. Executive Director's Report
Ben Franz-Knight presented a brief Executive Director's Report for the month of November. He stated that there was a full Executive Directors report included with the Full Council packet. Highlights from the November Executive Director's report including that the State Auditor's office held their exit conference on November 5th sharing a clean audit report with no findings for the PDA; he thanked Sabina Proto and staff for their

tremendous work. He further added that work in November included a number of capital projects including upgrading the parking garage software and servers and utilizing a trash shoot consultant to assist with odor reduction around the Childcare and Preschool.

C. Committee Chair Report

None

D. Other Reports

None

IV. Key Issues and Presentations

A. Review of MarketFront Project Materials and Palette

Steve Daub from Miller Hull Architects presented on the MarketFront Materials and Palette with the Council: a copy of the presentation was included with the PDA Council records. It was noted that MarketFront Project Materials and Palette presentation was also given at the recent Waterfront Redevelopment Committee Meeting.

B. 2015 Budget Presentation

Ben Franz-Knight and Sabina Proto presented on the 2015 Pike Place Market Budget presentation.

I. Action Item: Proposed Resolution 14-70: Adoption of the 2015 PDA Operating and Capital Projects Budget

Ben Franz-Knight introduced the resolution which states that 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; and, WHEREAS, the PDA desires to communicate to the Market community and the public the bases for its financial, operational and other policy and program decisions; WHEREAS, except for HUD contract rents, the PDA's operations are not subsidized by public funds and rely on rental and miscellaneous income for its total operating and capital revenues; and, WHEREAS, the Budget schedule and summary were made available to tenants; the PDA Council's Finance & Asset Management Committee conducted working sessions, considered public testimony, and suggested amendments to the 2015 Proposed Budget; and has recommended adoption of the 2015 Budgets; and WHEREAS, the 2015 Operating and Capital budgets are approved as a whole, with the exception of the Employee Pension contribution which will be determined in February 2015 based on the 2014 Final Operating Statements.

NOW, THEREFORE, BE IT RESOLVED, that the PDA Council does hereby adopt the 2015 PDA Operating and Capital Budgets as outlined in the 2015 Budget Document attached hereto as Exhibit A,

AND, BE IT FURTHER RESOLVED, that the PDA Council affirms its established budget, revenue and operating policies as follows:

(1) All tenant sectors of the Market bear a responsibility for PDA costs incurred to serve the Market's operating and capital needs as a whole, and to fulfill the public interest purposes of the PDA, to preserve and promote the traditional character of the Market;

(2) The PDA Council recognizes that external economic conditions and competitive pressures affect Market businesses and residents and attempts to prudently and sensitively take these factors and their potential effects into account in setting revenue estimates and requirements and in conducting its property management responsibilities in the course of the year;

(3) The Market is operated as an integrated whole with services distributed in accordance with ongoing maintenance and operations requirements, current and future capital needs, and needs for response to critical or emergency demands. The flexibility created by operating the Market as a whole, instead of as independent and exclusive separate and individual buildings or tenant groups, enables the PDA to maximize efficiency and responsiveness to community-wide and Market-wide needs, while still providing attention to individual tenant needs.

This operating mode, combined with the PDA's fulfillment of Charter-mandated public interest and preservation objectives, does not lend itself to a strict relationship between costs and revenues from individual buildings or between costs and revenues from individuals or groups of tenants. While costs and revenues can be estimated for subgroups of Market facilities and tenants, it is not appropriate from a policy or operational standpoint to develop the budget and operate the Market on a strict cost center basis.

Ann Magnano moved, Gloria Skouge seconded

There was a discussion by the committee regarding the proposed budget for the 2015 year.

Matt Hanna asked Ben a few questions regarding the budget breakdown including specific figures from the Programs and Events Department budget.

Jim Savitt stated that it occurred to him that he did not bring up a concern from a previous meeting on the capital projects budget. He said costs were increasing faster than inflation. He mentioned he had some concern over the proposed revenue increases which are covering the increased costs. He inquired in how we would cover the increased costs for 2015 if we do not perform as well as we projected.

Matt Hanna requested to see details in the Capital Projects budget from Ben Franz-Knight.

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

Resolution **14-70**: Adoption of the 2014 Operating and Capital Projects Budget passed unanimously

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

A. Consent Agenda

Proposed Resolution **14-71**: Lease Proposals - November 2014

Motion to approve the Consent Agenda

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

The Consent Agenda passed unanimously

B. Action Item: Proposed Resolution 14-69: Authorization for Addition of Magnets to Non-Exclusive Trademark Licensing Agreement with Kim Drew

Kelly Lindsay introduced the resolution which states that the Pike Place Market Preservation and Development Authority (PDA) is the owner of all rights, title, and interest in and to certain trademarks and graphical representations of the Pike Place Market name and trademark; and, WHEREAS, Market daystall tenant Kim Drew has a trademark licensing agreement with the PDA (effective 4/13-14 – 4/13/16) to use the Pike Place Market name and clock image in connection with matted prints, coasters and notecards featuring images of his original artwork (7 designs on 8x10” and 11x14” matted prints and 5x7” notecards; 10 designs on 4x4” coasters) for wholesale purposes; and, WHEREAS, these prints and notecards are made locally by Lantern Press while the coasters are made by Kim Drew and sold on a wholesale basis to Puget Sound area gift and retail stores for a 2 year term, as long as he remains a daystall tenant in good standing; and, WHEREAS, Kim Drew has requested to add magnets to his licensing agreement; and, WHEREAS, the magnets are approximately 2 ½ x 3 ½” in size, will feature images of Kim Drew’s artwork (the previously approved images for cards, prints and coasters), and will be locally made by hand by staff at Lantern Press;

NOW, THEREFORE BE IT RESOLVED that the PDA Council hereby authorizes the PDA Executive Director, or his designee, to extend Kim Drew’s trademark licensing agreement to include the fabrication and sale of the above described magnets for the remainder of the existing trademark licensing agreement.

David Ghoddousi moved, Gloria Skouge seconded

Matt Hanna inquired on about the parameters of where the products could be sold at

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

Resolution **14-69**: Authorization for Addition of Magnets to Non-Exclusive Trademark Licensing Agreement with Kim Drew passed unanimously.

Proposed Resolutions **14-72, 14-73, 14-74** and **14-75** were presented together. Matt Hanna inquired on what specific work would be completed with the authorization of the expenditure of these funds in Proposed Resolutions 14-72, 14-73, 14-74 and 14-75.

Jim Savitt asked about the language for “pending receipt of WSDOT funds”.

Ann Magnano asked about potential delays and how costs would be impacted with the MarketFront project.

Action Item: Proposed Resolution **14-72: Pike Place Market Waterfront Entrance (PC1N) Miller Hull - Architectural Services and Bidding**

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 and 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-1N that may directly affect the future of the Market. WHEREAS, the PPMPDA has identified the completion of Construction Documents and bidding phase of design as the next segment of design work that is critical to successful design and construction; and, WHEREAS, the PPMPDA executed a public process to select Miller Hull, and executed a contract for Schematic Design and Design Development, which are now complete; and, WHEREAS, the PPMPDA has successfully completed negotiations with Miller Hull, and established a scope of work for the completion of Construction Documents and bidding for a fee of \$370,000 and is now ready to enter into a contract for those services.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Miller Hull in an amount not to exceed \$370,000 (pending receipt of WSDOT funds) for the execution of bidding and completion of Construction Documents for Waterfront Entrance project. The funds for this project will be drawn from 110630-01 – PC1-N State Funds and 110165-00 PC1-N City Funds.

Jackson Schmidt moved, Rico Quirindongo seconded

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

Resolution **14-72**: Pike Place Market Waterfront Entrance (PC1N) Miller Hull - Architectural Services and Bidding passed unanimously

Action Item: Proposed Resolution **14-73**: Pike Place Market Waterfront Entrance (PC1N) Sellen - Pre-Construction Add Services

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 and 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-1N that may directly affect the future of the Market.

WHEREAS, the PDA Council adopted Resolution 13-56 approving PPMPDA selection of Sellen as the GC/CM Contractor and enter into a contract with Sellen for Pre-Construction Services; WHEREAS, the PPMPDA and project consultants have identified areas requiring additional exploratory on Western Avenue and along the property line between the Market Place parking garage and the PC1-N property to be performed by Sellen during the preconstruction phase. Additionally pre-construction services have been extended from November through February 2015 due to delay in start of construction.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Sellen in an amount not to exceed \$150,000 (pending receipt of WSDOT funds) for the exploratory and investigation work and additional pre-construction services through February 2015. The funds for this project will be drawn from 110630-01 – PC1-N State Funds and 110165-00 PC1-N City Funds.

Jackson Schmidt moved, Rico Quirindongo seconded

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

Resolution **14-73**: Pike Place Market Waterfront Entrance (PC1N) Sellen - Pre-Construction Add Services passed unanimously

Action Item: Proposed Resolution **14-74:** Pike Place Market Waterfront Entrance (PC1N) Shiels Obletz Johnsen, Inc - Project Management Services

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 and 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-1N that may directly affect the future of the Market. WHEREAS, the PPMPDA has determined that Project Management services are necessary for the design, development and construction of the PC1-N project; and,

WHEREAS, the PPMPDA executed a public process to select Shiels Obletz Johnsen, Inc. and executed a contract for Project Management Services which is now complete; and, WHEREAS, the PPMPDA has successfully completed negotiations with Shiels Obletz Johnsen, Inc. and established a scope of work for additional Project Management Services (for the completion of Construction Documents and Bidding phase of work) per the Consultant Project Management Services for PC1-N for an amount not to exceed \$154,000; and

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract for Project Management Services with Shiels Obletz Johnsen, Inc. in an amount not to exceed \$154,000 (pending receipt of WSDOT funds) for the execution Pike Place Market Waterfront Entrance project. The funds for this project will be drawn from 110630-01 – PC1-N State Funds and 110165 PC1-N City Funds.

Jackson Schmidt moved, Rico Quirindongo seconded

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

Resolution **14-74:** Pike Place Market Waterfront Entrance (PC1N) Shiels Obletz Johnsen, Inc - Project Management Services passed unanimously.

Action Item: Proposed Resolution **14-75:** Pike Place Market Waterfront Entrance (PC1N) Shannon & Wilson - Geotechnical Services

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 and 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-1N that may directly affect the future of the Market.

WHEREAS, the PPMPDA has determined that Geotechnical Services are needed to complete the structural design for the Pike Place Market Waterfront Entrance and integration with the Central Waterfront Design, as approved by the PDA Council with Resolution 13-50; and, WHEREAS, the PPMPDA executed a public process to select Shannon & Wilson and executed an initial contract to generate a soils report to begin the structural design, which is now complete; and, WHEREAS, the PPMPDA as successfully completed negotiations with Shannon & Wilson to establish the geotechnical services to complete the bidding and Construction Administration phase and is now ready to enter into a contract for services in an amount not to exceed \$180,000.

NOW, THEREFORE, BE IT RESOLVED that the PPMPDA Council PPMPDA Executive Director or his designee to amend the Shannon & Wilson contract to include bidding and Construction Administration related Geotechnical Services for the Pike Place Market Waterfront Entrance project, for an amount not to exceed \$180,000 (pending receipt of WSDOT funds); and, The funds for this project will be drawn from 110630-01 – PC1-N State Funds and 110165 PC1-N City Funds.

Jackson Schmidt moved, Rico Quirindongo seconded

For: Matt Hanna, Jackson Schmidt, Gloria Skouge, David Ghoddousi, Jim Savitt, Ann Magnano, Rico Quirindongo

Against: 0

Abstained: 0

Resolution **14-75**: Pike Place Market Waterfront Entrance (PC1N) Shannon & Wilson - Geotechnical Services passed unanimously.

C. Other

VI. Further Public Comment

Joan Paulson commented on three main issues regarding the MarketFront design, 2015 Proposed Budget and approval of Resolutions 14-72, 14-73, 14-74 and 14-75. She commented on the variances in the PDA Council makeup and how the variances relate to individual palettes; she was referring to the current Market Front color scheme. She further noted that the new building looks too industrial and could use more color. The second issue she brought up was regarding the approval of the 2015 Pike Place Market PDA budget, including approval for the seven percent proposed increase for 2015. She was told prior by Ben Franz-Knight in a Constituency meeting that 2016-2017 budget increases would be higher; she wanted to know how much higher. Lastly she noted that with the recent approval of Resolutions 14-72, 14-73, 14-74 and 14-75 that we have essentially approved the Waterfront project.

VII. Concerns of Committee Members

Jim Savitt asked about the Annual Marketing Plan and if it would be discussed at the full council meeting in December.

Ann Magnano noted in regards to Joan Paulson's comment of how she was nervous on voting on the four resolutions regarding the MarketFront project.

VIII. Adjournment

The meeting was adjourned at 5:51pm. Matt Hanna, PDA Council Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator