



Finance & Asset Management Committee Meeting Minutes

Tuesday, November 11th, 2014
4:00 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: Gloria Skouge, Jim Savitt, Patrice Barrentine, David Ghoddousi, Ann Magnano

Other Council Members Present: Betty Halfon

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Jessica Carlson, Steve Nelson, Tamra Nisly, John Turnbull, Jennifer Maietta, Matt Holland, Cathy Silva, Dianna Goodsell

Others Present: Howard Aller, Chris Scott, Joan Paulson

The meeting was called to order at 4:00 p.m. by Gloria Skouge, Chair.

I. Administration

- A. Approval of the Agenda
The agenda was approved by Acclamation
- B. Approval of the Finance & Asset Management Committee October 21st, 2014 Meeting Minutes.

II. Announcements and Community Comments

None

III. Reports & Discussion Items

- A. Review of the Financial Statements for October 2014
Sabina Proto, PDA Director of Finance presented a review of the Financial Statements for October 2014. The following content was included under the Financial Statements for October 2014; Under the PDA Balance Sheet, Current Assets decreased by \$108,836. Designated Cash decreased by \$125,315, net of two transactions: designated cash increased because of the monthly contribution to the CRRF but also decreased due to the spending on the capital projects. Restricted cash increased due to the contribution to the Debt Service Account. Fixed Assets increased due to the work completed under Capital Projects during October. There was a decrease of \$181,443 from the prior month regarding the Current Liabilities. Long Term Debt decreased due to the payments on our long term obligations and our Net Position for the current year operating result was \$3,712,954. Under the Accounts Receivable Report, the accounts receivable increased compared to the balance of the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of October 2014 was \$14, 251,930 or over budget by \$1,049,391. The Total Operating Expense YTD was \$10,062,147 or \$3,606 under budget. The Net Operating Result YTD for the end October was \$4,189,783 or \$1,052,997 over budget. The Net Result after Debt Service & Reserves including the following figures: the Annual Budget was \$ 1,618,408 and for the end of October the actual amount was \$2,357,921.

Footnotes on the Operating Expenses noted the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent, Common Area Utilities, Direct Utilities and Late Fess by \$547,707. Residential Revenue was over budget overall by \$38,580. Surface Revenue was over budget by \$79,801. Garage Revenue was over budget by \$387,502 due to increased parkers in the garage. Lastly Percent Rent was \$289,880 over budget and \$249,594 over the actuals of the same period of last year.

I. Checking Account Activity Report

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

B. Review of 2014 Bike Rack/Valet Design

Tamra Nisly presented a review of the SDOT Bick Rack/ Valet Design to the committee; a copy of the presentation was included under the PDA Council records. Tamra reviewed the bike rack current needs in the Market which including a designated area for bicycle parking which is also viewable to the cyclist. James Cornell presented on the Bike Valet – 2015 Opportunities to the committee. Programming opportunities with the Bike Valet including; Farm Days, Summer Shopping, Arcade Lights, and Collaboration with other Venues/Events. Current recommendations from staff included the following; Proceed with installation of free Bike Racks on Pike Place per SDOT recommendation and Pursue Bike Valet programming to tie in with other 2015 events.

There was a discussion that followed by the committee.

Jim Savitt proposed to have PDA staff manage the bike rack/valet project.

Betty Halfon noted her concerns regarding losing additional parking space for vehicles with the installation of the bike parking on Pike Place.

Jim Savitt moved, Ann Magnano seconded Jim's proposal.

For: Gloria Skouge, Jim Savitt, Patrice Barrentine, Ann Magnano,

Against: 0

Abstained: David Ghoddousi

Motion to approve SDOT Bike Rack/Valet design to staff direction passed with a vote of 4-0-1.

IV. Reports and Action Items

A. **Action Item:** Proposed Resolution **14-70:** Adoption on 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, Jim Savitt seconded

John Turnbull presented a brief overview of the performance of the Events Spaces.

Ann Magnano thought that the activation of the Events spaces was fabulous.

For: Gloria Skouge, Jim Savitt, Patrice Barrentine, Ann Magnano,

Against: 0

Abstained: David Ghoddousi

Resolution **14-70**: Adoption on the 2015 PDA Operating and Capital Projects Budget passed with a vote of 4-0-1.

V. Property Management

A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of November 2014. He reported that the overall residential vacancy rate was at 3%. He provided an update on the residential building projects, general building and compliance and tenant issues. He lastly reported that residential projects for 2015 included cable TV service, laundry services and apartment renovations.

VI. Public Comment

None

VII. Closed Session

The Committee entered into Closed Session at 5:10p.m

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
 - Lease Renewal - F & J Great Western Trading Co - 1501 Pike Place #504
 - Lease Renewal - Healthy Bodies - 1528 Pike Place
- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 5:30p.m

VIII. Open Session

A. Action Item: Proposed Resolution **14-71:** Lease Proposals: November 2014

Ben Franz-Knight introduced the resolution which notes the following Lease Proposals for November 2014:

F & J Great Western Trading Co Amin Popal	One (1) Year	November 1, 2014
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Healthy Bodies Judith E. Sutton, Pak Chan	Five (5) Years	January 1, 2014
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Ann Magnano moved, Patrice Barrentine seconded

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

Against: 0

Abstained: 0

Resolution **14-71:** Lease Proposals: November 2014 passed unanimously.

IX. Resolutions to be added to the Consent Agenda

Proposed Resolution 14-71: Lease Proposals: November 2014 was placed under the Consent Agenda.

X. Concerns of Committee Members

Jim Savitt commented in regards to bicycle parking on Pike Place. He wanted to ensure that the staff communicates with all the Council members to have their views solicited and considered. He also inquired on the status of the Pike Market Child Care and Preschool odor issue and the progress resolving the issue.

XI. Adjournment

The meeting was adjourned at 5:34p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator