



# Waterfront Redevelopment Committee Meeting Minutes

**Monday, December 8th, 2014**  
**4:00 p.m. to 6:00 p.m.**  
**Elliott Bay Room**

**Committee Members Present:** Jackson Schmidt, John Finke, Jim Savitt, David Ghoddousi, Rico Quirindongo

**Other Council Members Present:** Gloria Skouge

**Staff Present:** Ben Franz-Knight, Lillian Hochstein, Patricia Gray, Tamra Nisly, Dianna Goodsell

**Others Present:** Justine Kim, Carrie Holmes, Howard Aller, Bob Messina, Haley Land, Joan Paulson, Bo Zhang

The meeting was called to order at 4:03p.m. by Jackson Schmidt, Chair.

## **I. Administration**

### **A. Approval of the Agenda**

Jackson Schmidt proposed the addition of the progress update on the MarketFront Campaign efforts with the Market Foundation.

The agenda, as amended, was approved by Acclamation

*Jim Savitt entered into the meeting at 4:02p.m.*

### **B. Approval of the Waterfront Redevelopment November 10<sup>th</sup>, 2014 Meeting Minutes.** The minutes were approved by Acclamation

## **II. Announcements and Community Comments**

Bob Messina commented on western side of Western Avenue, noting that it would be worthwhile to look at the underside of the Desimone Bridge. He added that the effect of water blasting and/ or underside painting of the Desimone Bridge could help create a better feeling with people walking up and down Western during construction, further assisting with the gradual beautification process on Western; he requested that if there are any options in the future, to look at the costs of what this might entail.

Haley Land asked the Council to think about the look and feel of the MarketFront. He hopes that some warmth could be brought into the project instead of a grey concrete finish.

Ben Franz-Knight announced that there would be two open house sessions held on Tuesday, December 16<sup>th</sup> with Miller Hull and Berger Partnership on the Market Front

Color Palette and design. The MarketFront open house sessions would be held in the Atrium Loft from 8-9a.m and 5-6p.m.

### III. Key Issues and Discussion Items

#### A. MarketFront Project Update - Budget Flow of Funds

Justine Kim, Project Manager provided an update on the MarketFront Project Budget Analysis, Flow of Funds, and Budget Summary with the committee members. The MarketFront Total Budget Summary was included as part of the PDA Council records. Justine Kim discussed the MarketFront budget categories including; total construction costs estimated at \$44,735,256, total soft costs estimated at \$ 28,320,183, total project costs estimated at \$73,055,439, Current funding total at \$ 66,700,00 and the total funding gap estimated at \$6,355,439. She provided an overview of the Alternates Listing which included the base project vendor canopy, access stair to Alaska Way, paving to match Overlook Walkway and several housing upgrade options; total alternates costs was at \$2,108,729.

There was a discussion that followed by the Committee members on the MarketFront Project budget summary.

John Finke noted that when he and Rico had recently talked with Justine, the total project costs were at \$76 million, with soft costs in the \$30 million range; he inquired with Justine on the changes from the previous estimated figure.

Justine Kim replied to John Finke's inquiry noting that we were carrying a couple of large numbers which were included under the alternates list.

Jackson Schmidt and John Finke noted that they were surprised to see the canopies included as part as alternate for the project since the PDA Council had approved it as part of the project.

Ben Franz-Knight noted that the \$836,353 figure for the Canopies would need to be moved from the alternates' costs list to construction costs. He further discussed about the long-term deferrable project costs for consideration which including the fluid cooler relocation, south walkway at Heritage House and the Elliott Road connector; these were dependent on the Waterfront project and what happens in that progress.

John Finke commented that the Elliott Bay Connector is not an immediate need of the base project until the Overlook Walkway is completed.

*Rico Quirindongo entered into the meeting at 4:18p.m.*

Jim Savitt discussed the project costs for the MarketFront, specifically the figures under the Alternatives list and Short-Term Deferrable Project Costs for consideration. He questioned the \$1.3 million Tenant Improvement Costs under the Short-Term Deferrable Project Costs; if we do not spend that money we are not going to lease those retail spaces.

Rico Quirindongo noted that in his past experience that we have to define a scope of work that defines a buildable envelope at the start of construction, even as we continue to raise dollars; he added within that context, what is that minimum shell and core project that can be funded and can be constructed. He noted that this budget exercise is two-fold in which we need to take a hard look at the base construction costs to reduce the funding gap.

Jackson Schmidt asked Ben and Justine on the sense of direction they are seeking from the Committee after tonight's exercise.

Ben Franz-Knight noted that the direction that would be helpful tonight is two-fold. He said some of the direction has been provided including reconfirming which alternates are acceptable and which of those alternates should be part of the base project. He added the other piece we talked about is in how we can approach a phase-in through the use of alternates in the project. He stated that we do not have enough funding to cover everything we want to buy for the project. The next step would be identifying exactly what those funding sources would be for use to be able to complete the project at \$73 million.

John Finke noted that we need to look at the true costs of this project and look at the impact it may have on the PDA Budget.

Jim Savitt inquired of when we would be voting on the Development Agreement and financing options for the MarketFront project. He asked Ben about recommendation from staff of where the funding gap may come from and the costs associated with each option prior to voting upon the Development Agreement.

John Finke asked Justine Kim to find an accurate estimate on the Title Insurance costs or the MarketFront project.

B. MarketFront Campaign Update

Patrice Gray, Capitol Campaign Manager for the MarketFront presented an update on the MarketFront PikeUp! fundraising progress report. She provided a brief report on the status of the two million campaign goal by the end of the 2014 year. She noted that we are on target to meet our \$2 million goal by the end of the year. She stated that December is the season of giving, with roughly thirty percent of donations received during that period. She noted that today we just had our first hoof print ambassadors' luncheon. She added that we are literally building troops of hoof print sellers to go out and work with their friends to sell their friends hoof prints.

Jackson commended the Market Foundation staff for their efforts with the PikeUp! Campaign progress.

A. Report from Stakeholders Group

Haley Land presented on the Stakeholders Report with the Committee. He noted that we are getting increased representation in the Stakeholders meetings with an average group

made up of roughly 12 regulars. He stated that the group met in mid-November which included a summary of the PDA Council Retreat as it pertains to the MarketFront project. There was further discussion on the climate after the state elections, the renewal of the Hildt-Licata Agreement and if it would protect the Plaza. There was also discussion of the landscaping and finishes for the project. He lastly reported that the next Stakeholder's Group meeting is scheduled on December 15<sup>th</sup> at 4pm.

**VI. Items for the Consent Agenda**

None

**VII. Public Comment**

Joan Paulson noted that it was brought up in the budget for 2015, that the costs that would be shared, amongst all businesses in the Market, would be an increase of seven percent. She felt concerned about the shortfall of funding for the MarketFront project. She inquired in how much of an increase will be shared beyond 2016, with the Market businesses after the seven percent increase. She noted that it is the tenant rents that support the project.

Howard Aller remarked on Haley Land's previous comment on the look and feel of the residential building for the MarketFront, noting that there are no easy solutions on preferences on the color palette. He noted that the color grey is a perfect choice for a building, especially during grey skies because the building disappears.

Bob Messina commented regarding materials for the MarketFront project. He spoke about the matching glass panels and matching pavement for the Overlook Walk noting that he did not find it necessary to match these materials. He stated that we could drop the two matching options because we have already had to cut back with certain materials. He further added that there does not have to have an Overlook beach theme all the way into the Market; it has to stop and be delineated at some point. He would be in favor of dropping the glass paneling and fancy beach stone transition under the Residential upgrade alternates, keeping the utilitarian and industrial look to this whole scene that can exist on its own.

**VIII. Concerns of Committee Members**

Ben Franz-Knight noted that he would be presenting a final brief to the Market Historic Commission (MHC) on December 10<sup>th</sup>. He noted that anyone who is passionate about the project is welcome to attend the December MHC meeting.

**IX. Adjournment**

The meeting was adjourned at 5:01pm by Jackson Schmidt, Chair