



# Finance & Asset Management Committee Meeting Minutes

**Tuesday, January 20th, 2014**  
**4:00 p.m. to 6:00 p.m.**  
**The Classroom**

**Committee Members Present:** Gloria Skouge, David Ghoddousi, Jim Savitt

**Other Council Members Present:** Bruce Burger, Patrick Kerr

**Staff Present:** Ben Franz-Knight, Sabina Proto, Jay Schalow, Tamra Nisly, Jennifer Maietta, John Turnbull, Dianna Goodsell

**Others Present:** Chris Scott

The meeting was called to order at 4:03 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 December 9<sup>th</sup>, 2014 Meeting Minutes.**

There was not a quorum of the Committee to approve the December 9<sup>th</sup>, 2014 meeting minutes. The December 9<sup>th</sup>, 2014 and January 20<sup>th</sup>, 2014 Finance and Asset Management Committee meeting minutes would be approved at the February 2015 Committee meeting.

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

None

## **III. Reports & Discussion Items**

*Jim Savitt entered into the meeting at 4:05p.m.*

### **A. Review of the Preliminary Financial Statements for December 2014**

Sabina Proto, PDA Director of Finance presented a review of the Preliminary Financial Statements for December 2014. Sabina Proto discussed the PDA Balance Sheet. She reported that Current Assets had increased by \$257,808. Designated Cash had increased by \$2,650,000; from this amount \$2,500,000 were State Funds from the Mitigation Parking Program, which is designated to use for the Waterfront project. Restricted cash had decreased due to the payment of the annual portion of the principal and semiannual portion of interest on the PC-1 2002 Bond. Fixed Assets had increased due to the work

completed under Capital Projects during November. There was a decrease of \$184,926 from the prior month under the Current Liabilities. There was however the receipt of state funds on \$2.5 million recorded as “unearned revenue”; the revenue will be recognized monthly until the end of the contract. Long Term Debt had decreased due to the payments on our long term obligations. Our Net Position for the current year operating result was \$4,405,724; there will be the year-end recording of the annual depreciation and amortization on the final financials. Finally, under the Accounts Receivable Report, the accounts receivable decreased compared to the balance of the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of December 2014 was \$16,965,707 or over budget by \$1,141,627. The Total Operating Expense YTD was \$11,992,570 or \$75,780 under budget. The Net Operating Result YTD for the end of December was \$4,973,137 or \$1,217,407 over budget. The Net Result after Debt Service & Reserves including the following Annual Budget of \$ 1,626,407, resulting in the actual amount of \$2,843,915 for the end of December; this amount was \$1,217,508 over the budgeted amount.

Lastly, Footnotes on the Operating Expenses reported the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent, Common Area Utilities, Direct Utilities and Late Fess by \$608,751. Residential Revenue was over budget overall by \$47,960. Surface Revenue was over budget by \$111,229. Garage Revenue was over budget by \$391,784 due to increased parkers in the garage and the commercial rents for the Heritage House. Percent Rent was \$384,257 over budget; \$322,093 over the actuals of the same period of last year.

I. Checking Account Activity Report

The Checking Account Activity Report for the month of December 2014 was distributed to Dianna Goodsell, Administrative Services Coordinator.

B. Financing of the MarketFront Project

Ben Franz-Knight opened a brief discussion regarding the financing of the MarketFront project. He noted that there would be a further review regarding the MarketFront project financing at the January 21<sup>st</sup> MarketFront Committee meeting as well as the January PDA Council Meeting.

There was a brief discussion that followed.

Ben Franz-Knight stated that a notice will soon go out under the Charter and Statutory process regarding encumbrances for the PC-1 North project.

C. Western Avenue Activation Update

Tamra Nisly provided a brief update on the December’s meeting discussion regarding Western Avenue Activation. Tamra provided an overview of the pedestrian studies conducted in the past. She noted that since 1998 to 2012, we have done pedestrian counts at eight various stations throughout the Market. She added that traffic from the Hill climb and Sky bridge have roughly remained the same. She discussed a couple of options for

proceeding with further review of pedestrian flow studies including a DSA study for pedestrian counts or heat sensor cameras.

There was a brief discussion that followed

Jim Savitt mentioned we need to figure out how people move and move into what directions around the Market first. Pedestrian Flow would be separate from pedestrian counts.

Ben Franz-Knight noted that we do need to engage in expertise and sought further clarification on scope of the study. He briefly mentioned the option of heat sensors and gaging the traffic.

David Ghoddousi noted that he was not for the technology. He further added that if we are trying to assess the DownUnder traffic that is a lot more complex issue. He is for volunteers performing the pedestrian counts but not for the expenditure of funds from the PDA. He lastly noted that we need a scope broader than just counting people.

Tamra Nisly distributed a few images on the John Fleming design for Western Avenue; she added that this design would be a moving concept and collaborative piece of art.

#### **IV. Reports and Action Items**

##### **A. Action Item: Proposed Resolution 15-04: Authorization for Contract Authority - Purchase of Energy Efficient Lighting through Seattle City Light Rebate Program**

John Turnbull reviewed the resolution which states that the PDA has adopted policies to encourage energy savings and cost savings within the Market; and, WHEREAS, Seattle City Light provides rebates for replacement of existing lighting that reduces energy costs; and, WHEREAS, under the Seattle 2030 program through Seattle City Light, the Pike Place Market was selected as a demonstration site to evaluate the effectiveness of lighting retrofits in smaller commercial properties, with a specific goal to assess impact on 10 commercial businesses; and, WHEREAS, the PDA Commercial Property Managers have identified 10 commercial tenants of the PDA who have signed agreements of participation and thereby qualify for rebates of approximately 75% of the cost of new lights, and have agreed to pay the balance of the costs, including installation (which will reduce the “pay back” period of electrical cost savings to approximately 6 months); and, WHEREAS, Seattle City Light, which provides electrical service to these commercial tenants through the PDA campus electrical system, will provide the rebate to PDA upon proof that work has been completed; and, WHEREAS, as part of this demonstration site and the rebate program the PDA has solicited bids from suppliers defining specific lighting replacement requirements for this group of 10 commercial tenants, including cost of materials and installation; and, WHEREAS, the PDA received four bids from suppliers, one of which presented a complete bid as requested to include the cost of installation.

NOW, THEREFORE, BE IT RESOLVED that:

1. The PDA authorizes the Executive Director to enter into contract with Grainger for the purchase of replacement lighting for this demonstration energy conservation program in an amount not to exceed \$10,444 including tax, installation and with the provisions that include:
  - a. The contractor complete all work in accordance with SCL rebate program standards.
  - b. The contractor provide all materials to submit an application for rebate from SCL for amount up to \$10,444, which shall be submitted at the earliest realistic date.
  - c. The contractor shall provide the PDA with authorizations from each tenant that in the aggregate will permit the PDA to bill those tenants for the balance of costs under this contract.
  
2. The funds for this project will be drawn from the PDA Operating Budget, R&M Supplies- Commercial: 481047-50. Net cost shall be fully offset through tenant payments and City Light rebates.

There was not a quorum of the Committee to vote upon Proposed Resolution **15-04:** Authorization for Contract Authority - Purchase of Energy Efficient Lighting through Seattle City Light Rebate Program

**V. Property Management**

- A. Residential Property Management Report  
John Turnbull presented the Residential Property Management Report for the month of December 2014. The report update included that the Market-wide vacancy rate was at 5% through December.

**VI. Public Comment**

None

**VII. Closed Session**

*There was not a quorum of the Committee to conduct the Closed Session*

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
  
- II. Review of Lease Proposals  
Lease Renewal - The Confectional - 1530 Pike Place  
New Lease - Honest Biscuits - 1506 Pike Place #15  
New Lease - Sunny Honey Company - 89 Pike Street
  
- III. Review of Delinquency Report
  - a. Vacancy Report
  - b. Current Lease Negotiations

**VIII. Resolutions to be added to the Consent Agenda**

Resolution 15-03 and 15-04 would be placed under New Business for the January 29<sup>th</sup>, PDA Council Agenda.

**IX. Concerns of Committee Members**

Jim Savitt brought up the issue regarding attendance requirements for the Finance & Asset Management Committee; he had asked Gloria to bring this issue up at Executive again.

Gloria Skouge responded to Jim's concern noting that she would speak with Matt Hanna regarding the attendance issue again.

Ben Franz-Knight mentioned the idea of looking into the PDA Council bylaws regarding meeting telephonically and/or electronically.

**X. Adjournment**

The meeting was adjourned at 4:57p.m by Gloria Skouge, Chair

Meeting minutes submitted by:  
Dianna Goodsell, Administrative Services Coordinator