Asset Management - Meeting Agenda

Date: Monday, December 10th, 2012
Time: 4:30 p.m. – 6:00 p.m.
Location: Elliott Bay Room (Top of the Economy Market)
Committee Members: Patrick Kerr (Chair), John Finke (Vice-Chair), Betty Halfon, David Ghoddousi, Gerry Kumata, Bruce Lorig, Tony Puma (Non-Voting), Joshua Anderson (Non-Voting), and Mark Ellerbrook (Non-Voting)

4:30pm I. Administrative: Chair
A. Approval of Agenda
B. Approval of the Asset Management November 12th, Meeting Minutes

4:35pm II. Announcements and Community Comments

4:40pm III. Levy Phase III Update

4:45pm IV. Action Item(s)
A. Action Item: Proposed Resolution 12-83: Authorization for Contract Authority - Capital Assessment Study
   Bob Beckstrom
   Joe Paar
   Ben Franz-Knight
   Tyler Jamison
   Ben Franz-Knight

5:00pm V. Key Issues & Discussion Items
A. Atrium Kitchen & Economy Event Room Business Plan
   BERK Associates & John Turnbull
   I. Action Item: Proposed Resolution 12-103: Authorization of Program for Atrium Kitchen And to Proceed with Plan

5:30pm VI. Property Management
A. Residential Property Management Report
   John Turnbull
B. Closed Session (RCW 42.30.110 [c])
   I. Review of Delinquency Report
      a. Vacancy Report
      b. Current Lease Negotiations
   II. Real Property Negotiations – 1501 Western Avenue
      Ben Franz-Knight
C. Open Session

5:45pm VII. Resolution(s) to be Added to Consent Agenda Chair

5:50pm VII. Concerns of Committee Members

5:55pm IX. Public Comment

6:00pm X. Adjournment Chair
Pike Place Market Preservation and Development Authority (PDA)

ASSET MANAGEMENT COMMITTEE
Meeting Minutes

Monday November 12th, 2012
4:30 p.m. to 6:00 p.m.
Elliott Bay Room

Committee Members Present: Patrick Kerr, John Finke, David Ghoddousi, Bruce Lorig, Gerry Kumata, Betty Halfon, Joshua Anderson

Other Council Members Present: Gloria Skouge

Staff Present: Ben Franz-Knight, Steve Nelson, John Turnbull, Jeff Jarvis, Jennifer Maietta, Matt Holland, Tyler Jamieson, Dianna Goodsell

Others Present: Howard Aller

The meeting was called to order at 4:30 p.m. by Patrick Kerr, Chair

I. Administration
   A. Approval of the Agenda.
      The agenda was approved by acclamation

   B. Approval of the October 8th, 2012 Minutes
      The minutes were approved by acclamation.

II. Announcements and Community Comments
    Patrick Kerr thanked John Finke for his chairing at the October 8th Asset Management Committee meeting.

III. Levy Phase III Update
    Ben Franz-Knight reported a brief update for Levy Phase III. There are several items on the agenda that involve levy work including conclusion of work with SRG Architects. The work on the windows on Western has also commenced.

IV. Key Issues & Discussion Items
   A. Facilities Presentation and Review
      Jeff Jarvis provided a presentation on the Facilities Department. The presentation overviewed the fundamental functions of the Facilities Department, Departmental Personnel and Metrics for 2012. The presentation has been included with the minutes. A summary of the Facilities presentation is as follows:

Betty Halfon entered in at 4:36 p.m

Fundamental Functions of the Facilities Department:
1. To provide 24-hour, 365 day-a-year cleaning services, maintain supplies and equipment for all common and residential areas in order to keep the Market a clean and safe place to live, do business, park, and shop.

2. To provide garbage and recycling services, maintain contracts for window cleaning and pest control services for all commercial and residential building tenants and for all the daystallers in the Market.

3. To stock, clean and maintain the South, North, East and Northeast Public restrooms and 34 tenant and residential restrooms throughout the Market.

4. To maintain an inventory of all types of lights in the Market and change them as necessary.

5. To plant and tend all seasonal rooftop planter boxes, hanging baskets, and the planter boxes and landscaped areas of the parking garage and hillclimb.

6. To provide personnel for the setup and takedown necessary for all special events and other Market activities.

Personnel:

There are 25 full-time staff members in the Facilities Department including the departmental manager. The various shifts are broken down to the following: The Day shift is staffed with 9 employees, the Night shift staffed with 11 employees and the Graveyard shift is staffed with 4 employees.

Metrics 2012:

- 4.55 miles of TP per case. Mileage ranged from 109 miles in February to 182 miles in July; total of 1,550 miles through October
- Garbage ranged from 145 tons in January to 210 tons in August; 1828 tons through Oct.
- Mixed Recycling ranged from 231 cubic yards to 471 cubic yards; 3,211 yards through Oct.
- Compostable Materials ranged from 146 cubic yards to 203 cubic yards; 1627 yards through October

There was a brief question and answer period that followed.

Patrick Kerr stated that the facilities and maintenance staff are doing a great job. He had commented though on the odor issue with the lower Arcade levels and inquired on the steps being taken to address the odor.

Ben Franz-Knight noted that odor issue in the lower Arcade levels is being addressed.

Steve Nelson stated that the Ice melting station has been working very well. He noted that he would provide more data on the ice melting station as the system is used more.

V. Action Item(s)


Tyler Jamieson introduced this resolution which states that in order to maintain the viability of the Pike Place Market buildings the PPMPDA contracted work to remodel the Old Brewery space to accommodate a new tenant. The PPMPDA contracted the work for $9,679.80 and while the work was taking place, discovered unforeseen conditions, requiring an additional $824.76 change order to complete the work, for a total of $10,504.56. It be requested that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to pay Experienced Construction, Inc. in an amount of $10,504.56 for the execution of remodeling work at the Old Brewery. The funds for this project will be drawn from the Tenant Improvements: Old Brewery TI, Accounting Code 160280-00

David Ghoddousi moved, Gerry Kumata seconded

There was a brief discussion that followed about the scope of work to be completed on the space.

Approve: Patrick Kerr, John Finke, David Ghoddousi, Bruce Lorig, Betty Halfon, Gerry Kumata
Against: 0
Abstain: 0
Resolution 12-82 passed unanimously

B. **Action Item:** Proposed Resolution **12-86:** Authorization for Contract Authority - SRG Partnership, Inc. - Architectural Services

Ben Franz-Knight introduced the resolution which states that in order to maintain the viability of the Pike Place Market buildings the PPMPDA has undertaken a major renovation of the Pike Place Market buildings, and many of the building systems have now reached the end of their useful life and are in need of major repair. The PPMPDA contracted with SRG Partnership for Design and Architectural Services for this major renovation in February 2009 as authorized by the PDA Council in Resolutions 08-51 and 08-61 and now wishes to amend that contract to include additional Contract Administration expenses for Leland and Fairley windows ($159,000) and Construction Administration expenses for Food Bank ($16,000) for a total contract amendment of $175,000. It be requested that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to execute an amendment to the existing SRG contract in an amount not to exceed $175,000. Note $159,000 towards account 163200-00 Levy Design and Misc. Expenses and $16,000 towards account 163214-00 Non-Levy Design Work.

Gerry Kumata motioned, David Ghoddousi seconded

There was a brief discussion that followed.

David Ghoddousi inquired about the levy funds available to date. Ben noted that he could bring the monthly progress report (MPR) at next month’s committee meeting.

Approve: John Finke, Bruce Lorig, Gerry Kumata
Against: Betty Halfon, David Ghoddousi, Patrick Kerr
Abstain: 0

Resolution 12-86 did not pass with a vote 3-3-0

Patrick Kerr requested to have Proposed Resolution 12-86 brought to the November 29th, 2012 PDA Full Council meeting under new business items.

David Ghoddousi motioned to modify the current meeting date of the Asset Management Committee to meet on the 2nd Tuesday of every month instead of Monday.

Bruce Lorig seconded David’s motion.

There was a brief discussion that followed.

Patrick Kerr noted that he would not be available for the Asset Management Committee meetings on Tuesdays.

David Ghoddousi amended his motion with modifying the Asset Management Committee date on the 2nd Thursday of every month instead of Tuesday.

The motion failed.

VI. **Property Management**

C. Residential Property Management Report

John Turnbull noted that we are moving along pretty well with less than 3% vacancy anticipated by the end of the month. He added that the Residential staff has been spending much time with tenant relations. Lastly he noted that there is a new Assistant Residential Manager for the LaSalle building.

*Closed Session started at 4:55 p.m.*

D. **Closed Session (RCW 42.30.110 [c])**
i. Review of Lease Proposals
ii. New Lease - Flair - 1501 Pike Place #317
   Lease Renewal - Ageless Acupuncture - 1515 First Avenue
   Lease Renewal - Miniature Car Dealer - 1501 Pike Place #525
   Lease Renewal - Rings N Things - 87 Pike Street
iii. Review of Delinquency Report
     a) Vacancy Report
     b) Current Lease Negotiations
E. Open Session: Approval of Lease Proposals

Closed Session ended at 5:07p.m.
Open Session started at 5:08p.m

F. **Action Item:** Proposed Resolution **12-87:** Lease Proposals - November 2012:
   Jennifer introduced the resolution which states the Lease Proposals for November 2012 below:

   Flair
   Andrea Barrowman
   One (1) Year
   November 15, 2012

   Ageless Acupuncture
   Maria Portnaya
   One (1) Year
   December 1, 2012

   Miniature Car Dealer
   Jaime Huizar
   Three (3) Years
   December 1, 2012

   Rings N Things
   Chad Trichler
   Three (3) Years
   January 1, 2013

   David Ghoddousi moved, Betty Halfon seconded
   Approve: John Finke, David Ghoddousi, Bruce Lorig, Betty Halfon, Patrick Kerr, Gerry Kumata
   Abstain: 0

   Resolution 12-87 passed unanimously

VII. **Items for the Consent Agenda**
   Resolutions 12-82 and 12-87 were moved to the Consent Agenda.

VIII. **Public Comment**
   None

IX. **Concerns of Committee Members**
   Patrick Kerr inquired about the parking garage rates and the performance of the garage with the newly
   adjusted rates. He requested for Ben to prepare an update and report regarding the garage performance
   for a future committee meeting.

   Bruce Lorig requested to have the garage update and report materials distributed in advance to the
   meeting it would be presented at.

   Ben Franz-Knight noted that the City would like to discuss a renewal of the parking agreement with the
   PDA.

X. **Adjournment**
   The meeting was adjourned at 5:14 p.m. by Patrick Kerr, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator
Pike Place Market Preservation and Development Authority (PDA)

PROPOSED RESOLUTION 12-83

Authorization for Contract Authority – Capital Needs Assessment

December 2012

WHEREAS, 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, the PDA Council requested that a Capital Needs Assessment be included in the 2012 capital projects budget, for the purposes of strategic financial planning for future facility repairs and replacements; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has determined that a 30 year Capital Needs Assessment would provide a tool to ensure adequate funding for future capital needs; and,

WHEREAS, the PPMPDA has executed a competitive bid process to conduct a 30 year Capital Needs Assessment.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with SHKS Architects in an amount not to exceed $121,000, for the execution of conducting an assessment study.

The funds for this project will be drawn from Capital Projects Budget. Accounting Code 163724-00.

____________________________________  ______________________________
Gloria Skouge, Secretary/Treasurer                            Date

Date Approved by Council:

For:   Opposed:   Abstained:
PROPOSED RESOLUTION 12-86B:
Authorization for Contract Authority – SRG Partnership, Inc. – Architectural Services

December, 2012

WHEREAS, 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 community; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has undertaken a major renovation of the Pike Place Market buildings, and many of the building systems have now reached the end of their useful life and are in need of major repair; and,

WHEREAS, the PPMPDA contracted with SRG Partnership for Design and Architectural Services for this major renovation in February 2009 as authorized by the PDA Council in Resolutions 08-51 and 08-61 and now wishes to amend that contract to include additional: field measuring, design detailing, preparation of bidding documents and construction administration expenses for the Leland and Fairley windows for a total contract amendment of $159,000.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to execute an amendment to the existing SRG contract in an amount not to exceed $159,000 towards account 163200-00 Levy Design and Misc.

Gloria Skouge, Secretary/Treasurer ________________________________
Date

Date Approved by Council:

For:
Opposed:
Abstained:
Joe,

At your request, I've gone back and had a look at the proposal I prepared for you to do some documents in support of the PDA’s plan to renovate the windows on the West side of the Market. I gather from our talks that the PDA Council is looking for some more information on the thinking that informed the costs for the windows. I'm writing this memo to help clarify my thinking.

It's been a while since I wrote the proposal, so I took some time to re-read it, and to go back over my thoughts about the project. I think in retrospect that the proposal letter does a good job describing the scope of the work, so I've attached a copy of it here again for your use and for anyone else who might be interested in reading it.

I note also that since I wrote this proposal, the PDA engaged with us to do a part of the work, including some documents for the restoration of the windows at the ground level and up at the Constituency Office. That piece of the work is now complete, and the $9,000 you paid us to do it would come directly out of the total of the proposal, leaving $150,000 for the rest of the work. Please note that this smaller piece of work we've completed was a relatively quick and inexpensive thing because the bulk of the design was completed with our Phase 1 Renovation documents some time ago. Those documents, as you will recall planned for the restoration of the windows at the street level and the replacement of the bulk of the windows
above. Putting together this first little package was therefore really a matter of re-formatting
the design of the windows at the street and putting together some new documentation on the
Constituency Office windows.

I have basically assumed that what you and the PDA want is a set of drawings that accurately
document the existing conditions and which map out a clear process to replace them with
minimal disruption to your tenants.

Accuracy of the documentation is important because I have assumed the desire is to remove
each window from the building and re-build it in a shop setting. I believe the Historical
Commission would want very clear documents about the conditions before the windows left
the site. I also think this will be important to the PDA, to settle any disagreements about what
was actually in place before the work started.

My proposal assumed that we’d be carefully studying, photographing and drawing each of the
75 structural bays of windows, and preparing individual drawings of each one. This is rather
different than the usual practice of simply drawing the building elevation and assuming the
contractor will field verify conditions and make whatever adjustments are needed.

I’ve also assumed that someone needs to plan for temporary partitions and temporary
relocation of store furnishings and fixtures during the work, since we can’t just open gaping
holes into active businesses. Someone has to figure out how to keep the shops open and
running, and I assumed you’d want us to do that.

I also assumed you’d want some kind of phasing and scheduling plan considered and
documented, as a way of working with all of the tenants to plan disruptions in their spaces.
During the Renovation, much of this planning was done by your GC/CM. Since they’re not
around to do this anymore, I was assuming you’d want us to step in to work with the PDA and
the tenants to work out a scheduling plan, and that this should be in place before bidding so
your contractors would know what to assume at bid time.

Lastly, I’ll comment that I’ve assumed the construction duration for this project will be very
long for the actual volume of work to be done, since I doubt you will want to work on more
than a few windows at a time. This means that our efforts in the field will be rather inefficient.

When I prepared the proposal, you asked me to do it based on fixed fees. To put together
those fees, I gave some thought to the actual time I thought would be required to do the
work, for me and for the staff I’d get to help with the project. I put together a spreadsheet at
that time to calculate up the fees. I wouldn’t usually share this with a client, since it tends to
oversimplify the problem. It is just my best guess of what it will take to do the things I know
about. It doesn’t cover the inevitable things that crop up that I can’t predict. My fixed fees
are for whatever it takes, within reason, to get the job done right, whether or not I’ve
predicted the things I need to do. At any rate, I think the spreadsheet shows how I was
thinking about the project.

As always, I’m happy to re-visit the assumptions that went into this proposal, and to make
adjustments if I’ve misunderstood what you want us to be doing. I’m also happy to talk about
doing the job on a time and expense basis, with you and me mutually managing our efforts to
control the costs of the work. The simple calculus of this is that if we negotiate a fixed fee arrangement, I’ll take the risk that my efforts will be more than I assumed.

I hope this helps explain the nature of my proposal. I’m happy to come discuss it with you and your colleagues at the PDA at any time.

END OF MEMORANDUM
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April 26, 2012

Mr. Joe Paar
Legacy Renovation Project Manager
Pike Place Market PDA
85 Pike Street, Room 500
Seattle, WA 98101

Re: Proposal for Design Services for the Renovation of the Western Avenue Windows

Dear Joe,

Please accept this letter as our proposal to provide design services in support of your project to renovate the windows on the West facades of the Leland and Fairley Buildings.

Scope of the Construction Work
Per our discussions, it is your intent to refurbish the existing windows. To do this work, I assume your contractor will be removing the existing windows from their openings and taking them to a shop offsite. In the shop, the contractor will remove all of the glazing from the window and strip the existing paint to the extent needed to apply a new finish and to remove any hazardous materials. The contractor will then repair any damaged or degraded parts, re-glue any loose joints, and prepare the existing sashes for new finishes. All surfaces of the windows will be re-finished with the most durable available paint products, to match the existing color. The windows will be re-glazed with new seals, brought to the site and re-installed in their original openings. All hardware will be refurbished or replaced as necessary to match the original hardware and to perform as new.

In the event that a window is found to be too degraded for repair, it is to be re-fabricated new as a custom assembly to match the original construction in all respects.

The contractor will also be responsible to erect temporary weather closures and temporary walls around each work area as required to allow each tenant to continue their use of the space throughout the work.

Also included in the construction work will be the temporary relocation of tenant furniture and fixtures, and the complete restoration of tenant spaces to their original condition.

The repair of damage to the existing building that is discovered as a part of the work, including rotted portions of the existing structure, may also be included in the scope.

It is your intent to bid this work publicly to a list of pre-qualified contractors.
Schedule for the Construction Work
I understand you intend to start construction on-site in early September of 2012, and to complete all work some time in the Spring of 2014. The work is to proceed incrementally, several window openings at a time, following a schedule to be coordinated with the contractor that balances construction efficiency with tenant business issues.

Form of Contract
I assume you will desire to contract with SRG to perform this scope as an amendment to our existing contract dated 2/6/09. These terms are perfectly acceptable to me. However, if you prefer to create a new agreement for this scope, I am amenable to that as well.

Scope of the Design Services
As it is the intent of this project to return the windows to the building in the same configuration they are today, an important part of the work will be to provide very accurate documentation of the existing conditions. This will be particularly important in cases where the existing windows are found to be too degraded to repair, therefore requiring complete reconstruction. Moreover, the existing tenants have, in many cases, made changes to the existing windows, including custom colors, alterations to accommodate store fixtures, louver connections to small mechanical systems and the like. Accurate documentation of such issues will be required to assure a smooth coordination of the re-installation process.

Our documents will provide the following:
- Floor plans of all floors, at 1/8” per foot, identifying each tenant and each window with a unique number.
- Exterior Elevations, at 1/8” per foot, identifying each tenant and each window with a unique number.
- Enlarged drawings of each window, showing a detailed interior elevation, enlarged plan, and section. These drawings will include a biddable proposal for the relocation of tenant fixtures, the construction of temporary walls and closure, references to large scale details, the notation of special conditions, and references to photos of the existing conditions. Field measurements of rough openings and other significant dimensions will be included on the drawings.
- Details of typical and special conditions.
- Technical specifications detailing the requirements for the work.
- Plans elevations, spreadsheets and other documents as needed to communicate a biddable schedule of work areas.

Our work will include co-ordination with the PDA and any tenants as required to resolve any special concerns that may arise, particularly as related to impacts during the construction period.

While it is not anticipated that this project will require building permits or the approval of the Historical Commission, we will prepare and coordinate applications to these bodies if the project comes to require it. Note that to the extent that such review requires changes to the design, those changes may be considered an additional design service.

We will also provide Contract Administration services through the construction period to respond to issues that may arise in the field, and to assure that the finished work complies with the requirements of our documents. Please note that it is assumed that, after initial submittals and pre-construction meetings,
this work will require a relatively minimal effort from our team, totaling approximately 5 hours per week of total time.

**Schedule for Design Services**
In support of the intended construction schedule, I assume that our documents will be complete and ready for bidding in mid-August of 2012.

**Assumptions and Qualifications**
The following points generally describe certain assumptions I have made in the preparation of this proposal. Should conditions of the work prove significantly different than what is described below, additional services will likely be required of the design team, with additional associated fees. I assume that such additional services will be performed on a time and expense basis, should the need arise.

- To my knowledge, the budget for this scope of work has not been established. We will work with the PDA to provide economical solutions to issues that may arise in order to help assure that the bids meet the PDA’s expectations. With this said, substantial redesign for VE is not included in the scope of the work.

- I have assumed that the scope of this work is limited to the replacement of the windows, and I have therefore not assumed any participation by any engineering or other specialty consultants. It is conceivable that such services may become required. If significant rot is discovered in the structure, structural engineering may be required. If energy modeling is required, we will need the services of a mechanical engineer. Such consultant work, if it is required, will be an additional service.

- The proposed construction schedule is very long for the scope of work. I have assumed that our involvement through the construction process will be desired, to review the ongoing installation and to answer the contractor’s questions. My assumption is that this effort will be minimal, requiring only 4-5 hours per week of our time throughout the bulk of the construction period. To the extent that project comes to demand significantly more effort from us, I will consider it an additional service.

- This project carries the risk that DPD will not accept, under current building codes, the removal and replacement of the existing windows, and that the Historical Commission will not accept the introduction of new windows. This may result in an impasse that requires more design effort from us to define a project that satisfies all parties. To the extent that this alters the scope of the work and requires significant additional effort on our part, we will consider it an additional service.
Proposed Fees
We propose to perform this work on a fixed fee basis, for a cost of $159,000, divided as noted below. Reimbursable expenses would be billed separately as additional costs, and will likely be in the range of $2,000 for this scope of work.

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<th>Activity</th>
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<td><strong>Total</strong></td>
<td><strong>$159,000</strong></td>
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I look forward to working with you on this project. Please feel free to call me with any questions at all concerning this proposal.

Sincerely,

Duncan Thieme, AIA
Principal
PROPOSED RESOLUTION 12-92:
Authorization for Contract Authority – Contract Project Administration Services

December, 2012

WHEREAS, 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 community; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has undertaken a major renovation of the Pike Place Market buildings, and many of the building systems have now reached the end of their useful life and are in need of major repair; and,

WHEREAS, it has been determined that Project Administration Services are necessary to provide administrative support for the ongoing Levy work; and,

WHEREAS, the PPMPDA will contract with Axis Planning & Development, LLC, for these administrative services in an amount not to exceed $35,000, account 163200-00.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to execute a contract with Axis Planning & Development, LLC in an amount not to exceed $35,000 for Contract Project Administration Services, account 163200-00.

______________________________  ______________________________
Gloria Skouge, Secretary/Treasurer                            Date

Date Approved by Council:
For: 
Opposed: 
Abstained:
Pike Place Market Preservation and Development Authority (PDA)

PROPOSED RESOLUTION 12-96


December 2012

WHEREAS, 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 that the Livingston Baker Hot Water Loop has deteriorated and needs to be replaced;

WHEREAS, the PPMPDA has executed a publicly advertised bid process for the replacement of the hot water loop

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with MacDonald-Miller Facility Solutions, Inc. in an amount not to exceed $236,567.41 for the execution of replacing the hot water loop at the Livingston Baker Building

The funds for this project will be drawn from the Capital Projects Budget, Replace Livingston Building Residential Hot Water Loop, 163715-00

Gloria Skouge, Secretary/Treasurer  

Date

Date Approved by Council:

For:
Opposed:
Abstained:
Proposed Resolution: Livingston Baker Residential Hot Water Loop Replacement

Proposed Resolution Costs: $236,567.41

Current Budget: $150,000

Account: Capital Projects

Accounting Code: 163715-00

- Project Description:
  The Livingston Baker Building’s hot water loop has begun to deteriorate and needs to be replaced.

- Scope:
  The purpose of this project is to replace the residential hot water loop at the Livingston Baker Building. The loop has numerous temporary patches installed by maintenance.

- Bid process:
  Publicly advertised project in the Daily Journal of Commerce
  1. MacDonald-Miller Facility Solutions $196,403 ($236,567.41 w/ tax & contingency)
  2. Stetz Construction $222,122
  3. Sheldrup Building Services $329,200
PROPOSED RESOLUTION 12-99:
Authorization for Contract Authority – Additional TI Reimbursement, 
Pike Market Child Care

December, 2012

WHEREAS, 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 community; and,

WHEREAS, in order to maintain the viability of the Pike Place Market buildings the PPMPDA has undertaken a major renovation of the Pike Place Market buildings, and many of the building systems have now reached the end of their useful life and are in need of major repair; and,

WHEREAS, it has been determined that it is necessary to provide TI reimbursement funds to Pike Market Child Care due to costs related to additional mechanical work beyond what was originally anticipated,

WHEREAS, the PPMPDA has reached an agreement with Pike Market Child Care to provide an allowance in an amount not to exceed $38,000, account 163204-00.

BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to reimburse Pike Market Child Care in an amount not to exceed $38,000. This amount will be drawn from NMTC I proceeds, account 163204-00.

Gloria Skouge, Secretary/Treasurer
Date

Date Approved by Council:
For: 
Opposed: 
Abstained:
DATE: December 6, 2012
TO: Pike Place Market Preservation and Development Authority Asset Management Committee
FROM: Natasha Fedo, BERK
RE: Business Plan Review

Recent renovation of the Pike Place Market opened up new possibilities for expansion of market venues and services. The Pike Place Market Preservation and Development Authority is exploring the viability, sustainability, and best practices for developing potential uses at the Atrium Kitchen and Economy Market Event Spaces.

The PDA retained BERK for assistance with evaluation of the business case for the Atrium Kitchen and Economy Market Event Spaces, including review of financial analyses completed to date, assumptions, and potential obstacles, as well as evaluation of possible niche uses.

BERK has completed the following tasks:

- Reviewed the operating financial model and provided recommendations on structural changes; developed certain structural components of the model; designed tables and charts for the Plan document.
- Provided suggestions on model assumptions, including ramp up and overall event bookings, and assumptions for operating revenues and expenses.
- Reviewed primary and secondary uses for the meeting spaces and the kitchen.
- Assisted PDA in re-packaging the Business Plan document by restructuring the flow, writing, and editing text and exhibits.

Based on the work completed, BERK concludes that operating revenue and expense projections are reasonable. In a typical, stabilized year of operation, the proposed venture of meeting rooms and demonstration kitchen will be able to generate sufficient revenue to cover the operating expenses. The ramp-up period will take at least one year, with full stabilization projected to occur in year 3. In addition, the community benefits of the proposed ventures are significant, and there is demonstrated demand for the meeting space and cooking classes and demonstration. The analysis does not include calculations of return on capital.

It is important to note that scope of this work was limited and time-constrained. The scope of work did not include original research; thereby BERK relied on the research conducted by the PDA to determine reasonableness of assumptions. While BERK assisted with drafting and editing some of the text for the Plan, the main text authorship of the document lies with the PDA.
BUSINESS PLAN

Pike Place Atrium Kitchen and Economy Market Event Rooms

1.0 EXECUTIVE SUMMARY

1.1 Business Plan Purpose

With the recent Economy Market Building renovation complete, the Pike Place Market PDA has to program
uses for spaces now available for use. These spaces, which include previously ADA inaccessible meeting
rooms on the buildings upper level, the Goodwin library, and a downstairs restaurant space, have
development potential as new, revenue producing event spaces, which would add value to the Market
operations. The Pike Place Market has developed a business plan whereby it would rent the upstairs spaces
for special events like conferences, weddings, meetings, and dinners and the latter space as a demonstration
kitchen and cooking facility, with the potential for rental of the larger Atrium for evening events. With the
availability of the space coinciding with the current, dramatic expansion of the food and event industry,
which is creating interest in nutrition and locally-sourced food, the Pike Place Market PDA believes that this is
the ideal time to develop these spaces to provide new food-related programming. These uses will also
present the opportunity to generate more activity on weekdays and evenings without adding direct
competition to existing tenants.

1.2 Recommended Operating Models

Meeting Spaces. The Pike Place Market PDA has concluded the primary use for the upstairs meeting is for as
a community meetings and auxiliary space for other Market-related functions. As these uses do not require
the entire space and occur primarily on weekdays, the opportunity is presented to make the meeting rooms
available to others. These uses include business seminars and retreats, business meetings, private dining
hosted by Market restaurants and a combination of spaces for private events and weddings.

The PDA recommends an operating model whereby the PDA would provide scheduling and management for
events with event catering, staffing, event set-up and décor provided by a third party. This model maximizes
revenue and focuses staff time on program building and outreach. It will require additional staff and
resources for addressing program development for the facility and providing limited onsite assistance to
event managers. Some capital outlay, particularly outfitting the existing rooms for basic functions will be
required. The PDA has set designated funding for this staff and facility improvements in its 2013 Operating
Budget.

Atrium Kitchen. The PDA would develop the Atrium level space as a full commercial kitchen to be used
primarily as a venue for cooking demonstrations, classes, and preparatory space for farmers, while allowing
secondary uses as kitchen space for development of artisanal products by Market tenants, product sampling
space, and a catering location for special events. A capital outlay to include the construction and furnishing of
a commercial kitchen will be necessary to make the space usable for this purpose. The PDA recommends an
operating model whereby it would create partnerships with an established operator of a cooking school
curriculum and a social event business to assist with programming of the facility. The facility would leased on
a “per event basis.” The PDA prefers this operational model because it will assure maximum revenue
while maximizing public exposure and while also permitting the PDA to operate a smaller food class and
demonstration program suited to Market opportunities. Like the meeting rooms, this new program will
require additional staff and resources. Staffing has been included in the 2013 PDA Operating Budget. Capital
costs will be determined should the PDA decide to proceed with this plan.
1.3 **Benefits and Risks**

There is a lot of enthusiasm for this project, including strong interest in the kitchen and the benefits of bringing more meetings and events to the market. The flexible spaces, especially the Atrium Kitchen, are unmatched in the direct vicinity of the Market and would provide new events, and with them new customers, to the area. After the capital outlay, these spaces would provide a long term, sustainable revenue stream to the Market. There is great potential to leverage the high profile location and identity of this space to provide marketing and promotional value. Our competitive assessment shows that there are comparable programs throughout Seattle that garner prices similar to those that the PDA is suggesting in its pricing structure. Leveraging the high profile location and identity of the Market, the spaces will be able to get some of that market share.

The PDAs financial analysis shows that, with a 12 month startup period, this project will be break even by month ten, stabilizing at a positive profit margin by month 12. This is based on key assumptions including a pre-set calendar of potential rental times; the absorption of costs like insurance, administrative policy setting, and facility maintenance (offset by an additional per-event fee to cover additional maintenance due to space use) into current operations; and expenses for operations, including the additional staffing, utilities, and supplies necessitated by the new space usages. The capital outlay for this plan is estimated at approximately $300,000, $50,000 of which has been approved to update the meeting rooms.

This business plan will have many benefits, outside of the accessibility and availability of the proposed Atrium Kitchen and Meeting Event spaces, for the Pike Place Market and community. It has great promotional value for bringing new visitors to the market, many of whom might be local, making them good candidates to be frequent guests who will bring revenue to our local artisans, farmers, and overall Market tenants. It also will provide a new, sustainable revenue stream that will continue to support the Market in the future. It will have the intangible benefits of supporting market tenants by providing additional space for their events and farmers by providing space for food preparation.

The project has risks, as well. These range from the risks of administrative and operational glitches, to unanticipated incidental costs, to poor revenue collection, to a lack of interest, to over-demand. The Market PDA is confident in fielding these risks, through planning and mitigating their affects, and maintains that the overall benefits of the project make taking on the risks worthwhile.
2.0 INTRODUCTION

The food and event industry is expanding in dramatic ways. Nutrition and locally-sourced foods have become major topics of interest, especially in consumer groups that have discretionary income. The importance of educating children as well as adults about healthy eating habits is now a national priority championed by First Lady Michelle Obama. In addition, event venues are increasingly becoming an essential element of any central shopping district, providing the hands-on experiences customers demand. The Pike Place Market currently has no facilities dedicated to either of these functions.

Developing the Atrium Kitchen and Economy Market Event Spaces creates an opportunity to expand the relationships with existing customers and to cultivate new ones by allowing shoppers to complete the farm-to-table cycle while enjoying a unique experience in one of the city’s most iconic locations.

This business venture is designed to bring additional food shoppers into the Market, to celebrate its location and identity as a food destination of international appeal, and to introduce people to the joy of cooking and sharing meals together. Importantly, these new facilities are especially suited to activating the Market during winter months and on weekdays, times most likely to attract local, regular customers.

The facilities will also provide a unique opportunity to host special food-related entertainment—networking groups, public demonstrations, product launches, and competitive cooking events—targeted toward the ever-increasing “foodies” audience.

This business sector is a natural extension of current PDA business operations which include the daily operation of commercial spaces, administration of daily leasing, and all facility support services for a public commercial setting. The service will be valuable to current tenants of the Pike Place Market PDA seeking temporary venues for special events they are unable to host on their premises, in addition to the many farmers who have expressed interest in using a commissary space to prepare their product and clean their equipment. There are also opportunities to expand current PDA programs, which may include providing ongoing education to farmers interested in developing cottage-industry businesses and value-added goods; cooking classes that may range from basic cooking skills to “tasting tours” of the Pike Place Market; and possible partnerships with area non-profits that promote nutrition and food security. (“Food security” relates to having sufficient quantities of food and the economic resources with which to obtain it—as well as access to basic nutritional information—to ensure good health.)
3.0 RENTAL SPACES

3.1 Description

Meeting Rooms
The upper floor spaces include more than 2,000 sq ft of space formerly leased and operated as a private event venue (Top of the Market/The Meeting Place), as well as the historic Goodwin Library. As a result of renovation activities, these spaces are now accessible by elevator and have become the established location for weekday PDA and market community meetings. The spaces can be rented together or separately.

The characteristics of the spaces are very distinctive and invite a wide range of different uses.

- The larger room with high ceilings, skylights and overlook of the Atrium is perfect for seminars, meetings and large private events. The most recent commercial use of the space as a cabaret went exceedingly well – evidence that a limited budget for acoustical improvements of sound, lights and décor are worthwhile investments.
- The Elliot bay room provides a different atmosphere with attractive view for meetings of 30 or so around a large table. It can be easily combined with the larger room for events up to 200 people.
- The “green room” provides another location suitable for smaller break out meetings, office functions, and as added space for event staging.
- A warm-up kitchen is provided for catered events.
- The Goodwin Library, with historical charm and its unique vista of above Pike Place is a truly unique setting for up to 15 around a large common table.

While PDA and Market management activities sometimes require the use of the Economy Market rooms for business purposes, there are many times when the spaces are unused, especially on nights and weekends.

Atrium Kitchen
The space where the kitchen is proposed is currently vacant. The future kitchen will be the centerpiece of the Market’s efforts to celebrate food. The timeless, utilitarian design will incorporate white tiles, steel surfaces, and natural wood elements inspired by classic commercial kitchens, the equipment will be the highest quality and the atmosphere will be conducive to events from intimate private cooking classes to large food related demonstrations.

The design has been evaluated by several professional chefs and operators of commercial cooking classes. Learning from their experiences, we propose high standards from the start – in finishes and equipment. There will be a full service scullery/food preparation area concealed behind the front display/educational area. The facility is designed to provide maximum flexibility for different types of demonstrations, activities, and dining events. Front partitions will be movable, permitting large audiences to view the activity. This will be a facility known for exclusive, private dining at a kitchen table with celebrity chefs, classes on general food education, and high profile, nationally promoted food and cooking events.

The designs have been approved for the Historical District and can be submitted for permit immediately. All necessary utilities are stubbed to the space and construction will not require any significant work in other parts of the building.
The Exhibit below presents more details about the meeting room spaces and the proposed kitchen:

### Exhibit 1

**Description of Meeting Rooms and Kitchen Space**

<table>
<thead>
<tr>
<th>Uses</th>
<th>Size</th>
<th>Capacity</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Conference</td>
<td>20 x 60 = 1,200 sq ft</td>
<td>150</td>
<td>High ceiling, presentations, classroom layout, AV, portable stage, internet</td>
</tr>
<tr>
<td>Elliott Bay</td>
<td>20 x 30 = 600 sq ft</td>
<td>50</td>
<td>High ceiling, presentations, classroom layout, AV, portable stage, internet, partial view of Elliot Bay</td>
</tr>
<tr>
<td>Greenroom</td>
<td>20 x 20 = 400 sq ft</td>
<td>N/A</td>
<td>Ancillary use with conference room or Elliot Bay room (setup, temp storage)</td>
</tr>
<tr>
<td>Goodwin Library</td>
<td>20 x 15 = 300 sq ft</td>
<td>15</td>
<td>Historical setting from 1920’s with view of Pike Place. Full conference table. Formal seating for dining</td>
</tr>
<tr>
<td>Atrium Main Floor</td>
<td>1000 sq ft +</td>
<td>125+</td>
<td>Open circulation on multiple levels, Available evenings only. Events from 30 to 125. AV. Lights, Tables and seating.</td>
</tr>
<tr>
<td>Atrium Kitchen</td>
<td>30 x 20 = 600 sq ft</td>
<td>15</td>
<td>Full commercial kitchen with galley, AV, internet web-cast. May be closed for private event or open as part of larger atrium space.</td>
</tr>
</tbody>
</table>

The exhibit below shows the general layout of the meeting spaces and Atrium Kitchen within the Economy Market building:

### Exhibit 2

**Spatial Layout of Meeting Spaces and Kitchen within the Economy Market**
3.2 Proposed Primary and Secondary Uses

Meeting rooms and Atrium Kitchen are proposed to be rented separately and in combination for a variety of uses, summarized in the exhibit below. The narrative following the exhibit provides further detail.

Exhibit 3
Proposed Primary Uses for Event Spaces and Atrium Kitchen

<table>
<thead>
<tr>
<th>Uses</th>
<th>Suitable for these spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community meeting space</td>
<td>conference rooms</td>
</tr>
<tr>
<td>Seminars/retreats</td>
<td>conference rooms, Goodwin</td>
</tr>
<tr>
<td>Cooking classes</td>
<td>kitchen only</td>
</tr>
<tr>
<td>Food and education seminars</td>
<td>kitchen only</td>
</tr>
<tr>
<td>Weddings, other large catered events</td>
<td>conference rooms, atrium +/- kitchen</td>
</tr>
<tr>
<td>Private party chef events</td>
<td>conference rooms, atrium +/- kitchen</td>
</tr>
</tbody>
</table>

The variety of uses for meeting rooms and Atrium kitchen fall into two categories: primary and secondary uses. Uses are categorized based on the percentage of time they are likely to take and on their monetary value.

Meeting Rooms

Primary Uses

The primary use of the upstairs meeting rooms will be for community and Market meetings.

Rental uses

With adequate scheduling, the facilities can be made available for other user groups, and generate income for room rental fees. The following are considered priority rental uses

- Business seminars/retreats – suitable on select weekdays in Large conference, Elliott Bay, Goodwin
  - Offsite conferences, business retreats, and educational seminars were a regular function at the Meeting Place and Top of the Market. Our proposal envisions that the Elliot Bay room would become the primary community meeting room during weekdays. With adequate acoustic improvements, the addition of internet access, and provision of a few additional conference room features, the larger room could work a separate venue, with movable seating and conference tables, for groups of 50 to 75.
  - Primary target clients are corporate business planners and commercial seminar firms, often related to human resource departments. We expect demand for these types of functions to be primarily on weekdays. Aside from the unique location and access to the downtown office core, a great benefit of this use is the addition of customers to the Market from meeting attendees, especially for breakfast, lunch and dinner mealtimes. We propose to start slow with such events; until we can be reasonably assured that there will not be disruptive impacts from joint use of the two rooms on the floor.
A subset of this client group is convention planners, seeking a smaller, break out location, to include on their list of options, combining a trip to the Market with a retreat/seminar activity.

- **Private dinners and business meetings** – Goodwin Library and Elliot Bay Room.
  - The Goodwin Library, with its historical features and magnificent location, has been a hidden jewel of an event space. Because of its use for community meetings, it has not been available to other uses. With the relocation of community meeting rooms across the hall, this venue is now suitable for short term rentals. Our research indicates that there could be excellent demand for this space – especially for private dinners of up to 15 and social gatherings of up to 20. It provides an excellent location for special breakfast meetings (which could be hosted or catered by a Market restaurant), an evening specialty chef dinner, or small private events.
  - In the last two months we have tested this concept with a Market merchant who has booked 12 events for private dinners at this location, using the Living Social network. The dates were quickly sold out (at $75 per ticket) and, by all accounts, demand for this space will be very high, once it is more prepared for this type of function. The space has also been tested as a mini-retreat project work space for a local design firm.

- **Weddings and private parties** – Large conference, Elliott Bay, Greenroom, and/or Atrium/Atrium Kitchen
  - Wedding planners are often seeking venues that are unusual and memorable. The Meeting Place at the Market and the Top of the Market, both former businesses which operated banquet facilities in the Economy Market had regular business as a venue for weekend parties and wedding related events (ceremonies, rehearsal dinners, and receptions).
  - Weddings require special consideration, long term planning, and excellent customer service. They also provide a strong source of revenue, especially on evenings and weekend dates when the meeting rooms in the Economy Market are not used.
  - The current spaces can be combined to provide a larger event space, if required. They will have amenities – including a warming kitchen, “green room” for supplies or preparation, and partitions that allow for customized event spaces. Elevator access, access to the Goodwin Library, access to valet parking, and opportunities to tap the broad variety of vendors in the market are already available amenities.

### Atrium Kitchen

**Primary Uses**
The primary use of kitchen is for the enrichment of Food-related programs of the Market. Cooking classes and demonstrations (public and private), utilizing instructors from other cooking programs, local and visiting chefs, trade associations, and other sources:

- Kitchen space for testing and development of value-added products by Market farmers
- Public cooking classes and demonstrations – free events may include tastings of products for sale.
- Public cooking classes and demonstration – limited hands-on activity.
- Private cooking instruction (capacity of 15, hands-on instruction and use of the commercial equipment, sit down dinner in the kitchen with the chef, 3-4 hours in the evenings)
- Educational cooking instruction – affiliated with local schools and vendors of the Market.
Another primary kitchen use is for large evening events utilizing commercial kitchen in support of meeting room use.

**Secondary Uses**

*In addition to the primary uses described above, there are a number of other opportunities for uses that could provide community benefits and potentially generate additional revenues:*

- Auxiliary space for other Market events - Cheese Festival, Sunset Supper, Arcade Lights, etc.
- Product sampling space for food and beverage producers
- Prep/cleanup space for Market farmers providing samples or prepared products
- Filming location or filming support area
- On site production for internet based and podcast cooking programs
- Community activities and evening events (associated with the larger Atrium space)

### 4.0 MANAGEMENT AND OPERATIONS

#### 4.1 Meeting Rooms: Operating Models and Pricing

**Operating Model**

The management of upper floor meeting rooms is a natural extension of current PDA business operations, which already include the daily operation of commercial spaces, administration of daily leasing, and secondary support services (marketing, facilities, security, etc.) necessary for a public venue.

Four alternative operating models were considered, including:

1. PDA provides full services for events – including catering, staffing, and decorating.
2. PDA provides scheduling and management, while catering, event set-up and décor are provided by third parties.
3. Leasing space to an independent business to operate as an event facility (while reserving calendar dates for PDA use).
4. Third party management – sub contracting with an event management company for all rental contracts for “open dates.”
5. No action – rooms are not used for revenue generating activities when not needed for PDA use.

Detailed discussion of each of the alternatives is in the appendix.

We recommend the following **Operating Model 2**: PDA will be providing scheduling and management for events, while catering, event set-up and décor are provided by third parties.

**Operating Model Benefits:**

- This option maximizes revenues for the PDA
- Provides flexibility with scheduling and serving the current market community
- Focus staff time on program building and outreach

**Operating Model Implications:**

Administrative functions related to room rentals and billings can be handled with staff and resources in the 2013 PDA operating budget. Additional staff and resources are needed to address program development for the facility (especially in the start-up phase), for scheduling events and to provide limited on-site assistance to event managers. The PDA has designated a full time manager to work with the meeting room and Atrium event spaces. Support operations will be provided by general PDA office administrative functions.

Operations may also require contract staff when needed to assist with event set up and clean up – with full
costs charged as part of the rental fee. Since part time event staff functions require flexible scheduling and services, we expect that personnel will need to be contracted on a per event basis, as opposed to regular employees of the PDA.

- The operating model includes allocated costs of the Program and Community Event manager (50% for the meeting rooms, 50% for the Kitchen). Duties include program oversight, operating budget, administration and coordination of facility services and marketing efforts with PDA departments.
- Additional administrative assistance to handle room reservations, client relations and assistance will be provided as general support from PDA operations. And is not assumed to be an incremental cost beyond staffing levels in current 2013 budget.
- Staffing and support services will require a designated office space connected to PDA computer network.
- Advertising and promotions would be done through the PDA website and through general event calendar listings, including wedding planners, corporate event managers and the Seattle convention and visitors bureau.
- Promotional materials will be produced as needed, with consistent presence in wedding and event planners resources, a greater reliance on simple information materials and referrals and repeat business for the meeting functions.

Pricing
The PDA proposes to rent the meeting facilities on a “per event” basis. Space would be available to Market commercial tenants, local organizations and private groups. Each rental would be by contract, similar to current special event contracts used by the PDA. A reservation fee would be required to hold a date and a non-refundable deposit held to discourage cancellations.

The proposed pricing structure is variable throughout the week and day, and is derived from comparable rents for similarly sized public facilities. Base fees would include a standard arrangement of tables and chairs. Add on services provided by the PDA would be limited to supplemental furniture and AV equipment kept on premises.

**Exhibit 4**
Proposed Rental Pricing Structure for Meeting Rooms

<table>
<thead>
<tr>
<th>Times</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large days</td>
<td>$100</td>
<td>not available</td>
<td>not available</td>
<td>not available</td>
<td>not available</td>
<td>$200</td>
<td>$250</td>
</tr>
<tr>
<td>Large nights</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$300</td>
<td>$200</td>
<td>rent with large</td>
</tr>
<tr>
<td>Elliot nights</td>
<td>not available</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td>rent with large</td>
<td>rent with large</td>
<td>rent with large</td>
</tr>
<tr>
<td>Goodwin before 10 am</td>
<td>$75</td>
<td>$75</td>
<td>$75</td>
<td>$75</td>
<td>$100</td>
<td>$100</td>
<td>not available</td>
</tr>
<tr>
<td>Goodwin after 5 pm</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
<td>$100</td>
<td>$200</td>
<td>$200</td>
<td>not available</td>
</tr>
<tr>
<td>Atrium after 6 pm</td>
<td>not available</td>
<td>not available</td>
<td>not available</td>
<td>not available</td>
<td>$500</td>
<td>$500</td>
<td>not available</td>
</tr>
</tbody>
</table>

Note: “Not available” indicates reserved use for the PDA, and not available for rent.

Additional stipulations:
- Clients would be responsible for arranging catering, decorating, set up and cleaning. Clients would also be responsible for insurance, special permits, special furniture arrangements, AV equipment, etc.
- A preferential rate /one-time discount would be offered to commercial tenants of PDA properties.

4.2 Atrium Kitchen: Operating Models and Pricing

Operating Model
Seven alternative operating models were considered, including:
1. PDA operates a full cooking school program—responsible for all programming.
2. PDA develops a commercial kitchen for joint use as cooking school, food demonstrations and event center. PDA identifies sponsor/partners to assist with programming and operations on non-exclusive basis.
3. PDA develops a commercial kitchen for primary use as cooking school, leases to private or independent operator.
4. PDA develops a commercial kitchen for primary use as production facility for value added food products, secondary for educational venue.
5. PDA does no further work, leases space as is to a third party to operate a full time cooking school.
6. Lease space as is to a commercial retail or food service tenant not affiliated with educational programs.
7. Leave space as is for limited public programming and added public seating.

A detailed discussion of each of the alternatives is in the appendix.

We recommend **Operating Model 2**: PDA develops a commercial kitchen for joint use as cooking school, food demonstrations and event center. The PDA proposes developing a commercial kitchen in the Atrium and making it available for lease on a “per event” basis to third parties to conduct special events. The PDA will identify “blocks” of dates that can be rented to one or two special event promoters (inaugural sponsors) holding the balance of dates for PDA sponsored uses and general education. PDA would also rent facilities to single time users on a space available basis – such as restaurants seeking additional private event space, specialty food promotions and the like.

PDA develops a commercial with a joint use program, partnering with established cooking school program(s) and social event promoter(s) to program consistent year round activity. We have been able to have some discussions with the operators of an established cooking class/instructional program (Sur La Table) and a company which promotes unique social events with a food related theme (Living Social). Both companies have strong demonstrated success in operating successful event programs with unusual depth and variety. Both have indicated a very strong interest in locating a venue to conduct such programs in downtown Seattle. Both have been very supportive of the proposal and have offered to join with the PDA in this effort.

With a decision by the PDA to proceed with this project, we are confident that working agreements and partnerships with these two companies or others of similar caliber can be established quickly. The companies each provide all administrative and management services required to operate their programs, promote their business, secure talent and instructors and handle ticketing/customer relations. Both companies named have suggested that they could use their professional relationships to help the PDA secure equipment to complete the build out of the Kitchen in return for non-exclusive use of the facility. Both have indicated a willingness to proceed with a plan for shared use of the space, with payments for use of the space/rental fees. We expect that a contract with such firms will provide a reasonable security to cover operating costs and could include the potential for added income through a share of ticket proceeds.

**PDA operates a partial cooking school program.** This option assumes that the PDA will be operating some of its own public and private cooking classes. The PDA can also reserve for its own programming needs a selection of dates on the calendar, for Market related promotions, seasonal events, and community education. The kitchen facility is designed so that it can also be offered for use to Market farmers and food vendors to test production of value added products or to provide support space for preparation of food for sale at the Market.

**Operating Model Benefits:**
- By investing in the build-out, the PDA can assure that the facility is high quality from the beginning.
As the primary “investor” the PDA can assure that the facility is programmed for maximum public benefit.

The PDA has experience and can effectively manage space rentals.

The PDA can provide an umbrella of permits for commercial uses of the facility.

The involvement of inaugural sponsors will assure frequency of use and expanded promotional benefit and public exposure for the venue. A preferred combination of sponsors would be one with extensive experience in cooking classes, the other with experience in specialty food related events. We have found interest from both categories.

Affiliation with non-exclusive sponsors from the beginning could provide a source for funding the build-out.

The PDA will have limited responsibility for booking chef talent and the administration of class registrations and fees.

The PDA retains some ability to obtain additional income from cooking classes and special events.

The PDA retains ability to monetize trademark and licensing fees for merchandise.

The PDA can reserve off hours for use by market farmers and tenants.

**Operating Model Implications:**

Since the proposal includes PDA operating its own cooking school program, this decision will require a commitment to provide adequate staffing to schedule a program of classes, identify instructors, coordinate ticket sales, and other coordination. Event calendars will be coordinated on a quarterly basis, permitting an advance marketing of specific classes and activities through the PDA and websites of affiliated organizations. On-site promotion of the event calendar and registration information will be required.

- Administration and management will be handled by new PDA staff position in the 2013 budget, to oversee operating budget, administration and coordinate marketing efforts with PDA departments.
- Additional administrative assistance will be provided through PDA administrative support, for a limited number of events sponsored by the PDA....
- Promotion of events and publicity. Publicity would be shared with other sponsor/partners events – primarily with on site postings of event calendar, web site and press releases.
- Maintenance of website calendar.
- Revised operating procedures for the properties (hours for HVAC, security, custodial).
- Customer service intake.
- Instructor contracts/referral/ reservation outreach. Instructors would be sought from existing tenants, food vendors, trade associations/ cooperative extension, Tilth, food and nutrition programs directed to youth and seniors.
- Sourcing of cooking equipment and food sources.

The PDA would maintain, update and provide lists of recommended vendors for catering, décor, supplies and other event services. Local businesses, especially in PDA operated buildings, would be featured. Any vendor could request listing in the contact book, although continued listing would be based on history of performance. PDA tenants would be highlighted when they had on-site training and orientation to use of the facilities. A competitive benefit with their services is that they have existing insurance coverage for business use of the premises.
Pricing Structure

Rental Structure for Events. The rental structure acknowledges the potential for high demand of the kitchen for evening events, the need to facilitate programming of events during week days, and very low cost access rates to market farmers and food vendors. The rate structure has the following components:

- $25 for kitchen access for food preparation (before 10 am).
- $100 for 2 hour weekday use of the kitchen for cooking classes or demonstrations, run by contract vendors.
- $200-$1000 flat fee for private events during evenings (depending on day of week and combination of space rented).
- Premiums would be charged for weekends and as demand is established. Premiums will also be charged for weddings due to added staff involvement with programming event demands.

Rental Structure for PDA-operated Uses. Room rental fees are not assumed from PDA sponsored events as revenue is expected to be generated from ticket sales. Promotional cost at $250 per event for instructors, supplies, set-up and cleaning.

- Tickets at $35/person for private classes, cooking demonstrations (classroom style 1 ½-2 hours)
- Tickets at $75/person for private dinners that include hands-on cooking class with chef and shared dinner (3-4 hours)

5.0 MARKET ANALYSIS

5.1 Needs Assessment

In the last year the PDA has continued research on the potential demand and feasibility of a commercial kitchen facility, building on the initial report prepared in May, 2012. We have examined rate structures, infrastructure requirements, demand and schedule for a variety of operations, both commercial and community based. We have interviewed operators of many facilities and different programs, both locally and at comparable “public market” locations in other cities. We have concluded that demand is strong and that a commercial kitchen accessible to the central Seattle downtown would have strong demand.

Much of our preliminary information was necessarily anecdotal. We have held several events in the “raw” space to test functional operations of different types of events in the Atrium, including large celebrations at night, small community functions during the weekday and moderate sized special private events in evenings. The response from users has been positive, although admittedly, these trials did not require a room rental fee.

Pike Place Market Niche

The Atrium Kitchen and Economy Market event rooms could offer a unique blend of facilities well-suited for supporting a variety of educational, event and dining experiences. This, combined with affordable rates and a highly desirable location, sets the stage for a successful venture. Our focus groups, surveys, and interviews have provided additional insights into the demand for this type of facility:

- **There is a lot of enthusiasm for this project.** Potential users across all levels have expressed strong interest in the kitchen and anticipate many benefits for both their businesses and the Market as a whole.
- **The flexibility of the atrium space is an attractive element.** Being able to scale the kitchen to accommodate both small, intimate classes as well as larger social events supports a wider range of potential users and uses.
The Atrium Kitchen would stand alone as a venue well-suited to production, education, and private dining events. Of the 11 Seattle-area kitchens available for private rental surveyed (see appendix), none offer our unique combination of uses and availability.

The Atrium Kitchen would provide an opportunity for Market restaurants to develop their catering options. Due to space limitations, Market restaurants often turn down requests to cater private dining events. Strong interest has been expressed by several chefs to provide expanded options for their guests.

Surveys have identified a strong level of interest in a “neutral turf” for specialty food promotions or cooking events. Currently, such functions are hosted by private businesses and identified with those commercial enterprises. No event facility was identified that is suited to public presentations or spectators in a large public space.

Easy access to affordable kitchen space would support our farmers. Whether used for preparing samples, cleaning their equipment, or developing recipes and test-batches of value-added product, the kitchen could help our farm vendors grow their businesses and increase profits.

Competitive Strengths of Location
- High profile location/identity
- Strong affiliations of the Market with quality food and venue for chefs
- Marketing and promotions potential
- Demographics of CBD – increase of population in median and upper incomes
- Great transit access
- Proximity to downtown professional population – good for both mid-day and evening uses
- Established customer patterns with visits averaging 2-3 hours.
- Non affiliation with any specific commercial enterprise
- Access to Pike Place name in outreach and marketing materials
- Suitable for larger audience / public presentations
- Rates proposed similar to those charged for students at other classes
- Apparent high demand at other locations
- Support functions / staff provided by existing PDA organization

Competitive Advantages of Facility
- Established history of use
- High quality commercial standards in design and equipment
- Suitability of venue to hosting private events to much larger exhibitions.
- Available to a wide variety of users
- Can offer rental facility to vendors for “pop-up” type businesses compatible with the Market but not practical for permanent locations.
- “competition” as part of local food shopping experience (especially community college programs,
- Potential for private event in an unique, highly recognized setting
- Attractive to those seeking something “Out of the ordinary”
No immediate loan repayment requirements if financed by PDA

Competitive rates

Cachet of Eat Local – Cook Local

5.2 Competitive Assessment

The following is a competitive assessment for meeting space and demonstration kitchen:

Meeting Rooms

- **Private meeting rooms:** Some office buildings and private organizations in Seattle offer spaces suitable for meetings or social events. These facilities typically do not have full-fledged kitchens. Rates for these spaces run $75 to $200 per hour depending on size, location and amenities.

- **Private event facilities:** Whether part of a hotel or a purpose-built event space, these facilities offer fully-equipped kitchens or catering prep areas. Suited primarily for larger events (200-500 people), these range in price from $100 to $200 an hour. Many can only be rented for a flat rate starting at around $1,200.

- **Public meeting and event facilities:** Seattle Public Libraries and the Seattle Parks and Recreation Department offer meeting and event spaces for daily use. These spaces range from simple meeting rooms to complete event venues with basic kitchen equipment. The quality and amenities available for these spaces varies greatly, but none of them offer more than basic design or “rustic charm.” Rates range from free to $200 per hour.

Atrium Kitchen

- **In-store demonstration kitchens:** Typically tied to a grocery store (Uwajimaya, PCC, Whole Foods) or commercial equipment vendor (Bargreen Ellingson), these kitchens are used for demonstrations, classes, and education programs sponsored by the store. Participation fees may be charged to customers.

- **Cooking schools:** There are a number of cooking schools in the area that offer demonstrations or hands-on learning experiences. Most operate from a dedicated venue, rented by the school and tuition fees are charged as part of the business. Some are private business ventures, others are part of continuing education programs. Rates for a single 90-minute class are in the $50 to $125 dollar range.
  - Sur La Table – 1200 classes (no downtown locations)
  - PCC – 1000 classes (no downtown location)
  - Private cooking schools – Diane’s Market Kitchen, the Pantry at Delancey (Ballard)
  - Community colleges – Art Institute, Seattle Central Community College, Highline Community College
  - Living Social – specialty/celebrity chef events – various locations

- **Private commercial kitchens:** Designed solely for preparation and production, these kitchens offer back-of-house support for food-related enterprises. Rates run from $10 to $50 per hour.
  - Cookspace – private commercial kitchen for rent, Queen Anne
  - Community and senior centers
  - Churches

- Banquet/class combo
  - Pantry at Delancey in Ballard
  - Woodinville Winery
  - 21 Acres
5.3 Marketing and Promotion Strategy

Target Groups
The following are major customer groups that would be targeted for specific uses:

- Market farmers – one-on-one for test kitchen or food prep as part of adding value to product mix.
- Seattle foodies – through food bloggers – individuals interested in setting up private kitchen events.
- Market restaurants as co-sponsors/caterers for private events in meeting locations (the rooms providing added banquet space suitable for breakfast business meetings to larger parties). Promotion through one-on-one contact and brochures.
- Social event planners (Living Social, Meet up, etc.) – primary those involved with coordinated special events and selling tickets for income.
- Event planners/Human Resource directors – for off-site meeting seminars, team building events.
- Weddings: primarily event planners and individuals seeking unique setting in downtown Seattle. A focus for paid promotional advertising.
- Banquet facility/trade association groups.
- Existing businesses with cooking schools (as a satellite facility for one-time events, food tours, or a series).
- Restaurant chef associations – as a place to demonstrate or introduce a new menu or pop-up locations.

Promotional Activities
The initial task in promoting the kitchen and event facilities will be to develop a concise informational package with rates, amenities, images and reservation information. This information can then be distributed online through the Market website, as well as any number of local event planning resources.

Once information is readily available, promotion of the kitchen and event space will essentially be a business-to-business model, with individual outreach and relationship development the focus.

Securing a few key “anchor clients” that can be relied upon for repeat bookings will be critical to the ongoing success of the kitchen and event facilities. Work to establish these relationships specific to the Atrium Kitchen has been underway for several months, with interest continuing to be strong among those contacted.

Along with potential clients, we have also begun to develop relationships with partners who, in addition to potentially providing programming, can also serve as “brand ambassadors,” promoting the venues to their contacts and associates.

The following are specific marketing activities that will help promote the meeting spaces and demonstration kitchen:

** Necessary pre Marketing materials – meeting rooms 
- Name/identify/branding image
- Rate card
- Sample rental agreement
- Brochure
- Web page on PDA site
- Reservation calendar
- Reservation forms
• Accounting procedures for taking payment
• On site marketing materials – PDA office/stairway to Economy Market

**Meeting/convention/banquet advertising**
• SGN – wedding issue
• Bridal fairs
• Hosted meeting with event organizers/corporate event planners
• Marketing materials to business seminar/HR departments – central CBD locations
• Seattle Convention Visitor bureau – convention planners

**Kitchen**
• Direct mail and emails to local culinary schools (private/community college/high school)
• Emails to local restaurants (Chef groups, Foodportunity)
• Co-promotion with sponsors to their distribution lists
• Outreach to Tilth user group – potential classes

**Food community**
• Outreach to food blogger network, open invitation to hosted gatherings in upstairs rooms
• Regular meeting set up with food community/advisory group

**Opening Media Event - Kitchen**
Given the interest expressed to date from a variety of people in the Seattle culinary work, we believe a grand opening event is a guarantee to success. Planning ideas include:
• A series of programs with celebrity chefs (Tom Douglas, Ethan Stowell, Ciscoe/Lea)
• The opportunity for a food “cook off” competition (chefs of different Market restaurants using Market source foods)
• Specialty food tastings from local artisan food makers
• Media sponsorship will be sought. We expect to have capacity for a webcast/podcast as well
• Tickets to the event could be a fundraiser for a market foundation affiliate – such as the downtown food bank

### 5.4 Case Study: Milwaukee Public Market

The Milwaukee Public Market provides one comparable case study of a demonstration kitchen’s potential for value in a public market space. The Market, located in the historic Third Ward neighborhood of Downtown Milwaukee in Wisconsin, is a new facility that is built, and now operated, by the City’s Business Improvement District 2, a quasi-governmental agency. Inspired by the Pike Place Market, it features small shops showcasing local food products. However, unlike the Pike Place Market, it includes a small kitchen, constructed on an upper floor and used for lunch-time customer seating during the day. In 2007, the kitchen became the location of an active cooking school operated by the Market. The adjacent gathering space is rented to private events and for business meetings, and is available after regular business hours.

The Milwaukee Public Market hosts three main types of events in this kitchen space:

• **Public cooking classes.** These classes are generally one and a half to two hour cooking demonstrations in a classroom format that accommodate up to 45 students. The Milwaukee Public Market offers about five of these demonstration style classes per month and they, on average, cost $29 per person.
• **Private cooking classes.** These classes are generally four hour hands-on classes that allow up to 16 participants to share in the preparation and eating of a meal, often with wine, under the guidance of a local chef. These classes cost an average of $75-80 per person.

• **Private events.** These are generally group events that take place in the adjacent hall and may make use of the kitchen as part of the larger event. These events include fundraisers, weddings, receptions, corporate team-building events (which make up a large part of this business), and private parties. These events accommodate groups of up to 150 seated guests. About 200 such events are booked per year, with the Milwaukee Public Market charging a flat rental rate of $500 per event.

The Milwaukee Public Market schedules classes two to three months in advance and pays a stipend of about $200 or, in lieu of a stipend provides food from the market, sourced from Market vendors, to class instructors for teaching their class. They provide onsite personnel to manage events and to staff events with liquor service needs. They also handle promotions and marketing of their classes as part of their general market administration. With these costs, the Milwaukee Public Market generates a net income, which exceeded $100,000 for fiscal year 2011.
6.0 **FINANCIAL ANALYSIS**

6.1 **Operating Analysis**

**Overview**

The financial model was constructed to analyze operating performance of the proposed venture. The model includes the following main components:

- **Booking schedule**: assumptions regarding number of monthly events
- **Revenues**: operating revenues are driven by booking and rental fee assumptions
- **Expenses**: staffing projections, variable expenses connected to number of events (set-up, clean-up, security, etc), marketing, utilities, etc.

**Booking Assumptions**

**Meeting spaces and kitchen rental.** Starting with the maximum possible capacity for event bookings, we developed three general use models – low demand, medium demand and high demand. The following are weekly projections of the three types of uses:

- **Low** use is based on up to two conference room rentals, two rentals for food preparation, and up to three rentals for cooking classes (daytime and evenings).
- **Medium** use is based on two bookings of Goodwin and large conference room during the day, one larger event that would book the large conference room, atrium, and kitchen; two evening classes, and three day classes/demos.
- **High** use is based on six rentals for food preparation; several rentals of Goodwin and large conference room during the day and evening; two larger events that would book the large conference room, atrium, and kitchen; two evening classes, and six day classes/demos.

The operating model is based on a mix of low, medium, and high demand weeks, as well as two weeks of no operations.

**PDA-operated cooking classes.** The maximum projections include two weekly public cooking classes and two weekly private classes, with vacancy assumptions built-in.

**Start-up Operating Analysis**

The financial model is based on a 12 month start-up period. This allows adequate time to develop a client base and fully test a variety of uses. At the end of 12 months, a progress report including financial performance, client satisfaction, and advance bookings will be presented to Council. Based on discussion about how reservations and revenues are measured against our initial assumptions and future projections, the PDA could, at that time, direct modifications to the rate structure or business model.

Bookings of meeting space events, kitchen rental events through a third-party vendor, and PDA-operated events ramp up gradually over a 12-month period.

Operating revenues are projected to reach a break-even point in month 10 (see exhibits below), gradually stabilizing at a positive profit margin by month 12.
Exhibit 5
Event Bookings and Net Revenue from Operations for 12-month Start-up Period
(excluding one-time start-up expenses in month 1)

Exhibit 6
Operating Revenues and Expenses for 12-month Start-up Period

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_**BUSINESS PLAN:** PIKE PLACE ATRIUM KITCHEN AND ECONOMY MARKET EVENT ROOMS_
Stabilized Operating Analysis

After the initial start-up period of 12 months, we project the second year bookings to continue to ramp up, with total stabilizing in year 3. Exhibits below show the total revenues, expenses, and net revenues over the five-year period, as well as proportion of revenue contributed from different uses. “Other” revenues reflect additional fees charged such as security, set up, and clean-up (these revenues are later offset by expenses). The net revenue margin is projected to increase to approximately 17 percent of gross revenues in year 5.

Exhibit 7
Five-year Operating Revenues and Expenses

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$146,500</td>
<td>$303,800</td>
<td>$356,500</td>
<td>$374,300</td>
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<tr>
<td>Expenses</td>
<td>$191,000</td>
<td>$278,400</td>
<td>$306,200</td>
<td>$315,400</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$(44,500)</td>
<td>$25,400</td>
<td>$50,300</td>
<td>$58,900</td>
</tr>
</tbody>
</table>
Key Assumptions

There are a number of financial assumptions that impact the operating projections:

- **Calendar of Events.** Calendar is prepared for total number of potential dates (x 2-hour increments on weekdays) and as single event for nights and weekends. Calendar dates for public meetings and PDA use are identified. The result is a calendar of potential rental dates by block of time (specific to each room and function).

- **Costs Absorbed into Current Operations.** The revenues and expenses included in this analysis are incremental – they would not occur if the event space and kitchen operations were not there. Since the Market is an established operation, there is an opportunity to absorb some costs that would typically be considered new costs for a start-up business. These costs include:
  - Processing of rental payments and facility maintenance (although a per event fee will be used to offset any increase in staff costs, especially overtime).
  - Use existing administrative procedures to allocate and track costs incurred in operating this separate facility.
  - Facility insurance.
  - Utilities for the meeting spaces.

- **Expenses for Operations.** Staff expenses assume allocation of a full time manager level of PDA assigned to program oversight, outreach to major clients, coordination of promotions and logistics with other PDA operations, as well as a part time PDA administrative support for booking, billings, and on call assistance.
  - Additional overhead for operations will include a system for event tracking, client registration and contact information, which would be done with existing PDA equipment and software.
o Additional operating costs are likely to include a web/internet line separate from the PDA server, AV equipment operation and miscellaneous conference room supplies and equipment (similar to a business courtesy station at a hotel).

o A utility would be assessed for events requiring these services.

o A damage deposit fee would offset incidental cleaning and repairs.

o Added staff functions for setup, security, cleaning – from part time personnel to be hired, billed back with rental fees for users of the Atrium kitchen.

6.2 Capital Program

Because this venue will be the host of public events and professional chefs, the finished kitchen will exemplify high-quality, utilitarian equipment and finishes. The proposed design takes maximum advantage of the “light industrial” finishes and materials used in renovation of the Economy Market and other facilities.

The build-out budget proposed is minimal to provide a commercial kitchen; additional resources could provide for better finishes and more equipment. For initial build-out the major expenses will be for the ventilation hood, storefront doors, and utility walls. These features are necessary for any commercial food-related business in the location.

Meeting Rooms

Initial $50,000 to outfit existing rooms with basic functions. Added investment may be required on cost-benefit analysis. The immediate needs include:

- Acoustic improvements for large room
- Window blinds and draperies for light control
- Completion of warming kitchen for catering, meeting use
- Audio – visual support for presentations
- Independent internet access
- Finish repairs to floors and walls
- Lobby furniture (coatrack, desk/writing table, chair, phone)
- Display equipment for wall displays/decorations, etc.

Atrium Kitchen

Facility build-out. The full kitchen build-out in the proposal is approximately $250,000, premised upon construction through PDA procurement processes.
Exhibit 9
Estimated Build-out Cost for Commercial Kitchen

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
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<tr>
<td>General Construction</td>
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</tr>
<tr>
<td>Plumbing</td>
<td>$11,826</td>
</tr>
<tr>
<td>Electrical</td>
<td>$12,483</td>
</tr>
<tr>
<td>Equipment</td>
<td>$58,583</td>
</tr>
<tr>
<td>Appliances</td>
<td>$1,095</td>
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<tr>
<td>Furnishings</td>
<td>$17,411</td>
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<tr>
<td>AV</td>
<td>$4,599</td>
</tr>
<tr>
<td>Total</td>
<td>$249,198</td>
</tr>
</tbody>
</table>

The following components are included in the base design:

- All plumbing and electrical required for a commercial kitchen
- Scullery area with sinks and fixtures required by health codes
- Commercial dishwasher – leased
- Class 1 exhaust hood and ductwork to building roof
- For cooking area, class 2 hood for heat exhaust for ovens/gas
- Walls, doors and windows for securing the space perimeter
- White tile finish on walls and floor
- Lighting and interior finishes
- Stainless fixtures – tables, countertops
- Center display island/demonstration counter
- Electrical drops for demonstration counter
- Cutting board inserts
- On site signage

Equipment. The design of the kitchen anticipates standard modular commercial grade equipment at a cost of approximately $50,000-$80,000. This will be sourced through partners or good quality used equipment. Basic equipment to be added:

- Double commercial oven,
- 4 burner gas range top ( two preferred)
- Ice maker
- Gas grill / griddle /broiler
- Shelving and wheeled equipment
- Commercial side by side refrigerator
- Commercial freezer
- Microwave/convection oven
- Basic appliances ( can openers, etc.)
Other equipment – expected to be supplied by partners or by chef/instructors:

- Table top appliances (fryers, blenders, mixers, vacuum sealers)
- Cookware
- Bowls
- Tableware
- Knives and utensils

Several professional chefs, including the operations manager for the Tom Douglas restaurants, have reviewed the plans and equipment list and found them to be highly functional. When appropriate, equipment and furnishings can be borrowed, donated, or loaned from suppliers, purchased used or purchased new. Most smaller equipment can be added over time or provided by event sponsors as needed.

7.0 COMMUNITY BENEFITS

7.1 Promotional Value

There is a tremendous promotional value that can be ascribed to the activities taking place in the kitchen and event facilities. With an estimated potential for up to 500 events per year, and a conservative average of 25 participants per event, the kitchen and conference rooms stand to generate an additional 12,500 visitors to the Market, the majority of whom will be local.

We can also expect to receive a great deal of promotion surrounding public programming in the spaces. Due to the high level of brand awareness surrounding the Pike Place Market, any activity here receives instant recognition and repetition. As an example, during our recent “Thank You Seattle” campaign one press release and interviews with seven local media outlets resulted in 47 stories nationally, 1.8 million impressions and an earned-media value of $115,983.

7.2 Intangible Benefits

At the end, the greatest measure of successful operation of the combined event facilities and Market Kitchen will be in the intangible benefits of adding these facilities to the Market.

The Market was established as a center of food culture. That tradition continues but has been watered down as the historical market is associated in local minds with tourism. This new venture by the PDA seeks to recapture the leadership position the Pike Place Market had as the center of Seattle’s food community.

The facilities will reinforce the Market as the regional center for food, from the depth of locally sourced edibles to the diversity of international cuisines. A goal is to have the Market to be a place where one does not only watch fish being tossed, but also learn how to prepare the fish you caught and share a meal with friends.

Towards these objectives, the combination of event facilities will allow the PDA to place a greater emphasis, especially for the local community on high profile celebrations of food. This venture will provide the following community benefits:

- Use of the conference rooms by the PDA and market tenants provide added income and new business opportunities to promote the diversity of local chefs.
- Tour groups that visit the market to watch will be offered an opportunity to shop and prepare meals while learning from the best in the industry.
- School programs can take food nutrition from abstract lessons to real meals.
• The facilities will promote the sounds, smells, colors, flavors associated with the market community.
• Celebrate social gatherings in Seattle’s most treasured location.
• Attract Seattle residents to the Market for a continuing variety of events, especially during slower seasons.
• Highlight the glories and stories of locally produced foods and seasonal menus.
• Help local farmers identify new, more profitable ways of converting their produce to higher value items

### 8.0 RISK ANALYSIS

The following is the risk analysis for the meeting space and demonstration kitchen venture, including potential mitigative actions:

<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigative Actions</th>
</tr>
</thead>
</table>
| Administrative glitches (no reply to messages, poorly handled reservations, billing errors, refunds) | • Script for all contact calls – identify specific persons to handle – designate “manager” to call for customer complaints  
• Schedule test events prior to opening to identify logistical issues  
• Use co-sponsors with event management experience |
| Operational glitches                 | • Track performance for each event through user exit surveys  
• Review operating plan, assumptions with focus group during set up  
• Review operational issues at weekly operations management meetings |
| Lack of interest – lack of use and income | • Stage strong kick off event with media co-sponsors  
• Incentive rate structure for first time users to attract events  
• Open programming to community events  
• Generous refund policy for initial 6 months  
• Stage additional focus group gatherings on site to establish greater familiarity with facility  
• Consider change of business to other operating model |
| Too much interest – over demand      | • Identify rates subject to change and demand in marketing materials  
• Reserve blocks of time each quarter for “walk in” events and or PDA sponsored activities  
• Evaluation of business performance at regular intervals (quarterly) with PDA director staff  
• Increase staffing in line with cost-benefit analysis  
• Annual report on functions to PDA Council |
| Unanticipated incidental costs (supplies and maintenance) | • Establish initial operating budget that assumes a buildup period of 6 months and provide adequate contingency funds for operations during that time  
• Acknowledge that with greater use, standards of finishes in tenant restrooms may need to be improved  
• Identify added features and improvements suitable for co-funding by partners |
<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigative Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit amount of “transportable” equipment on site provided by PDA</td>
<td>Monitor for each event and identify issues</td>
</tr>
<tr>
<td>Use best quality commercial grade equipment designed for high use</td>
<td>Establish approved procedures for limits on hours, entry, delivery, sound systems</td>
</tr>
<tr>
<td>Provide lockable storage areas for frequent users</td>
<td>Reserve PDA right to cancel event with refund if unable to accommodate likely conflicts</td>
</tr>
<tr>
<td>Monitor for each event and identify issues</td>
<td>Acknowledge that operation of Atrium space in afternoons and evenings will have some impact on adjacent business – limit to non-business hours where possible</td>
</tr>
<tr>
<td>Establish approved procedures for limits on hours, entry, delivery, sound systems</td>
<td>Maintain public access through space during all set up times.</td>
</tr>
<tr>
<td>Damage deposit</td>
<td>Discourage / limit events with tickets sold at the door involving alcohol</td>
</tr>
<tr>
<td>Walk through operational logistics with clients prior to facility use</td>
<td>Special requirements/insurance/ for private events with alcohol</td>
</tr>
<tr>
<td>Handbook/check list for start-up and close down</td>
<td>Emergency contact identified – for each event</td>
</tr>
<tr>
<td>Pre-qualify any renters of kitchen to confirm have food operator’s license, knowledge test of equipment</td>
<td></td>
</tr>
<tr>
<td>Pre event and post event checklists of start-up and shut down requirements</td>
<td></td>
</tr>
<tr>
<td>Emergency contact plans (through security, on call staff) plans for kitchen prior to construction</td>
<td></td>
</tr>
<tr>
<td>Screen potential users / reference checks</td>
<td>Have back up cleaning staff assigned with clean up rate schedule posted in advance ( disincentive rate similar to no smoking in hotels rooms)</td>
</tr>
<tr>
<td>Poor revenue collection / NSF</td>
<td>Discourage / limit events with tickets sold at the door involving alcohol</td>
</tr>
<tr>
<td>Establish “test” rates for first quarter</td>
<td>Special requirements/insurance/ for private events with alcohol</td>
</tr>
<tr>
<td>Require minimal booking fee, increased reservation date confirmation (3 month prior?) and limited refund for event cancellation after that date</td>
<td>Emergency contact identified – for each event</td>
</tr>
<tr>
<td>Credit check and/or high deposit for first time users</td>
<td>Use of third party billing for payments when possible (Pay Pal, Brown Paper Tickets)</td>
</tr>
<tr>
<td>Establish vendor accounts and files for repeat users</td>
<td>For PDA tenants, have rental fees added to tenant billing (separate invoice and account from rent)</td>
</tr>
<tr>
<td>No refund policy once established</td>
<td>Strict policy on nonrental for non-payment</td>
</tr>
<tr>
<td>Poor revenue collection / NSF</td>
<td>Establish “test” rates for first quarter</td>
</tr>
<tr>
<td>Use of third party billing for payments when possible (Pay Pal, Brown Paper Tickets)</td>
<td></td>
</tr>
<tr>
<td>For PDA tenants, have rental fees added to tenant billing (separate invoice and account from rent)</td>
<td></td>
</tr>
<tr>
<td>Strict policy on nonrental for non-payment</td>
<td>Include parking garage location on all marketing materials (especially evening discount rates)</td>
</tr>
</tbody>
</table>
Risks

- Explore options for valet service as add on service for larger events
- Potential for parking validations sold as add on for events

9.0 TIMELINE AND MILESTONES

The following is a revised time schedule:

<table>
<thead>
<tr>
<th>Calendar</th>
<th>Administrative</th>
<th>Meeting Rooms</th>
<th>Kitchen</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>Approve program and plan, staff set up, marketing materials Calendar set up, draft rental agreements</td>
<td>Marketing start, rate cards, outreach contact list</td>
<td>Approve budget, permit intake construction doc, negotiate sponsorships</td>
</tr>
<tr>
<td>January</td>
<td>Review sponsorship contracts, construction bids</td>
<td>Start rental events Outreach to meeting planners</td>
<td>Bid, select contractor, negotiate sponsorships. Seek Media sponsors for opening?</td>
</tr>
<tr>
<td>February</td>
<td>Identify accounting procedures, identify part time staff for cleaning</td>
<td>Develop list vendor sourcing list Review booking calendar</td>
<td>Outreach – food bloggers, instructors,</td>
</tr>
<tr>
<td>March</td>
<td></td>
<td></td>
<td>Set up initial events, outline calendar for spring events</td>
</tr>
<tr>
<td>April</td>
<td>Advisory committee-potential users</td>
<td>Opening event</td>
<td>Opening event Start spring calendar Web marketing, start monthly food blogger event</td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
<td>Set up summer event calendar</td>
</tr>
</tbody>
</table>
ATTACHMENT A: OPERATING MODELS

Meeting Spaces

1. **PDA provides full services for events** – including catering, staffing, decorating
   - Operations would be similar to a private catering business or hotel, as with the prior tenants of the Economy rental rooms.
   - Our review of business operating assumptions for these types of businesses indicates that room rental fees are a minimum part of revenue. The primary business is the sale of additional staff services, catering mark-ups, decorations, equipment fees and the line.
   - This is a staff intensive business in a business other than space rental management, the core business of the PDA.
   - Provision of additional services will require greater capital investment in supplies and equipment.
   - Profitability is dependent upon the venue having a restricted list of vendors, usually with shared business interests.
   - The operator assumes a greater liability for the “success” of events.
   - The PDA would prefer that tenants could be direct vendors to event tenants, providing the tenants with additional profit potential and vendors with greater selection and competitive pricing for these services.
   - Opportunities to provide general access to merchants in the market to provide catering and other services in the , etc.
   - As the facilities are shared with regular PDA business activities, there is a limit on the potential of dates available for regular business meetings.

2. **PDA provides scheduling and management – catering, event set-up and décor are provided by third parties.**
   - This is the preferred option discussed in the narrative.

3. **Leasing space to an independent business to operate as an event facility** (reserving calendar dates for PDA use)
   - Similar to past practice and historical use of this location.
   - The event operator will have fixed monthly rental costs, regardless of the success of events.
   - Initial capital investment and fixed operating costs for office staff, equipment and ongoing marketing have an impact on rental rates for rooms and require extensive “add-on” profit centers.
   - As a stand alone operation, staffing costs are not shared with other business activities (unless with a “locked in” vendor for catering, equipment rentals, etc. From past experience, 2.5 FTE are likely to be involved in event space management for the 12 month calendar.
   - The “opportunity cost” to the tenant for holding space available for market community meetings will impact net rental income to the PDA or reduce the number of events dates provided at a discount (prior tenants agreed to provide up to 6 booking dates on a space available basis)
   - No additional PDA staff or resources required
   - Limited ability for PDA marketing efforts to include promotional materials for a privately managed commercial business.
4. **Third party management** – Sub contracting with an event management company for all rental contracts for “open dates.”
   - Opportunity for an existing business to add to its inventory of spaces (i.e. local hotel or local event planning firm)
   - Would require the PDA to establish a calendar of fixed dates available for advance bookings
   - Inevitable calendar adjustments to coordinate needs of the rooms for public events.
   - Potential to limit on-site management expenses of the operator to direct event services if primary marketing and administration incorporated into an existing business location.
   - Unknown if vendors would agree to contract on a % of rental income (as with parking lots) but likely that a fixed fee or reimbursement agreement would be required for promotional and some overhead costs.
   - Potential conflicts with PDA requests to insert PDA or tenant sponsored events into a schedule.
   - Less fixed overhead costs for the facility, assuming off-site management.
   - Will require active ongoing coordination with PDA operations.
   - Will require allocations of pro-rata costs for supplies, cleaning, security provided by the PDA which may be billed to clients.
   - Uncertain accountability and liability for operations with joint use.

5. **No action** – rooms are not used for revenue generating activities when not needed for PDA use.
   - Does not require additional staffing, promotional costs, equipment costs.
   - Space can be made available for use on an infrequent basis, case by case evaluation
   - No administrative set up for facility use or rental – would handle through existing special event procedures.
   - Not likely to provide regular calendar of events or activities.
   - Missed opportunity for recapturing income from previously rented space.
   - Missed marketing opportunity

**Kitchen**

1. PDA operates a full cooking school program at the facility and is responsible for all programming
   - Requires staffing and administration for a year round business, capable of producing 300 events a year.
   - Requires in house capacity for direct customer service and billing, as well as all programing and logistics.
   - A new full business venture, with many competitors
   - Would require dedication of resources (time/money) towards event production, rather than property management
   - Higher profit potential if successful (from mark up on ticket revenue)
   - Allows for consistent promotion in line with PDA goals and market business benefits
   - High financial risk, learning curve.

2. PDA develops a commercial kitchen for joint use as cooking school, food demonstrations and event center. Identifies sponsor/partners to assist with programming and operations on non-exclusive basis.
   - This is the preferred option
o Provides a balance of risk and return.

o Shares operations with established businesses in the trade and incorporates experienced advisors on a regular basis.

o Allows for programming of multiple uses suitable for the spaces that vary by time of day and day of week.

o Maximize event bookings, attendance and industry contacts.

o Leverage PDA marketing with established marketing efforts of other businesses in the trade.

o Requires significant upfront capital investment by PDA

o Reduces risk on revenue/profitability through advance booking with partners.

3. PDA develops a commercial kitchen for primary use as cooking school, leases to private or independent operator.

o Assures design and construction to PDA standards

o Ready to build (drawings complete)

o High investment cost by PDA (and procurement of contractor)

o PDA revenues would be a combination of fixed rental income and percentage rents from ticket and merchandise sales.

o Event operations, scheduling and promotion all done indecently.

o Affiliation with an existing commercial business could limit access or suitability of venue for events by competitive enterprises.

o May not obtain return on investment at standard reproduction facility for vale added food products, secondary for educational venue

4. PDA develops a commercial kitchen for primary use as production facility for value added food products, secondary for educational venue.

o A good opportunity for funding with farmer business support and local agriculture programs.

o Promotional value of “made in the Market” products.

o Location is distant from food source, very limited ability for commercial loading, not enough space for bulk food processing requiring packaging.

o Space suitable as a test kitchen to develop sample recipes/

o Location is distant from most production sources, transportation or raw materials may not be cost efficient.

o Storage and waste handling limited

o Use is not a natural fit for a public commercial area with pedestrian traffic

o Experience with other community based commercial kitchens has mixed results – some are successful, some are dormant.

o sand joint use as cooking school, food demonstrations and event center. Identifies sponsor/partners to assist with programming and operations.

o Would expect a retail component necessary for profitability.
o Staff support for business incubator style operations can require additional coaching to teach basic business skills.
o Could operate at off hours

5. **PDA does no further work, leases space as is to a third party to operate a full time cooking school**
o Because of significant investment – would require a tenant with access to capital and a strong business plan.
o Would most likely require affiliation with existing business operation
o Difficulty obtaining historical commission approval for a start up business with outside existing operations.
o Facilities less conducive to use by other operators – requiring consideration that commercial branding of facility is as a private business,
o No significant risk to PDA for operating costs. Likely to require deferred rent or tenant improvement contribution.
o If well financed/connected operator found, good potential for high quality professional programming and marketing

6. **Lease space as is to a commercial retail or food service tenant not affiliated with educational programs**
o Space can function as cafe/restaurant on smaller scale.
o Effective business hours because of location are morning to late afternoon.
o Could not operate well as a open retail business in evenings
o Could host evening events using common area seating

7. **Leave space as is for limited public programming and added public seating**
o Leave space with minimal improvements
o Could accommodate a type of day vendor different from those on current day tables.
o Provide location to host smaller scale specialty food events (say Taste of Washington Wines) etc.
o Could handle simple food education classes without commercial kitchen, using table top equipment.
o Would require some lesser investment in storefront/security enclosure, partitions, some equipment for sound and visual presentations.
o Would provide a good community stage for school events, etc.
o Likely periods of use during weekends.
o Would not provide permanent commercial kitchen facilities for on site preparation of food to eat (banquets, food hall events)
o Will require some programming effort by PDA staff
o Minimal revenue potential from space formerly leased for commercial use.
ATTACHMENT B: ADDITIONAL RENTAL INFORMATION

- **Preferred Pricing**
  - Market commercial tenants will receive 50% off one room reservation per year. After that they will be eligible for the non-profit rate of 15% off.
  - Qualified non-profits and repeat booking of 10 or more will receive 15% off of the regular rates.
  - Market farmers with a minimum of 20 days selling at any Pike Place Market location will be able to rent the Atrium Kitchen for $15 an hour, or have access for preparation or cleanup times for a flat rate of $50 per month.

- **Additional Fees**
  - Security: $25/hour per officer. One officer is required for all events occurring past 6pm. Two officers are required for events using the Atrium Floor.
  - Processing Fee: $25 (non-refundable)
  - Facilities Fee: $25 - $150 (varies by event & location)
  - Damage/Cleaning Deposit: $250 / with alcohol $500 (refundable)
  - Portable Screen & Sound System: $75

- **Additional Info**
  - All rentals have a two-hour minimum.
  - Events must be completed and the room returned in original condition by midnight.
  - Elevator access is available to all levels of the building.
  - Post Alley alcove may be used for load-in/prep area at no charge with any facility rental.
  - This facility is located in a public area, and activities occurring prior to 6pm cannot restrict access to public areas or private businesses.
  - No helium balloons or glitter allowed.
  - Painters tape is the only tape permissible.

- **Required Permits**
  - Event Insurance: Certificate of Insurance with the Pike Place Market PDA listed as additional insured in the amount of one million dollars ($1,000,000) for property damage and two million dollars ($2,000,000) per accident.
  - Alcohol Permits: required to serve or sell alcohol.
    - Banquet Permits: Required for the service and consumption of liquor at a private, invitation only banquet or gathering.
    - Special Occasion License: Issued to non-profit organizations to sell alcohol on-premise for a specific date and location.
    - MAST Training and Mixologists licenses: If alcohol is being sold, all paid or volunteer staff involved in the sale, serving, or pouring of alcoholic beverages must be MAST trained and hold CLASS 12 Mixologist licenses.

- **Reservation Process**
  - A completed application and signed General Terms and Conditions must be received before any reservation will be processed.
  - All required paperwork, deposits, rental fees, and proof of insurance are due two weeks prior to event date. Reservations are subject to cancellation if payment and information are not received by the two week deadline.
ATTACHMENT C: ATRIUM KITCHEN DESIGN CONCEPTS

Economy Market Atrium Kitchen Looking Southwest

Economy Market Atrium Kitchen Looking East
ATTACHMENT D: COMMUNITY COMMENTS

On a weekly basis our Services Team fields 8-10 requests for unique venues within our city. Clients are looking for venues with views that have fun space options and can somehow tie back into the charm Seattle has. What a great opportunity for us to start including the Economy Market and Atrium Kitchen as a recommendation option within our city for private events! I can’t wait to see the space once it reopens and learn about how to better help the Market promote its space to our groups.

-Kate Kurkjian, Director of Convention Services, Seattle’s Convention and Visitor’s Bureau

...[F]rom my experience, a conveniently located commercial kitchen would be of interest to other small businesses and producers in King County, whether or not they are current vendors or [business] owners at PPM. There are not enough options fulfilling the demand that the emerging street food culture and farmers market foodies are creating!

-Anne Smith, Sunny Honey Co.

As a farmer with many interests in processing our farm vegetables and berries, your commercial kitchen would be the perfect location and place for us. We will use the kitchen to make jams, jellies, pickle vegetables, salsas and wash our vegetables to juice.

In the future we would like to make sweet treats with our berries and bottle some of our vegetable juices.

Thank you for making this option available. As a farmer, finding an accessible commercial kitchen to make the above value-added products has been more of a challenge than I imagined it to be. Your commercial kitchen will allow our farm business to be sustainable.

- Gaosheng Cha, Gaia’s Fields of Green

Please accept my public comment letter in favor of the development and opening of the Atrium Kitchen Space. I, as a vendor and as an individual[,] believe this is a great addition to the market in the present day needs and values. I also[,] upon reviewing the historical scope, believe the concept and value of [the kitchen] space are a requirement for the board to continue to adhere to. The renovation is common to existing completions of previous PDA approvals.

I hope to be invited to promote the market as an anchor of the market and continue to offer our service and use of the atrium for teaching and as a profit center.

-William von Schneidau, BB Ranch
WHEREAS, 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 promotion of the Pike Place Market as a regional center focused on food and farm products; and,

WHEREAS, the PPMDA desires to provide a public facility to further focus upon food and nutrition education, cooking classes, chef demonstrations, preparation of value added food products by local farmers and chefs, catered events featuring local food products and other special events compatible with the operation of the Public Market; and,

WHEREAS, developing the Economy Atrium Kitchen and the Economy Market Event Spaces creates an opportunity to expand the relationship with our existing customers and to cultivate new ones by allowing shoppers to complete the farm-to-table cycle while enjoying a unique experience in one of the city’s most iconic locations; and,

WHEREAS, the PPMPDA has presented a Business Plan for this proposal, modified with the assistance of BERK Associates, including development budget, operating budgets, alternative scenarios, market study and capital requirements; and,

WHEREAS, the PPMPDA has distributed a bid set for pricing from local contractors, receiving preliminary estimates for capital costs approximate to those projected in the business plan; and,

WHEREAS, the PPMPDA Council has approved an Operating Budget for 2013 which provides the resources identified necessary for staffing and operations anticipated in the Business Plan

THEREFORE BE IT RESOLVED that the PPMPDA Council authorizes the PPMPDA Executive Director or her designee to proceed with the Business Plan identified in the materials presented to the Council in December of 2012 and to solicit bids for the construction of the Atrium Kitchen, with a report to the PDA Council on identification of a preferred contractor and project budget by February, 2013. This work is intended to be paid for from Other PDA Capital Funds GL Code – 163222-00.

BE IT FURTHER RESOLVED that the Executive Director shall report to the PDA Council within one year of this resolution on the operating costs, income, usage and other benefits from operations of the Atrium Kitchen and Economy Market Event spaces.

Gloria Skouge, Secretary/Treasurer Date

Date Approved by Council:
For: 
Opposed: 
Abstained:
## Asset Management Committee

**PIKE PLACE MARKET RENOVATION**

**TOTAL PROJECT SUMMARY**

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**Budget Report**

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**Life to Date Costs as November 20, 2012 (reconciled with DEOR October, 2012)**

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### 1. A/E Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Overall Budget (March 31, 2009)</th>
<th>Current Budget</th>
<th>Committed to Date</th>
<th>Paid to Date</th>
<th>Projected Changes</th>
<th>Projected Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural Planning, Conceptual Design, &amp; SDIs</td>
<td>$1,246,518</td>
<td>$1,206,363</td>
<td>$1,206,363</td>
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<tr>
<td>Architect Design (DDs, Permit Docs, &amp; CDs)</td>
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<td>Architects Construction Administration</td>
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### 2. Miscellaneous and Other Design Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Overall Budget (March 31, 2009)</th>
<th>Current Budget</th>
<th>Committed to Date</th>
<th>Paid to Date</th>
<th>Projected Changes</th>
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</tr>
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<tbody>
<tr>
<td>Site Survey</td>
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<td>GeoTechnical Engineering</td>
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<td>Miscellaneous &amp; Other Design Expenses</td>
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<td><strong>Sub-TOTAL</strong></td>
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<td><strong>$358,771</strong></td>
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<td><strong>$357,973</strong></td>
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### 3. Permits & Fees

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<tr>
<th>Fee Type</th>
<th>Overall Budget (March 31, 2009)</th>
<th>Current Budget</th>
<th>Committed to Date</th>
<th>Paid to Date</th>
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### 4. Construction

<table>
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<tr>
<th>Service</th>
<th>Overall Budget (March 31, 2009)</th>
<th>Current Budget</th>
<th>Committed to Date</th>
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### 5. Construction Support Expenses

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<th>Paid to Date</th>
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<tr>
<td>Builders Risk Insur &amp; Increase in GL Premium</td>
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### 6. Project Management

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**PROJECT TOTAL COSTS**

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Project Total Costs as of November 20, 2012 (reconciled with actual thru October, 2012)
# PIKE PLACE MARKET RENOVATION
## PHASE II SUMMARY

**Budget Report**

*Life to Date Costs as November 20, 2012 (reconciled with costs through October, 2012)*

<table>
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<th>Item Description</th>
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**PROJECT TOTAL COSTS**

$22,019,872 | $20,920,167 | $20,920,167 | $20,920,167 | 95% | OK
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# Pike Place Market Non Levy
## Total Project Summary

**Budget Report**

*Life to Date Costs as of November 20, 2012 (reconciled w/acctg thru October, 2012)*

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<th>Item Description</th>
<th>Overall Budget (March 30, 2009)</th>
<th>Current Budget</th>
<th>Committed to Date</th>
<th>Paid to Date</th>
<th>Projected Changes</th>
<th>Projected Total</th>
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**PROJECT TOTAL COSTS**

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<th>Paid to Date</th>
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<th>Projected Total</th>
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85%
## PIKE PLACE NON LEVY PROJECTS
### PHASE I SUMMARY

**Budget Report**

*Life to Date Costs as of November 20, 2012 (reconciled w/accgtg thru October, 2012)*

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<td>$ 1,351,572</td>
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<td>$ 611,473</td>
<td>$ 466,032</td>
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<td>$ 611,473</td>
<td>$ 466,032</td>
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**PROJECT TOTAL COSTS**

- **Total Budget**: $2,921,258
- **Total Committed to Date**: $2,290,873
- **Total Paid to Date**: $1,973,523
- **Total Projected Changes**: $0
- **Total Projected Total**: $2,921,258

**68%**
### PIKE PLACE MARKET NON LEVY PROJECTS
#### PHASE II-III SUMMARY

**Budget Report**

*Life to Date Costs as of November 20, 2012 (reconciled w/accntg thru October, 2012)*

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<th>Budget</th>
<th>Current Budget</th>
<th>Committed to Date</th>
<th>Paid to Date</th>
<th>Projected Changes</th>
<th>Projected Total</th>
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**PROJECT TOTAL COSTS**  

|        | $ 5,840,194 | $ 5,840,194 | $ 5,531,339 | $ 5,507,243 | $ - | $ 5,840,194 |

**94%**