



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, Bruce Burger

Staff Present: Ben Franz-Knight, Steve Nelson, John Turnbull, Jennifer Maietta, Bob Beckstrom, Teri Wheeler, Matt Holland, Tyler Jamieson Dianna Goodsell

Others Present: Howard Aller, Duncan Theime

The meeting was called to order at 4:29 p.m. by Patrick Kerr, Chair

I. Administration

- A. Approval of the Agenda.
Patrick Kerr proposed adding the Trademark discussion following Section V, Item II.
The agenda, as amended, was approved by acclamation
- B. Approval of the November 12th, 2012 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

Howard Aller commented on the sketch plans for the Atrium Demonstration Kitchen and the decision to proceed with the programming of the Kitchen. He noted that he had made a comment regarding equipping the kitchen with specific items in a previous meeting; this was not recognized in the current architectural sketch plans. He noted to keep in mind that equipping the Atrium Kitchen with both a freezer and a grill are not bad ideas.

III. Levy Phase III Update

Ben Franz-Knight noted that the first phase of the renovation with the windows on Western is at progress. There is also one resolution with Axes Consulting tonight regarding work with the levy.

IV. Action Item(s)

- A. **Action Item:** Proposed Resolution **12-83:** Authorization for Contract Authority -Capital Assessment Study

Bob Beckstrom introduced the resolution which states that the he PDA Council requested that a Capital Needs Assessment be included in the 2013 capital projects budget, for the purposes of strategic financial planning for future facility repairs and replacements; and, 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, the PPMPDA has executed a competitive bid process to conduct a 30 year Capital Needs Assessment. It be requested that the 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.

Gerry Kumata moved, John Finke seconded.

There was a discussion that followed regarding the need for the capital needs assessment.

For: John Finke, David Ghoddousi, Betty Halfon, Gerry Kumata, Bruce Lorig.

Against:

Abstain: Patrick Kerr

Resolution 12-83 passes with a vote 5-0-1

B. Action Item: Proposed Resolution 12-86B: 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; and, 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. 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 \$159,000 towards account 163200-00 Levy Design and Misc.

Gerry Kumata moved, Betty Halfon seconded.

There was a discussion that followed.

Ben Franz-Knight noted that there is some phasing of this project to prevent significant interruptions and/or disruptions to the Market businesses. He also noted that this project is part of the Levy work.

Duncan Theime from SRG Partnership was present for questions.

For:

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

Abstain:

Proposed Resolution 12-86B failed

John Finke proposed a motion to request SRG to pursue the original proposal which would be to approach and seek approval from the MHC for replacement of windows based on work performed previously. The PPMPDA would allocate up to \$60,000 for time and materials for SRG.

For: John Finke, David Ghoddousi, Betty Halfon, Gerry Kumata, Bruce Lorig, Patrick Kerr

Against:

Abstain:

The motion passes unanimously

C. **Action Item:** Proposed Resolution **12-92:** Authorization for Contract Authority - Contract Project Administration Services

Ben Franz-Knight introduced the resolution which states that in order to maintain the viability of the Pike Place Market buildings the PMPDA 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, it has been determined that Project Administration Services are necessary to provide administrative support for the ongoing Levy work; and, the PMPDA will contract with Axis Planning & Development, LLC, for these administrative services in an amount not to exceed of \$35,000, account 163200-00. It be requested that the PMPDA Council authorizes the PMPDA 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.

Bruce Lorig moved, John Finke seconded.

For: John Finke, David Ghoddousi, Betty Halfon, Gerry Kumata, Bruce Lorig.

Against:

Abstain: Patrick Kerr

Resolution 12-92 passes with a vote 5-0-1

D. **Action Item:** Proposed Resolution **12-96:** Authorization for Contract Authority - Livingston Baker Residential Hot Water Loop Replacement - Livingston Baker Building

Tyler Jamison introduced the resolution which states that in order to maintain the viability of the Pike Place Market buildings, the PMPDA has determined that the Livingston Baker Hot Water Loop has deteriorated and needs to be replaced; the PMPDA has executed a publicly advertised bid process for the replacement of the hot water loop. It be requested that the PMPDA Council authorizes the PMPDA 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

David Ghoddousi moved, Betty Halfon seconded.

Patrick Noted that we are over budget by \$80-90k. It would come out of the Capital Projects budget.

For: John Finke, David Ghoddousi, Betty Halfon, Gerry Kumata, Bruce Lorig.

Against:

Abstain: Patrick Kerr

Resolution 12-96 passes with a vote 5-0-1

E. **Action Item:** Proposed Resolution **12-99:** Authorization for Contract Authority - Additional TI Reimbursement, Pike Market Child Care

Ben Franz-Knight introduced the resolution which states that in order to maintain the viability of the Pike Place Market buildings the PMPDA 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, 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, the PMPDA has reached an agreement with Pike Market Child Care to provide an allowance in an amount not to exceed \$40,000, account 163204-00. It be requested that the PMPDA Council authorizes the PMPDA Executive Director or his designee to reimburse Pike Market Child Care in an amount not to exceed \$40,000. This amount will be drawn from NMTC I proceeds 163204-00.

Ben Franz-Knight noted a correction to the account in which to draw funds; the funds would be drawn out of PDA Other Funds, account 110695-00.

Gerry Kumata moved, John Finke seconded

For: John Finke, David Ghoddousi, Betty Halfon, Gerry Kumata, Bruce Lorig.

Against:

Abstain: Patrick Kerr

Resolution 12-99 passes with a vote 5-0-1

V. Key Issues & Discussion Items

A. Atrium Kitchen & Economy Event Room Business Plan

Natasha Fedo from BERK gave a presentation on the Atrium Kitchen & Economy Event Room Business Plan Review. A copy of the Business Plan Review has been included with the minutes. The PDA had retained BERK for assistance with the evaluation of the business plan for the Atrium Kitchen and the Economy Market Event Spaces, including a review of financial analysis, assumptions, and potential obstacles as well as evaluation of possible niche uses. Natasha reviewed the following from the work completed by BERK:

- 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.

There was a discussion that followed.

Turnbull noted that there is a potential offer from Sur La Table and Living Social for contribution of equipment and funding for the kitchen; there would be a non-exclusive contract with the PDA which would very beneficial and flexible to the PDA. He added that the next step after approving Proposed Resolution 12-103 would to come back in February for collection of the bids.

I. Action Item: Proposed Resolution 12-103: Authorization of Program for the Atrium Kitchen And to Proceed with Plan

John Turnbull introduced the resolution which states that 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, 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, the PPMDA 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, the PPMDA 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, The PPMDA 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 PPMDA Council authorizes the PPMDA 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.

John Finke moved, Gerry Kumata seconded.

There was discussion that followed

Bruce Lorig noted that it would be helpful to know in advance who the customers are and the commitments from other businesses regarding the use of the kitchen and event spaces.

Betty Halfon noted that we are adding a whole another component which the PDA does. The concern she has is the cost effectiveness of taking care of a business; running a business within a business. She noted that she does see a benefit of renting the spaces though.

For: John Finke, Betty Halfon, Gerry Kumata, Bruce Lorig.

Against: David Ghoddousi

Abstain: Patrick Kerr

Resolution 12-103 passes with a vote 4-1-1

II. Trademark Discussion

Ben noted that the Trademark discussion will proceed with the next Market Programs Committee meeting.

VI. Property Management

A. Residential Property Management Report

John Turnbull gave a brief update on the Residential Property Management Report.

Closed Session started at 6:29 p.m.

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

C. Open Session

Closed Session ended at 6:43p.m.

Open Session started at 6:44p.m

VII. Items for the Consent Agenda

None

VIII. Public Comment

None

IX. Concerns of Committee Members

None

X. Adjournment

The meeting was adjourned at 6:45 p.m. by Patrick Kerr, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator

