



Finance - Meeting Agenda

Date: Tuesday, May 21st, 2013

Time: 4:30 p.m. – 6:00 p.m.

Location: Goodwin Library

Committee Members: Matt Hanna (Chair), Bruce Lorig (Vice-Chair), David Ghoddousi, Gerry Kumata, Ann Magnano, and Gloria Skouge

4:30pm	I. Administrative:	Chair
	A. Approval of Agenda	
	B. Approval of the March 19 th , 2013 and April 16 th , 2013 Minutes	
<hr/>		
4:35pm	II. Announcements and/or Community Comments	
<hr/>		
4:40pm	III. Review of the Financial Statements for April 2013	Sabina Proto
	A. PDA Operating Statements	
<hr/>		
5:15pm	IV. Checking Account Activity Report	Sabina Proto
<hr/>		
5:20pm	V. Other Reports and Action Items	
	A. Action Item: Proposed Resolution 13-32: Management Fee Payable to Market Foundation for the Arcade Lights Event	Sabina Proto
	B. Update on Low-Income Housing Finance Consultant Services for PC-I North	Ben Franz-Knight
	C. Budgetary Review of Proposed Spending Resolutions	Ben Franz-Knight
<hr/>		
5:40pm	VI. Items for the Consent Agenda	Chair
<hr/>		
5:45pm	VII. Public Comment	
<hr/>		
5:50pm	VIII. Concerns of Committee Members	Chair
<hr/>		
6:00pm	IX. Adjournment	Chair

Enclosures: Minutes for April 16th, 2013
Financial Statements for April 30th, 2013
Proposed Resolution 13-32
Budgetary Review of Proposed Spending Resolutions



Pike Place Market Preservation and Development Authority (PDA)

FINANCE COMMITTEE
Meeting Minutes

Tuesday March 19th, 2013
4:30 p.m. to 6:00 p.m.
Goodwin Library

Committee Members Present: Matt Hanna, Bruce Lorig, Gerry Kumata, David Ghoddousi, Gloria Skouge, Ann Magnano

Other Council Members Present: Betty Halfon

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, John Turnbull, Dianna Goodsell

Others Present: Mike Hassenger, Joan Paulson

The meeting was called to order at 4:38p.m. by Matt Hanna, Chair

I. Administrative

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

- B. Approval of the February 19th, 2013 Minutes
The minutes were approved by acclamation.

II. Announcements and Community Comments

Joan Paulson inquired about clarification of costs and funding for PC-I North including the LID funds.

III. Key Issues

- A. Review of PC-I North Pro Forma - Source Assumptions, Cash Flow and Allocation of Sources
Ben Franz-Knight gave a brief introduction to the review of the PC-I North Pro Forma regarding source assumptions, cash flow and allocation of sources. He noted that the review should provide more awareness of the complexity of the project and the various discrete components.

Mike Hassenger from Seneca Group presented an overview of the Source Assumptions, Cash Flow and Allocation of Sources for PC-I North with the committee. He noted that the first page distributed to the committee regarding sources of funding was similar to the document discussed at the Full Council meeting. He added that the chart displayed the flow of the funds as followed by the uses of funds for the PC-I North. A copy of the documents was included with the meeting minute's record.

Gerry Kumata inquired about which of the sources of funding figures and which of the figures had been committed.

Ben Franz-Knight gave an overview of which sources funds were committed for PC-I North and which sources of funds were realistic estimates. He noted that there would be further review of the Sensitivity Analysis testing of the PC-I North Pro Forma at the March 21st Waterfront Redevelopment Committee meeting.

B. Discussion of need for Low-Income Housing Finance Consultant

Ben Franz-Knight presented an overview of the Housing Trust Fund application and the need for a Low-Income Housing Finance Consultant. He discussed in more detail about the first phase of the Housing Trust Fund Application that was submitted recently. A copy of the Housing Trust Fund application was included in the meeting minute's record.

Matt Hanna asked the committee what their thoughts were in seeking an experienced Low-Income Housing financing consultant for the PC-1 North housing portion.

Ben Franz-Knight noted that an RFQ could be sent out and next month in which he could come back with a resolution. He noted that he would appreciate the participation of Council members in the Low-Income Housing Consultant interview process. He lastly noted that in terms of the Consultant, we would like someone with the expertise to help answer difficult funding questions objectively.

IV. Review of the Financial Statements for February 2013

Sabina Proto discussed the Balance Sheet and PDA Operating Statement ending for the Month of February 2013. She stated there were no major changes to be reported on the Balance Sheet. She reported that the accounts receivable decreased in February under the Accounts Receivable Activity Report and that the delinquency rate was very low. Under the PDA Operating Statement, she stated that the Total Revenue for the end of February 2013 was \$2,356,717 or over budget by \$76,715. The Total Operating Expense was \$1,670,951 or under budget by \$129,932. The Net Operating Result for February was \$685,766 which was \$206,647 over budget. Under the Net Result after Debt Service & Reserves, the Annual Budget was \$1,884,836 and for January the actual amount is \$388,369.

Sabina Proto reviewed the Operating Statement and stated that the Commercial Revenue was over budget; Base Rent was \$18,107 over budget while Percent Rent was \$68,175 over budget. She noted that Residential Revenue was over budget by \$3,981 with vacancy lower than anticipated. She reported that Daystall Revenue was over budget by \$2,294. She reported the following: Community Events and Programs was under budget, Surface Revenue was over budget, Garage Revenue was slightly over budget and Miscellaneous Revenue was under budget.

Sabina Proto lastly reported that the Operating Expenses were under budget in almost all of the departments. She noted that it is only the first month of the year and that the reason for the variances is the trending and the timing of the invoices. She noted that the Percent Rent was over budget by \$68,175 as compared to the same period last year. She lasted reported that the Capital Reserve Status Report represents the amount contributed to the reserve, and the amount spent year to date out of the capital reserve.

Ben Franz-Knight briefly noted that there was a memo received from the PDA from HUD regarding a sequestration that could affect future funding for the PPM PDA housing funds up to 1.4 million dollars. He added that there is a possibility of not receiving HUD funding starting 2014; it was noted that precautions have been taken in which a reserve was in place.

V. Checking Account Activity Report

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

VI. Presentations and Discussion Items

A. CAUT AND COMA Discussion

John Turnbull discussed an overview of history of CAUT and COMA including the common practice and history of common area charges at the Pike Place Market PDA spanned from the mid 1970's through 2012. He distributed a document to the committee with the CAUT and COMA overview provided. A copy of the document was included with the meeting minute's record. He provided a comparison of the Common Area Utility Charges from 2007 through present. He noted that Commercial Revenue covers approximately 75% of PDA Operating Costs.

There was a brief discussion that followed.

Bruce Lorig was concerned with a fairness issue in assessing CAUT and COMA charges to the Market's tenants. He noted that we need to think about PCI-North in regards to consistency with current CAUT/COMA charges in the Market.

B. Budgetary Review of Proposed Spending Resolutions

There was a budgetary review of Proposed Spending Resolutions 13-16 Authorization for Contract Authority – Depew, Inc. - Commissioning Services and 13-18 Proposed Additional Funds for Contract with RMB Vivid for Manufacturing of Prototypes for the Wayfinding Signage Project. Ben Franz-Knight noted that both of the resolutions passed unanimously out of the Asset Management Committee. Ben noted that there will be a resolution presented at the March 21st Waterfront Redevelopment Committee for authorization of additional funds for Miller Hull regarding schematic design.

C. Audit Report LaSalle Senior Housing LLC for year-end December 31, 2012 1:28

Sabina Proto presented the Audit Report for LaSalle Senior Housing LLC for the year-end December 31, 2012.

VII. Other Reports

A. Action Item: Proposed Resolution 13-23 Amendment of the Property Management Agreement between PPM PDA and PPM QALICB

Sabina Proto introduced the resolution which states that the PDA has carefully reviewed the 2012 Management Fee Agreement and is requesting additional payment of Management Fee from PPM QALICB for year 2012. The Property Management Agreement between PPM PDA and PPM QALICB states: "PDA shall be entitled to additional management fees as agreed by the parties from time to time." Based on the actual performance of the QALICB during 2012, which has exceeded the projected revenues provided on the financial model for PPM QALICB, and because this performance has created excess cash in PPM QALICB books, THEREFORE BE IT RESOLVED, that the PDA Council hereby authorizes the PDA Executive Director, or his designee, to approve policy terms and conditions in consideration for PDA's performance pursuant to the Management Fee Agreement (EXHIBIT A), Master Tenant shall pay to PDA a one-time Additional Fee in the amount of Two Hundred Thirty-five Thousand Dollars (\$235,000.00).

Bruce Lorig moved, Gloria Skouge seconded

There was a brief discussion that followed.

For: Bruce Lorig, David Ghoddousi, Ann Magnano, Gloria Skouge, Gerry Kumata, Matt Hanna

Against: 0

Abstain: 0

Resolution 13-23 passed unanimously

VIII. Items for the Consent Agenda

Resolution 13-23 was moved to the Consent Agenda.

IX. Public Comment

Joan Paulson commented on the LID and expenses for the Pike Place Market PDA.

X. Concerns of Committee Members

None

XI. Adjournment

The meeting was adjourned at 6:07 p.m. by Matt Hanna, Chair

Meeting minutes submitted by:

Dianna Goodsell, Administrative Services Coordinator



Pike Place Market Preservation and Development Authority (PDA)

PROPOSED RESOLUTION 13-32

Management Fee payable to Market Foundation for their services during Arcade Lights event

May 2013

BE IT RESOLVED that the PDA Council hereby approves to pay Market Foundation a Management Fee in the amount of \$11,460 for their services provided during the Arcade Lights event in April 2013. The calculation of the Management Fee is done based on the Management Agreement between PDA and Market Foundation for this event which states: For the services provided PDA will pay Market Foundation a Management Fee which will be calculated \$1 for each token collected by the vendors less applicable taxes.

Tokens from vendors 12,638	\$12,638
Less taxes	<u>(\$ 1,178)</u>
Total Due to Market Foundation	\$11,460

Gloria Skouge, Secretary/Treasurer

Date

Date Approved by Council:

For:

Against:

Abstained: