Waterfront Redevelopment - Meeting Agenda

Date: Thursday, March 21st, 2013
Time: 5:00 p.m. – 6:00 p.m.
Location: Elliott Bay Room
Council Members: Jackson Schmidt (Chair), Gloria Skouge (Vice-Chair), John Finke, Matt Hanna, Patrick Kerr, and Bruce Lorig

5:00pm I. Administrative:
A. Approval of Agenda
B. Approval of the March 7th, 2013 Meeting Minutes

5:05pm II. Announcements and/or Community Comments

5:10pm III. Key Issues and Discussion Items
A. Design Refinement - Schematic Phase
B. Financial Sensitivity Testing

5:40pm IV. Reports and Action Items
B. Report from Stakeholders Group

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

5:50pm VI. Public Comment

5:55pm VII. Concerns of Committee Members

6:00PM VIII. Adjournment

Chair
I. Administrative
   A. Approval of the Agenda
      The agenda was approved by acclamation.
   
   B. Approval of the February 21st, 2013 Minutes
      The minutes were approved by acclamation.

II. Announcements and Community Comments
    None

Matt Hanna entered in at 5:02pm

III. Key Issues and Discussion Items
    A. Pro-Forma Financial Model
       I. Discussion of “What-if’s” for Sensitivity Analysis
          Mike Hassenger from Seneca Group provided an overview of the Sensitivity Analysis of the Pro Forma
          Financial Model for the PC-1 North project. A copy of the overview was included with the meeting minute’s
          record. The overview included the sensitivity analysis for the pro forma financial model and potential what if
          scenarios. A summary of the overview is as follows:

          Sensitivity Analysis:
          1. Reviewed assumptions with WRC and Council
          2. Reviewed draft financial model with Council
          3. Refining baseline cash flow based on sources and schedule
          4. Now time to identify “what if” scenarios

          Potential What If Scenarios
          1. What if the garage performs less than the baseline?
a. Lower usage than 90% of Market experience
b. Fewer Stalls
2. What if various sources are less than the baseline?
   a. What is the Market’s response to each reduction?
   b. Housing
   c. Philanthropy
   d. LID
3. What if public space operating costs are higher?
4. Other Ideas?

There was a discussion that followed

Bruce Lorig noted that we need to realistically figure out a number for the parking garage spots.

Matt Hanna noted it would be interesting to see how the garage performs with adding debt; what is the highest amount of debt we can go to make the project a break-even proposition.

John Finke noted that we may need to look at other mixed housing funds; homeless and substance abuse housing could be an option to consider in terms of competing for housing funds. He noted there is a policy question and we need to decide what type of housing we want on PC-1 North.

Bruce Lorig thinks we need to do research about the realistic housing options for PC-1 North and what funding we could receive for housing.

John Finke noted that the City still has levy funds for affordable housing. He noted the possibility in exploring philanthropy opportunities with the Market Foundation regarding artist housing.

There was a brief discussion regarding Philanthropy funds for the PC-1 North project

John Finke noted that the figure is dependent on what uses are for the space. He added that we need to have a conversation with the Market Foundation regarding Philanthropy funding.

Lillian Hochstein noted that the housing component has some philanthropy and an opportunity for civic pride; there are possibilities to raise funds with bricks or tiles.

There was a brief discussion on the LID and the possible scenarios of it fails and its effect on the PC-1 North project.

John Finke noted that we would need to regroup and figure out what to do if for some reason the LID fails. He also added that we need to think about the possibilities of receiving less LID funds from the City.

Bruce Lorig noted that we would need to expand the retail spaces in PC-1 North to increase the cash flow. He noted that we should run the pro forma with the assumption that we only get 30 million from the LID.

Jackson Schmidt noted that he would like to see pro-formas with 3-4 levels of retail on PC-1 North.

Ben Franz-Knight discussed the next steps for PC-1 North which included a brief discussion on funding source assumptions with Mike Hassenger at the next Finance Committee meeting and an update from Miller Hull and Seneca Group at the March 21st Waterfront Redevelopment Committee meeting. He noted Miller Hull would be discussing design refinement moving into the schematic phase for PC-1 North and Seneca Group would be providing an update on the financial sensitivity testing for the pro forma financial analysis and a review of the refined baseline model.

IV. Reports and Action Items
   A. Report from Stakeholders Group
   Haley Land gave a very brief report from the Stakeholders Group. He noted that the group would be meeting next week.
V. Resolution(s) to be Added to Consent Agenda
None

VI. Public Comment
Joan Paulson provided a few comments to the committee. She noted her concern over the operation of the parking garage during the project phasing. She noted that we need to look closely at the phasing of the viaduct and construction with the PC-1 North project and the impacts to the Market directly.

Howard Aller stated that there is a need for low rent senior housing in the Market which needs to be addressed in PC-1North.

Ernie Sherman commented on an observation he had made regarding the PC-1North project. He noted that it would seem difficult to make the PC-1 North project work without having to place a lot of the Market’s equity. He added that the project needs to go higher.

Closed Session started at 6:02pm

VII. Closed Session
A. WSDOT Parking Mitigation - 1531 Western Avenue (Closed Session Per ( RCW 42.30.110(I)(b))
   The Committee discussed the WSDOT Parking Mitigation agreement for 1531 Western Avenue.

Closed Session ended at 6:16pm

Open Session started at 6:17pm

VIII. Concerns of Committee Members
None

IX. Adjournment
The meeting was adjourned at 6:18 p.m. by Jackson Schmidt, Chair

Meeting minutes submitted by:
Dianna Goodsell, Administrative Services Coordinator
PROPOSED RESOLUTION 13-14:
Authorization for Additional Contract Authority – Miller Hull – PC1-N Schematic Design

March 2013

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, among other things, preservation and rehabilitation of the structures and open spaces in the Market Historic District, and;

WHEREAS, in order to maintain the viability of the Pike Place Market the PPMPDA has undertaken an effort to identify and address issues and opportunities related to the design of the Central Waterfront and the development of parcels adjacent to the Market including PC-1N that may directly affect the future of the Market,

WHEREAS, the PPMPDA has determined that Architecture services are necessary for Design and Development of plans for PC-1N and integration with the Central Waterfront Design framework; and,

WHEREAS, the PPMPDA conducted a public process and issued a Requests for Qualifications (RFQ) for Architectural Services in accordance with its Purchasing Guidelines and received six (6) proposals, and conducted interviews of 4 finalists, Miller Hull was identified as the best qualified to address the needs specifically related to Design and Development of PC-1N, integration with the Central Waterfront Design effort; and,

WHEREAS, the PPMPDA has contracted for Design services for PC-1 North with Miller Hull for an amount not to exceed $350,000 as authorized by Resolution 12-30 and issued an amendment to increase contract services by $25,000 as authorized by Resolution 13-03; and,

WHEREAS, the PPMPDA and is now ready to amend the contract with Miller Hull in an amount not to exceed $450,000 for schematic design work for PC1N; and,

NOW THEREFORE, BE IT RESOLVED that the PDA Council authorizes the PDA Executive Director or his designee, to enter into a contract amendment with Miller Hull for Schematic Design Services for PC-1N, for an amount not to exceed $450,000; and,

The funds for this project will be drawn from the PDA CRRF – Capital Reserve and Replacement Funds.

Gloria Skouge, Secretary/Treasurer

Date
Date Approved by Council:
For:
Opposed:
Abstained: