PDA COUNCIL MEETING MINUTES – December 15th, 2011

Council Members: James Savitt, Patrick Kerr, Matt Hanna, Gloria Skouge, David Ghoddousi, Ann Magnano, Bruce Burger, Bruce Lorig, John Finke, Gerry Kumata

Staff Present: Ben Franz-Knight, Ryan Yale, Teri Wheeler, Steve Nelson, Ryan Hostetler, Matthew Holland, Jay Shallow, Scott Davies, Marlys Erickson, John Turnbull, Jennifer Maietta

Others Present: Ernie Sherman, Duncan Thieme, Dennis Haskell, Dmitriy Molla

The meeting was called to order at 4:00 p.m. by James Savitt - Chair.

I. Administration
   A. Adoption of Agenda
      Resolution 11-104 was added to the Agenda and resolution 11-100 was stricken from the Agenda
      The amended agenda was approved by acclamation
   B. Review and Approval of Minutes of November 17th, 2011
      Ann requested as part of Section IV of the meeting minutes that the voting member’s names and how
      they voted be included.
      The amended minutes were approved by acclamation

II. Public Comment Including the Market Community
    Ernie Sherman, working as a liaison for the Market Foundation, discussed his conversation with Teri
    Wheeler regarding the Farm program. He stated that despite the efforts to increase the number of
    farmers remain at only 20. He added that most farmers are going to neighborhood markets due to the
    financial gain and the level of support from the people located near those markets. Ernie suggested that
    to enhance the farmers ability to sell items outside of their limited growing season, the Market should
    consider the installation of a commercial kitchen to allow the farmers to sell value item foods. He
    noted the commercial kitchen would also benefit the Market by providing cooking classes and the
    kitchen could be a valuable resource for the farmers and would allow them to work year round. Ernie
    added that the Market should consider doing this now with the resources available.

    John Finke agreed with Ernie’s comments and stated that a commercial kitchen would add strength to
    the farm program in addition to providing a thorough analysis of the farmer’s ability to make a profit.

III. Reports and Information Items
    A. Council Chair Report
       Jim gave an overview of the agenda including the Waterfront presentation and the 2012 Annual Plan.
       Jim stated that Marlys Erickson from the Market Foundation will be retiring in March of 2012. A
       search/hiring committee has been formed by the Foundation’s board and Ben is working closely to
       ensure they can work well with the PDA. The Executive committee has completed its work on the ED
       salary compensation and will present its findings and suggestions later in the meeting. Jim discussed
       the nominating committee that was formed last month to review the current committee structures. Jim
noted that the nominating committee, comprised of himself, Jackson, Matt and Gloria, had a challenging
time in choosing the new committee structures due to the surplus of qualified applicants. He added
that one of the primary factors in choosing the new structure was to allow for a rotation of committee
chairs for those that have not been a chair of a committee for the prior 3-4 years. The new committee
structure will be in place through June of 2012.

**Action Item: Proposed Resolution 11-104: PDA Committee Member Nomination**

Jim introduced **Resolution 11-104** which states the PDA Council approved Resolution 11-92 in
November 2011 restructuring council committees. The Nominating Committee has recommended the
following Councilpersons to serve as Officers and as Chairs and Vice Chairs of PDA Council
Committees for a six month term from January 1, 2012 through July 1, 2012. It was stated that the
PDA Council elects the following officer for a six month term from January 1, 2012 to July 1, 2012:

| Officer at Large | Jill Andrews |

The PDA Council Committee structure is approved as follows for a six month term from January 1,
2012 to July 1, 2012:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Chair</th>
<th>Vice Chair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>Matt Hanna</td>
<td>Bruce Lorig</td>
</tr>
<tr>
<td>Asset Management</td>
<td>Patrick Kerr</td>
<td>John Finke</td>
</tr>
<tr>
<td>Market Programs</td>
<td>Bruce Burger</td>
<td>Ann Magnano</td>
</tr>
<tr>
<td>Waterfront Development</td>
<td>Jackson Schmidt</td>
<td>Gloria Skouge</td>
</tr>
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</table>

Matt added that the nominating committee was focused on two things including the reorganization of
the committees and who is the best person to lead the new committees. In addition, these
appointments are for a six month term and the committee structure and leadership can be readressed
at that point if necessary.

Matt moved, Gloria seconded.
A discussion of Proposed Resolution 11-104 followed.

For: Matt Hanna, Gloria Skouge, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce
Lorig, John Finke
Against: Patrick Kerr
Abstain: 0
Resolution #11-104 passed by a vote of 8-1

**Gerry Kumata arrived at 4:27**

**Action Item: Proposed Resolution 11-101: Annual PDA Council and Council Committee Meeting
Schedule**

Ben introduced **Resolution 11-101** and stated that the PDA Council and Council Committee meeting
schedule is currently determined by setting the meeting of the full PDA Council generally on the last
Thursday of each month with standing Committee meetings scheduled prior to that date throughout
the month as follows:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waterfront Redevelopment</td>
<td>1st Tuesday of the Month – 4:00 pm to 6:00 pm</td>
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<tr>
<td></td>
<td>3rd Thursday of the Month – 4:00 pm to 6:00 pm</td>
</tr>
<tr>
<td>Asset Management</td>
<td>2nd Monday of the Month – 4:00 pm to 6:00 pm</td>
</tr>
<tr>
<td>Market Programs</td>
<td>2nd Thursday of the Month – 4:00 pm to 6:00 pm</td>
</tr>
<tr>
<td>Finance</td>
<td>3rd Tuesday of the Month – 4:00 pm to 6:00 pm</td>
</tr>
<tr>
<td>Executive</td>
<td>Wednesday, One week prior to PDA Council - TBD</td>
</tr>
</tbody>
</table>

Bruce Burger moved, Gloria seconded.
Proposed Resolution 11-101 was amended to have the Waterfront Redevelopment Committee meeting held from 5pm – 6pm on the 1st Tuesday and 3rd Thursday of each month.

For: Patrick Kerr, Matt Hanna, Gloria Skouge, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce Lorig, John Finke

Against 0
Abstain: 0

Resolution 11-101 passed unanimously.

B. Executive Director’s Report
1. Update on Phase III Renovation
Ben gave an update on Phase III renovation and stated that the Stewart House work is progressing incredibly well, despite some challenges and delays. Ben added that the work between the PDA, residential staff and Turner construction, we have been able to get back on schedule. Ben noted that the Economy elevator has progressed very well. The trenching work in the Soames Dunn basement has been completed and the tile work in the restrooms will begin this week. Ben added that there will be two final electrical shutdowns at the beginning of January with Soames Dunn to shut down the first week followed by the Economy building shutdown during the 2nd week of January in order to be open by the Martin Luther King Day weekend.

2. Update on Preschool Agreement
Ben stated the agreement between the Market foundation, PDA and the city has been finalized and the preschool is now able to receive the $451k grant by having a dedicated account set up by the foundation until all obligations have been met over the next 18 years.

C. Committee Chair Report
None

D. Other Reports
None

IV. Key Issues Presentation and Discussion:
A. 2011 Year in Review & 2012 Annual Plan
Ben gave an overview of the presentation of 2012 Annual Plan, which included critical tools to aid in the ongoing tracking of our progress year to year as well as an outline of key goals, initiatives and plans. A discussion followed the presentation.

Jim stated that there should be a mid-year review process of the 2012 Annual Plan to show the progress to date, including a review by the committees to ensure PDA staff is focusing on the correct strategic issues for 2012.

Matt stated that without having asset management be a part of the Finance Committee it will allow for a better focus at the committee level to spend more time to educate the members about the PDA’s finance, including the source and nature of our debt payments. In addition, the committee will be able to be more involved with the budget process, which will include a dialogue between committee members, PDA Directors and/or Managers.

B. Waterfront Presentation
Ben gave a brief introduction and stated that a set of guiding principles were adopted followed by priority uses for PC-1, and some design objectives for the Elliott/Western connector. In addition, the PDA has had ongoing conversations with the city as well as the port, including expressing the concerns of the Market regarding the connector road and the flow of traffic. Ben stated that SRG has done a tremendous amount of work and, along with the Market, have had very productive discussions with city staff and the design team, which now has become a true collaborative effort with all entities on the same page moving forward.

Ben introduced Duncan Thieme, Dennis Haskell and Dmitriy Molla who presented a preliminary building program and site analysis for PC-1 North to the Council. A question and answer period followed.
**Action Item:** Proposed Resolution **11-102:** Priority Uses for PC-1 North and Adjacent Area; Establishment of a Preliminary Building Program

Jim introduced the resolution and stated the PDA Council adopted Resolution 11-77 identifying priority uses for PC1N and establishing an ad-hoc Waterfront Development Committee to review existing design proposals and prepare design proposals for PC1N and adjacent area. The WRC working with staff and consultants has completed a comprehensive site analysis and developed a preliminary building program consisting of priority uses that support and complement the Market's mission. It is the Market's overarching goal that the preferred concept design for PC1N and adjacent areas will be informed by past design studies; the PPMHC Design Guidelines and established priority uses for PC1N; current and future identified Market needs; and through a collaborative design process working with the Market Community and the City of Seattle’s Central Waterfront Project design team and its consultants. It was requested that:

1. The PDA Council hereby resolves that the preliminary building program for PC1N site and adjacent developable areas should serve to support and enhance the Market’s core mission; functions, and character, consistent with historical uses for PC1N and to adjacent areas as part of waterfront redevelopment, and shall improve Market pedestrian connections to and from the Central Waterfront through the PC1N site; and

2. The PDA Council, in seeking to develop the PC1N site to its maximum potential for serving core Market mission and functions, adopts as the preliminary building program for the PC1N, consistent with PPMHC Guidelines; the following general uses: retail; residential; replacement parking; storage; public space, circulation and pedestrian passage, and

3. The PDA Council hereby directs the PDA Executive Director and the PDA’s design consultants to continue to work collaboratively through the design process with the city’s Central Waterfront Design Team toward achieving the above stated goals and outcomes.

Gerry Kumata moved, David Ghoddousi seconded.

Proposed Resolution 11-102 was amended to include social services in the development of the PC1N site. The amendment will state:

2. …adopts as the preliminary building program for the PC1N, consistent with PPMHC Guidelines; the following general uses: retail; residential; replacement parking; storage; social services, public space, circulation and pedestrian passage, and

For: Matt Hanna, Gloria Skouge, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce Lorig, John Finke, Gerry Kumata

Against 0

Abstain: Pat Kerr

Resolution 11-102 was passed by a vote of 9-0-1

*Matt Hanna left at 5:43pm*

**V. Resolutions and Other Action Items (Old and New Business)**

A. Consent Agenda

**Action Item:** Proposed Resolution **11-97:** Authorization for Non-Exclusive Trademark Licensing Renewal/Agreement SMS Ceramics d/b/a Pike Place Pigs

**Action Item:** Proposed Resolution **11-98:** Lease Proposals – December 2011 Market Tobacco, Silver Slice, Uli’s Sausage

**Action Item:** Proposed Resolution **11-99** Authorization for Contract Authority – Apply Non-Skid Surface to the 2nd and 3rd Floor Sections of the Main Arcade

Approval of the Consent Agenda
David Moved, Ann seconded
For: Patrick Kerr, Gloria Skouge, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce Lorig, John Finke, Gerry Kumata
Against 0
Abstain: 0

The Consent Agenda was passed unanimously.

B. New Business


Ben presented the resolution and stated that the PDA pursues enforcement against those infringing on our trademark rights to cease using them in order to protect our trademark rights and the integrity of our marks. It was requested that the PDA Council authorizes the following licensing fees:

<table>
<thead>
<tr>
<th>Fees by Category:</th>
<th>6 – 10% gross sales; 3 – 5% in-Market sales for current tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Products:</td>
<td>6 – 10% gross sales; 3 – 5% in-Market sales for current tenants</td>
</tr>
<tr>
<td>Non-Food Products:</td>
<td>2 – 5% gross sales</td>
</tr>
<tr>
<td>Tours/Services:</td>
<td>2 – 5% gross sales</td>
</tr>
<tr>
<td>Advertising:</td>
<td>$1,500 minimum for commercial filming/photography, per use</td>
</tr>
<tr>
<td>Filming:</td>
<td>$500 minimum for non-commercial use; $1,500 minimum for commercial filming/photography</td>
</tr>
</tbody>
</table>

In addition, it was also requested that the PDA Council authorizes the following trademark policies:
1. A start-up fee of $250 will be charged to each trademark application approved for licensing.
2. For each approved licensing agreement, the PDA will pay up to one hour for our legal costs in setting up the agreement; any additional legal expenses must be paid by the applicant.
3. Staff may approve trademark agreements and licensing fees administratively for one-time use in advertising and filming categories.
4. Discourage the use of “Pike Place Market” and “Pike Place” by any additional Market businesses as part of their business name.
5. The PDA logo is reserved for PDA identification and Market-wide advertising; it is not available for any other businesses to use.
6. Direct staff to pursue trademark registration of the visual mark of the Pike Place Market sign at the north end pergola.

Bruce Lorig moved, John Finke seconded
Proposed Resolution 11-101

For: Patrick Kerr, Gloria Skouge, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce Lorig, John Finke, Gerry Kumata
Against 0
Abstain: 0

Resolution 11-96 was passed unanimously


Joe presented the resolution and stated that it has been determined that seismic work is necessary in the Soames/Dunn Building due to Phase II Construction work. The PPMPDA contracted with Turner Special Projects for this major renovation in February 2009 as authorized by the PDA Council in Resolutions 09-50 and 10-27 and now wishes to amend that contract to include seismic work in the Soames/Dunn building in an amount not to exceed $600,000. It was requested that the PDA Council authorizes the Executive Director or his designee to enter into a GC/CM construction contract amendment with Turner Special Projects in the amount of $600,000 for seismic work in the Soames/Dunn building. Funding for this project will be drawn from Phase Three Levy Funds

Bruce Lorig moved, Gerry seconded.
Proposed Resolution 11-95
For: Patrick Kerr, Gloria Skouge, David Ghoddousi, Ann Magnano, Jim Savitt, Bruce Burger, Bruce Lorig, John Finke, Gerry Kumata
Against: 0
Abstain: 0

Resolution 11-95 passed unanimously

**Action Item:** Proposed Resolution 11-103: Executive Director’s Salary Compensation

Bruce Burger moved, David seconded.

Bruce Burger introduced the resolution and stated the Executive Committee was charged by the PDA’s Operating Procedures and Policies with reviewing the performance of the PDA’s Executive Director. The Executive Committee formed a subcommittee, consisting of Bruce, Gloria and Jim. The subcommittee interviewed 29 individuals including Council members, staff members, merchants, and other people who work closely with Ben.

Bruce added that the subcommittee also reviewed comparable salary data and based their decision on four major factors. The first was Ben’s performance and initial salary was adjusted based on a potential learning curve. Second, was that the previous ED director’s salary was higher when she started and Ben should not penalized based on that. Third, comparisons with other similar positions including non-profits. Lastly, the subcommittee looked at the correlation of ED salaries compared to other PDA director’s salaries which inhibits the ability to hire other Director’s at a competitive market salary.

It was requested that the Executive Director’s salary will be adjusted to $140,000 per year, effective January 1, 2012, that an increase of 5% will be granted on January 1, 2013 and January 1, 2014 conditioned upon the Executive Directors continued employment in good standing at that time, and that the notice period or pay in lieu of notice for dismissal without cause be extended from 30 days to 90 days. The PDA Council authorizes the PDA Council Chair to enter into a revised employment agreement with the Executive Director Ben Franz-Knight reflecting these changes.

A discussion followed of Resolution 11-103

For: Patrick Kerr, Gloria Skouge, David Ghoddousi, Jim Savitt, Bruce Burger, Bruce Lorig, John Finke, Gerry Kumata
Against: Ann Magnano
Abstain: 0

Resolution 11-103 passed by a vote of 8-1

D. Other

_Council went into closed session at 6:06pm_

**VII. Discussion, Information and Possible Action Item**

A. Carol Binder’s Compensation Request (including Closed Session Per (RCW 42.30.110(1)(b) regarding legal advice)

_Council returned to open session at 6:12 pm_

**VI. Further Public Comment**

**VIII. Concerns of Council Members**

**IX. Adjournment**

The meeting was adjourned at 6:12p.m. by James Savitt, Chair

Meeting minutes submitted by:
Ryan Yale, Executive Assistant