



Pike Place Market Preservation and Development Authority (PDA)

**Executive Committee
MEETING MINUTES**

**Wednesday June 22nd, 2011
7:30 a.m. to 9:00 a.m.
Goodwin Library**

Committee Members Present: James Savitt – Chair, Ann Magnano – 2nd Vice Chair, Gloria Skouge, John Finke, Pat Kerr

Staff Present: Ben Franz-Knight, Ryan Yale

Others: Ernie Sherman

The meeting was called to order at 7:33 a.m. by James Savitt, Chair.

I. Administrative

A. Approval of Agenda

The agenda was amended to remove item IV-B (Preschool Issues) from the closed session and move to item III-E (ED Report – Other Issues)

The amended Agenda was approved by acclamation

B. Approval of May 18th 2011 Minutes.

The minutes passed by acclamation

C. Announcements and Community Concerns

None

II. Council Chair's Report – Jim Savitt

Jim discussed the agenda items for the upcoming PDA Council Meeting. He stated the Council Meeting will include a presentation and discussion of the waterfront development and design process. Jim mentioned that Pat Kerr will be assisting Ben and Peter Steinbrueck to draft and submit design concepts to the Waterfront design team. Jim reported on the nomination committee meeting and stated that the committee will be contacting Councilmembers shortly and will be making their recommendation to the full Council at the next PDA meeting. Jim discussed the Strategic Planning committee and stated the June meeting has been canceled. Jim also noted that he will be meeting with Ben and Bruce Burger to discuss the Strategic Planning committee plan and process. The issues they will address and a timeline will be presented to the Council during the Council retreat. The Strategic Planning committee meetings will resume in July. Jim stated there will be a Council retreat in the fall where internal staff and Council organization structure will be discussed. Jim stated that the Executive Director evaluation will be done over the next couple of months to assess the performance of the ED, which will coincide with the budget review and Ben's completion of his first year on the job.

III. Executive Director's Report – Ben Franz-Knight

A. Renovation/Levy Update

Ben reported on the upcoming presentation to the City Council, which consists of an annual report on the Pike Place Market renovation and use of Levy funds. The presentation will be on July 11, 2011. Ben discussed the Phase II Renovation and stated all projects have been completed with the exception of Mr. D's and Jack's Fish. Ben noted that the all spaces have been returned to the tenants and the cause for the delay in Mr. D's and Jack's Fish return has been tenant based and not a result of the Market renovation planning. Ben reported on the Phase III planning process and stated that it is going extremely well. Ben noted the Stewart House renovation and some work in the Economy building will begin in July, but the majority of the work will not start until after Labor Day. In addition, the Market Theater will be relocated to the Intiman and a resolution for the cost differential in rent will be submitted to the full Council meeting for their review and consent.

B. NMTC Update

Ben reported on NMTC II and stated we have continued to move forward and the draw process of \$5.8m should be completed by the end of October. Ben discussed the NMTC I and that noted he has reached out to Gerry Johnson and Tom Nelson in order to submit a flow of funds report and availability and potential uses of Non-Levy funds, which will be provided to Full Council at the next meeting.

C. Waterfront Planning

Ben updated the committee on the upcoming Waterfront planning presentation to be held at the next full Council meeting. Ben commented on the meeting he had with WSDOT to discuss the impact of the demolition of the viaduct. Ben stated that the State Historic Preservation office determined that the Market will not be impacted significantly by the bored tunnel. Ben noted that he and Peter Steinbrueck were able to convey the Market's concern of the perceived impacts to Pike Place and Ben is currently awaiting a letter from the state addressing these concerns. Ben reported on the meeting he had with the Waterfront Design Team and James Corner. During this meeting the "lid solution" was addressed and discussed with the design team. Ben noted that he raised the concern to the design team about the ability to manage the proposed design and also made a point to stress that a stronger push is needed to connect the Waterfront to Belltown via the Market. Ben commented the possibility of the recreation areas presented could include active spaces for families along with other Market interests such as an urban farm plot and other related uses. Ben stated that he and Peter Steinbrueck will be meeting with the City Council later today to discuss the Year of Urban Agriculture and the degree of which the Market could be involved.

D. 1st Ave Streetcar

Ben reported on the proposal of a 1st Avenue Streetcar and stated he has been asked to serve as co-chair of the committee support of the street car. Ben felt that it is important for the Market to take an active role in the process to ensure the result will integrate with the best interest of the Market.

E. Preschool

Ben gave an update and some background on the Preschool/Child Care issues and stated that in conjunction with the CDBG grant, the City of Seattle requires an additional security for the grant due to the Preschool's usage of leased space. He added that the city has requested that the landlord establish a restricted reserve account for the full amount of the grant and/or record a covenant on the property restricting use and responsibility for repayment of the grant in case of default. A default would be triggered by a change in use of the designated lease space not in compliance with CDBG block grant uses for serving low-income populations. Ben noted that staff has pursued options for satisfying the City of Seattle requirements by establishing a restricted account. The PDA, as landlord to over 200 tenants cannot establish a precedent of maintaining restricted accounts for individual or independent tenant projects. To address this issue, a three party agreement has been drafted requiring that the Market Foundation establish and maintain a restricted account in the amount of \$451,000. The agreement will also require the PDA to pay a contract buy-out fee in the event of a change of uses within the space that is not compatible with CDBG qualified uses. The agreement also establishes a schedule for depreciation of the investment in improvements as a baseline for the

contract buy-out fees. Ben stated that this agreement will be presented as a resolution to the full Council for their review.

A brief discussion of the proposed resolution followed.

- F. Other Issues
None

IV. Other Reports and Action Items

The meeting went into closed session at 8:10a.m.

- A. Potential Property Transactions
 - 1. Heritage House Issues – E.D. Update (*Closed Session Per (RCW 42.30.110(1)(b))*)
 - 2. Heritage House/Land Acquisition Ad Hoc Committee Update (*Closed Session Per (RCW 42.30.110)(1)(b))*)
- B. Preschool Issues – E.D. Update (*Closed Session Per (RCW 42.30.110(1)(b))*)
- C. C. Binder – Retirement Fund Question (*Closed Session Per (RCW 42.30.110(1)(b))*)

Closed session ended at 8:26a.m.

- V. **Items for the Consent Agenda**
None.

VI. Public Comment

VII. Concerns of Committee Members

Pat reported on the prior Constituency Meeting and stated that the Constituency made a motion to the Executive Committee that a formal request and action be taken to notify the City of Seattle for Theresa Alexander to vacate her position on the Council.

Gloria requested an updated PDA Council contact list be submitted to all Council members.

VIII. Adjournment

Meeting was adjourned at 8:44 a.m. by Jim Savitt, Chair.

Meeting minutes submitted by:
Ryan Yale, Executive Assistant