



Finance & Asset Management Committee Meeting Minutes

Tuesday, June 16, 2015
4:30 p.m. to 6:00 p.m.
The Classroom

Committee Members Present: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine,

Other Council Members Present: Patrick Kerr

Staff Present: Ben Franz-Knight, Sabina Proto, Jay Schalow, Tamra Nisly, Jennifer Maietta, John Turnbull, Jessica Carlson, Dianna Goodsell

Others Present: Joe Reed, Chris Scott, Howard Aller

The meeting was called to order at 4:02 p.m. by Gloria Skouge, Chair.

I. Administration

A. Approval of the Agenda

The agenda was approved by Acclamation

B. Approval of the Finance & Asset Management Committee May 19, 2015 meeting minutes.

The meeting minutes were approved by acclamation

II. Announcements and Community Comments

None

III. Reports & Discussion Items

A. Review of the Financial Statements for May 2015

Sabina Proto, PDA Director of Finance presented a review of the Preliminary Financial Statements for May 2015. Sabina Proto discussed the PDA Balance Sheet. She reported that there was a slight decrease from the prior month with Current Assets. Designated cash showed an increase from the prior month due to monthly contribution to CRRF. Restricted cash had increased due to the monthly contribution to Debt Service Accounts. Fixed Assets had increased due to the work completed under Capital Projects. Current Liabilities decreased mainly in the category of Accounts Payable. Long Term Debt had decreased due to the payments on our long term obligations. Our Net Position for the current year operating result was \$1,752,579. Finally, under the Accounts Receivable Report, the accounts receivable increased on May compared to the balance of the prior month.

Under the PDA Operating Statement, the Total Revenue for the end of May 2015 was \$6,945,260 or over budget by \$355,684. The Total Operating Expense YTD was \$4,982,946 or \$295,357 under budget. The Net Operating Result YTD for the end of May was \$1,962,314 or \$651,041 over budget. The Net Result after Debt Service & Reserves including the following Annual Budget of \$2,055,516 and for the end of May; the actual amount YTD was \$874,188.

Lastly, Footnotes on the Operating Expenses reported the following: Commercial Revenue was over budget mainly in Base Rent and Percent Rent and Common Area charge. The Percent Rent spreadsheet showed \$195,382 over budget for the period January through May 2015. Residential Revenue was on track for May. Surface Revenue was over budget and Garage Revenue was over budget by \$150,491 due to increased parkers in the garage.

Ben Franz-Knight spoke of changes for the Market parking rates and the proposed transit incentive as an offset.

Patrick Kerr asked about the possibility of increasing the parking hourly rates.

David Ghoddousi mentioned maintain sensitivity with our partners regarding parking including our partnership with the Seattle aquarium.

Ben Franz-Knight noted that we will see the CRRF balance reduced to 5 million next month due to the bond issuance for the MarketFront project.

I. Checking Account Activity Report

The Checking Account Activity Report for the month of April 2015 was distributed to Dianna Goodsell, Administrative Services Coordinator.

B. 2015 Strategic Issue - Commercial Tenant Leasing Guideline Review

John Turnbull, Director of and Jennifer Maietta, Commercial Portfolio Manager reviewed a draft version of the Lease Administration Guidelines, which included some of the restructuring of the document sections.

There were questions from the committee.

David Ghoddousi asked about the tenancy of lease terms including month to month leases.

The next steps included reviewing the draft lease administrative guidelines and returning to the committee next month to discuss and possibly approve the changes within the document.

IV. Reports and Action Items

- A. **Action Item:** Proposed Resolution **15-33:** Pine Street Stair Enhancement Interior Painting - Novo Painting & Property Services

Tamra Nisly reviewed the resolution which states that 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 promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, whereas in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and, whereas, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and, whereas, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that the painting of the interior, columns, railings, and stair stringers is necessary to the successful completion of this project; and, whereas, the PPMPDA has executed a bid process in accordance with its Purchasing Guidelines to repair and paint the stair interior and has selected Novo Painting and Property Services as the contractor for these services.

Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Novo Painting & Property Services, LLC in an amount not to exceed \$30,000.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Patrice Barrentine moved, David Ghoddousi seconded

There was a brief discussion that followed by the Committee.

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine

Against: 0

Abstained: 0

Resolution **15-33**: Pine Street Stair Enhancement Interior Painting - Novo Painting & Property Services passed unanimously by the committee by a vote of 4-0-0.

B. Action Item: Proposed Resolution **15-38**: Pine Street Stair Enhancement Signage - Trade-Marx Sign & Display Corp.

Tamra Nisly introduced the resolution which states that the 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 promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion of survival of small businesses, and the expansion of services to the public market community; and, whereas

in order to maintain the viability of the Pike Place Market, the PPMPDA Full Council identified Strategic Planning issues and opportunities for 2015 with the adoption of Resolution 14-80; and, whereas, the PDA Full Council determined that further analysis and effort should be devoted in 2015 to the identified Strategic Issues which included Western Avenue Activation Strategies, DownUnder Stair Activation, also referred to as the Pine Street Stair Enhancement; and, Whereas, the PPMPDA has explored and identified a plan of action regarding the Pine Street Stair Enhancement and has determined that adding signage consistent with the 2013 signage project is necessary for the completion of this project; and Whereas, in order to install signage that matched exactly with the current signs it is necessary to contract with the previously approved signage vendor, Trade-Marx Sign & Display, for an amount not to exceed \$40,000 for the following items as identified in Attachment 1:

- Level 3 & 4 signage
- Two Orientation Maps
- Four Restroom Blades
- Directional Arrow
- Large Stenciled Graphic

Now, therefore be resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Trade-Marx Sign & Display in an amount not to exceed \$40,000.

The funds from this project will be drawn from the Capital Projects Budget – Western Ave. Enhancement Projects: 163786-00.

Patrice Barrentine moved, David Ghoddousi seconded

There was a brief discussion that followed.

Patrick Kerr asked about the proposed one sided arrow and how that would affect the businesses oriented oppositely of the arrow.

There was a discussion on updating the arrow signage including updating the design to include a double sided arrow. Moving forward the arrow would be modified and submitted to the MHC for approval.

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine

Against: 0

Abstained: 0

Resolution **15-38**: Pine Street Stair Enhancement Signage - Trade-Marx Sign & Display Corp. passed unanimously by a vote of 4-0-0.

- C. **Action Item**: Proposed Resolution **15-44**: Authorization for Contract Authority –Tenant Improvement Coordination - First and Pine Building

John Turnbull introduced the resolution which states that 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 promoting enterprises essential to the functioning of the Pike Place Market, including the preservation and expansion of the low-income residential community, the promotion and survival of small businesses , and the expansion of services to the public market and community; and, Whereas, in on-going management of the Pike Place Market, the PPMPDA has entered into leases for several commercial spaces in the First and Pine Building which will require tenants to perform their own tenant improvement work, requiring demolition, replacement and modification to existing electrical distribution systems, plumbing systems, heating and cooling systems and construction of storefronts, entries and other physical changes to the spaces; and, Whereas, the coordination of such work by tenant contractors is important to ensure continuity of services to existing tenants, minimization of disruption from construction impacts, maximum efficiency is cost and coordination with other capital repairs on the building to be done by the PDA; and, Whereas, the PPMPDA has determined the services of a professional project manager as owners an representative is essential to the effective coordination of such work and has sought proposals from several experienced firms; and, Now, therefore be it resolved that the PPMPDA Council authorizes the PPMPDA Executive Director or his designee to enter into a contract with Larry Barton d/b/a Barton Consulting Services in an amount not to exceed \$25,000 for estimated time on an hourly basis through the remainder of 2015 to manage these improvements as an owners representative.

The funds for this project will be drawn from the Repair and Replacement Reserve: 110630-00.

David Ghoddousi moved, Patrice Barrentine seconded

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine
 Against: 0
 Abstained: 0

Resolution **15-44**: Authorization for Contract Authority –Tenant Improvement Coordination - First and Pine Building passed unanimously by a vote of 4-0-0.

V. Property Management

A. Residential Property Management Report

John Turnbull presented the Residential Property Management Report for the month of June 2015. He noted that the Market-wide vacancy rate was roughly around 2 percent.

VI. Public Comment

None

VII. Closed Session

The Committee entered into Closed Session at 5:08pm

- I. Property Management Report - *Closed Session (RCW 42.30.110[c])*
- II. Review of Lease Proposals
New Lease - Jarrbar - 1432 Western Ave
Lease Renewal - Piroshky Piroshky - 1908 Pike Place
- III. Review of Delinquency Report
 - a. Vacancy Report
 - b. Current Lease Negotiations

The Committee entered into Open Session at 5:16pm

VIII. Open Session

- A. **Action Item:** Proposed Resolution **15-43:** Lease Proposals - June 2015

Jennifer Maietta introduced the resolution which states the lease proposals for June 2015 as follows:

<u>Tenant</u>	<u>Term</u>	<u>Start Date</u>
Jarrbar BJ Communications, Inc.	Three (3) Years	July 1, 2015
Piroshky Piroshky Oliver Kotelnikov & Olga Sagan	Five (5) Years	June 1, 2015

Patrice Barrentine moved, David Ghoddousi seconded

For: Gloria Skouge, David Ghoddousi, Betty Halfon, Patrice Barrentine

Against: 0

Abstained: 0

Resolution **15-43:** Lease Proposals - June 2015 passed unanimously by the Committee by a vote of 4-0-0.

IX. Resolutions to be added to the Consent Agenda

Proposed Resolutions **15-33:** Pine Street Stair Enhancement Interior Painting - Novo Painting & Property Services, **15-38:** Pine Street Stair Enhancement Signage - Trade-Marx Sign & Display Corp. **15-44:** Authorization for Contract Authority - Install Garbage Room Exhaust and **15-43:** Authorization for Contract Authority –Tenant Improvement Coordination - First and Pine Building were added to the June 25th PDA Council meeting Consent Agenda.

X. Concerns of Committee Members

None

XI. Adjournment

The meeting was adjourned at 5:23p.m by Gloria Skouge, Chair

Meeting minutes submitted by:
Dianna Goodsell, Executive Administrator