



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Draft Meeting Minutes**

**Tuesday, March 22, 2011
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Vice Chair Bruce Lorig, David Ghoddousi, Gerry Kumata, Ann Magnano, Gloria Skouge

Other Council Members Present:

Staff Present: Ben Franz-Knight, Ryan Yale, Steve Nelson, Jay Schalow, Joe Strong, Bob Beckstrom,

This meeting was called to order at 4:30 p.m. by Bruce Lorig

Others Present:

I. Administration

- A. Approval of Agenda
The agenda amended to include proposed resolution 11-30
The amended agenda was approved by acclamation.
- B. Approval of February 15th Minutes
The meeting minutes were amended to reflect the vote of Gerry Kumata as voting against resolution 11-10 and to reflect the proper motion. The minutes were also altered to explain the entry on capital projects and the proposed two-step process.
The amended minutes were approved by acclamation.
- C. Announcements and Community Comments
None.

II. Review of Financial Statements for January 31, 2011

Balance Sheet:

Ben reported on Current Assets and why it decreased because a smaller amount was accrued in February for the levy funds receivable from City of Seattle compared to the January accrual. The Designated Cash increased due to the monthly contribution to Capital Replacement Reserve.
Restricted Cash increased due to the contribution to Debt Service Account and to the Turner Retainage Account. Fixed Asset increased due to the work on the Capital Projects – budgeted capital projects and Levy projects. Current Liabilities did slightly increase, but this is nothing unusual.
Long Term Debt decreased due to the monthly payments on loans, mortgage and bonds.

Net Operating Result - increased in total. Also the Current Operating Result increased from the prior month. Account Receivable Activity Report - slight increase from the prior month- however there are not many delinquent amounts.

PDA Operating Statement:

Ben reported on Total Revenue for the end of February is \$1,872,853, or over budget by \$ 151,740

Total Operating Expenses are \$1,442,118, or under budget by \$ 159,439

Net Operating Result for the end of February is \$430,735, which means \$311,179 over budget.

Net Result after Debt Service & Reserves: Annual Budget is \$896,875, and actual YTD is \$116,589. Commercial Revenue is over budget. This due to: less vacancy than budgeted; CAUT and COMA are direct reflection of Base Rent; good performance of the Percent Rent.

Residential Revenue is over budget. This is due to less vacancy than anticipated. Daystall Revenue is slightly over budget. There was a lower attendance in the Daily Farmers due to the weather and construction work. Surface Revenue is over budget. Higher Revenue means higher City Share on the Surface Lots Revenue. Garage Revenue is over budget. Miscellaneous Revenue is under budget due to the trending. We had trended more Trade Mark revenue during January and February, but in reality we will be collecting them a bit later in the year. Operating Expenses are under budget almost in all the departments. The only one that stands out is the Surface Lots Expenses. The only expense in this Department is the Management Fee (18.8% of the revenue). Higher the Surface Lots Revenue means a higher Management Fee will be paid to the Republic Parking. The Percent Rent spreadsheet represents the performance during the first two months of the current year, as well as how they compare to the same period in 2010 and 2009. So far, we are doing very well in this category- over budget by \$48K.

Capital Reserve Status Report represents the amount contributed to the reserve, and the amount spent so far from the reserve.

Steve gave an overview of the Capital Renovation projects currently underway, which consists of 22 projects over the year. Steve added that the Soundveiw floor has been repaired. Planks were installed at First & Pine and Sanitary Market to avoid any damage. Sanitary Market sign has been restored and the marquee skylight has been repaired. The garbage compactor is complete and the dumpsters have been removed from the street. Stewart House tenant restrooms have been renovated. Security cameras for the garage have been installed.

Ann inquired about the compactor installation

Steve reported the installation went very well and fixed a lot of the problems with leaks down below into Cibola.

Bruce Lorig inquired how the PDA goes about accessing the capital projects needed.

Steve replied that the undertaking the Market renovation helped by initiating a thorough study of what projects, repairs, and system upgrades were a priority. This also initiated building audits and developing a plan and scope of work.

Bruce asked if there was backlog on capital projects. Steve commented that the major capital projects are essentially up to date. Steve also noted that a majority of the smaller projects are not reported on due to the \$10,000 threshold for submitting resolutions to the Council.

III. Checking Account Activity Report

IV. Other Reports and Action Items

A. Action Item: Proposed Resolution **11-11:** Authorization for Contract Authority – Replace Joe Desimone Stairs – North Arcade

Tyler Jamison presented the resolution and stated that in order to maintain the viability of the Pike Place Market buildings the PMPDA has determined the Joe Desimone stairs have deteriorated and need replacement at the North Arcade;. He added that the PMPDA has executed a competitive bid process to replace the stairs. Tyler requested that the Council authorizes to enter into a contract with Schultis-Sundberg, Inc in an amount not to exceed \$43,911.06, for the execution of replacing the Joe Desimone Stairs in the North Arcade. The funds for this project will be drawn from the Capital Projects Budget, Replace Joe Desimone Stairs

David asked about alternatives to and replacing the entire stairwell.

Tyler replied that the costs of replacement would be approximately \$56,000.

Steve stated it could be even more expensive due to design work and other soft costs associated with replacement.

Ann inquired on why we would need to do any repair.

Tyler replied that certain parts of the stairwell that are not visible do show a definite need for repair in addition to the addition of a handrail.

Gerry Kumata moved David Ghoddousi seconded
For: Ann Magnano, Bruce Lorig, David Ghoddousi, Gloria Skouge, Gerry Kumata
Against:
Abstain:

Proposed resolution 11-11 was passed unanimously.

B. Action Item: Proposed Resolution **11-12:** Authorization for Contract Authority – Repair Leaking Skylight – Economy Building

Tyler presented the resolution and stated that in order to maintain the viability of the Pike Place Market buildings the PMPDA has determined that the skylight glass needs to be replaced. Tyler added that the PMPDA has executed a competitive bid process for the replacement of the skylight glass. It was requested that the PMPDA to enter into contracts with Pacific Sheet Metal in an amount not to exceed \$5,334.73, and Solarium Skylight in an amount not to exceed \$42,759.75, for the execution of replacing the Economy Skylight Glass. Project total not to exceed: \$48,094.48. The funds for this project will be drawn from the Capital Projects Budget, Repair Leaking Skylight Windows/Clean Windows

David motioned Gloria seconded
For: Ann Magnano, Bruce Lorig, David Ghoddousi, Gloria Skouge, Gerry Kumata
Against:
Abstain:

Resolution 11-12 was passed unanimously

C. **Action Item:** Proposed Resolution **11-13:** Authorization for Contract Authority – Paint (20) Apartment Units in the Sanitary Building

Bob Beckstrom presented the resolution and stated that in order to maintain the viability of the Pike Place Market buildings the PMPDA has determined that the Sanitary Apartment Units must be repainted due to prior work completed by Turner Special Projects. Tyler added that the PMPDA has executed a competitive bid process to repaint the apartment units. It was requested that the PMPDA Council authorizes the PMPDA to enter into a contract with JJ MAX CO in an amount not to exceed \$28,299.73, for the execution of repainting the apartment units in the Sanitary Building. The funds for this project will be drawn from the Capital Projects Budget, Apartment Remodel,

David Ghoddousi motioned Gerry Kumata seconded

For: Ann Magnano, Bruce Lorig, David Ghoddousi, Gloria Skouge, Gerry Kumata
Against:
Abstain:

The proposed resolution 11-13 was passed unanimously.

D. **Action Item:** Proposed Resolution **11-30:** Update PMPDA's Network File Server

Joe presented the resolution and stated that the PMPDA has executed a competitive pricing review process to upgrade the PMPDA's current HP Proliant server hardware and associated server software due to the current storage capacity is at its limit.

It was requested that the PMPDA Council authorizes the PMPDA to purchase the server hardware and associated software from Insight in an amount not to exceed \$20,600.00, for the upgrading the PMPDA's network file server. The funds for this project will be drawn from the Capital Projects Budget.

David Ghoddousi, moved, Ann Magnano seconded

Gerry asked the price range of the bids for the server.

Joe stated they ranged from \$20,000 – \$26,000 from four different sources.

For: Ann Magnano, Bruce Lorig, David Ghoddousi, Gloria Skouge, and Gerry Kumata
Against:
Abstain:

The proposed resolution was passed unanimously.

VII. Items for the Consent Agenda

Matt moved that Proposed Resolution 11-11, 11-12, 11-13, and 11-30 be added to the Consent Agenda.

It was passed by acclamation.

VIII. LaSalle Senior Housing LLC Audit Report for the year ended December 31, 2010

Ben gave a brief overview of the positive audit report.

Jay Schalow commented on working with Peterson Sullivan LLP and how smooth and simplified the audit process was compared with years past.

IX. Public Comment

None.

X. Concerns of Committee Members

None.

XI. Adjournment

Meeting was adjourned at 5:21 p.m. by Bruce Lorig, Vice Chair.

Meeting minutes submitted by:
Ryan Yale, Executive Assistant