



Pike Place Market Preservation and Development Authority (PDA)

**FINANCE & ASSET MANAGEMENT
Draft Meeting Minutes**

**Tuesday, April 19, 2011
4:30 p.m. to 6:00 p.m.
PDA Conference Room**

Committee Members Present: Matt Hanna, David Ghoddousi, Gerry Kumata, Gloria Skouge

Other Council Members Present:

Staff Present: Ben Franz-Knight, Ryan Yale, Sabina Proto, Steve Nelson, Jay Schalow

Others Present: Mike Temple, Mike Kelley

This meeting was called to order at 4:35 p.m. by Matt Hanna

Others Present:

I. Administration

- A. Approval of Agenda
The agenda was approved by acclamation.
- B. Approval of March 22nd Minutes
The minutes were approved by acclamation.
- C. Announcements and Community Comments
None.

II. NMTC I & II:

Ben reported on the NMTC Phase I and NMTC Phase II charts, which were distributed to the Committee. The distributed charts gave a summary of the expenditures to date and detailed the amount of revenue remaining. NMTC Phase I expenditures can be applied to a number of physical locations within the Market, which include the Hillclimb, Arcade and parts of Leland-Fairley. The total budgeted amount for NMTC Phase I is \$2.9m. The amount of funds that have been committed to date is currently at nearly \$1.3m. The total amount of funds that have been paid to date stands at \$1.2m. Ben stated that we still have a ways to go and noted a discussion took place during the latest CapRen committee on some of the Hillclimb options and uses of potential expenditures. In addition, a discussion took place on the Arcade and Pike Place uses for the remaining funds. Ben added that at some point in the future, we will diverge from the direct roles and responsibilities of CapRen and have OPSCOM step in really start reviewing the refined uses. Matt requested Ben to help the committee understand certain aspects of the

distributed charts. Ben then gave an overview of the charts and provided some detail on specific columns and line items. A discussion period followed.

III. Insurance Renewal – Mike Temple, Arthur J. Gallagher Risk Management Services

Mike gave an overview of the Insurance Renewal process and outcome. Mike discussed the 2011 Insurance Proposal and stated the total premiums for 2011 should not exceed \$525,000. A question and answer period followed.

IV. Review of Financial Statements for March 31st, 2011

A. PDA Operating Statements

Sabina reported on the operating statements and stated the main event which took place during March and had a material impact on the Balance Sheet was the closing of New Markets Tax Credit deal. Due to this transaction, two new categories were added; on the Assets side was the Leverage Loan Receivable and on the Liabilities side was the Deferred Master Lease for the amount of \$25.6 million. Sabina continued to discuss the Levy Funds, which collected in total are \$45.2 million. The amount collected from January through March 2011 is \$6 million. The account receivable activity report saw a slight decrease from the prior month. The total revenue for the end of February is \$2,796,525, which is over budget by \$197,673. Total operating expenses are \$2,215,481, which is currently under budget by \$198,966. The net operating result for the end of March is \$581,044, which essentially means we are \$396,639 over budget the annual budget is \$896,875, and the actual YTD is \$106,591. Sabina stated that commercial revenue is currently over budget, which is due to less vacancy than budgeted. Residential revenue is over budget, which 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. Sabina continued to report on the operating statements and noted that the Garage Revenue is over budget, while miscellaneous revenue is under budget due to the trending. She stated we had trended more Trade Mark revenue during January, February and March, but in reality it will be even out later in the year. The operating expenses are under budget in most PDA departments. She noted that 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). The higher the Surface Lots revenue resulted in a higher Management Fee being paid to the Republic Parking. She stated the Percent Rent represents the performance during the first two months of the current year, as well as how they compared to the same period in 2010 and 2009. She stated that so far, we are doing very well in this category and it is over budget by \$70K. The Capital Reserve Status Report represents the amount contributed to the reserve, and the amount spent so far from the reserve.

B. Capital Projects Statement

Sabina reported that the status of the Capital Projects is going very well and as planned.

V. Other Reports and Action Items

A. Action Item: Proposed Resolution 11-42 Annual Insurance Renewal and premium authorization

Sabina presented the proposed resolution and stated that the PDA Finance Committee has been presented the renewal package for the 2011-2012 property and liability insurance coverage for both the Pike Place Market PDA, and the property managed by the PDA in the Market Historic District. Sabina requested, that the PDA Council approve policy terms and conditions and to pay the premiums and brokerage fees not to exceed **\$525,000** for the coverage period May 1, 2011 through April 30, 2012. In addition, she requested brokerage representation and services provided by Arthur J. Gallagher Risk Management Services, Inc be retained.

David Ghoddousi moved, Gloria Skouge seconded

For: Hanna, Ghoddousi, Kumata, and Skouge

Against: 0

Abstain: 0

The proposed resolution 11-42 was passed by acclamation.

VII. Items for the Consent Agenda

Matt moved to pass the proposed resolution to the Consent Agenda it was agreed and approved unanimously.

VIII. Checking Account Activity Report

The checking account activity report was submitted to the Executive Assistant for inclusion in the minutes.

IX. Public Comment

None.

IX. Concerns of Committee Members

None.

X. Adjournment

Meeting was adjourned at 5:42 p.m. by Matt Hanna, Chair.

Meeting minutes submitted by:
Ryan Yale, Executive Assistant